

To Our Shareholders

We would like to take this opportunity to express our sincere appreciation for our shareholders' continuous support to us in presenting our business report for the 117th business term, from April 1, 2016 to March 31, 2017.

Consolidated sales of the Ricoh Group for the fiscal year ended March 31, 2017 amounted to ¥2,028.8 billion, which represents a decrease of 8.2% from the previous fiscal year, while profit attributable to owners of the parent amounted to ¥3.4 billion, which represents a decrease of 94.5% from the previous fiscal year. Amid the impact of a deteriorated market environment and intensified competition, particularly in our office-oriented core business, we implemented various measures to provide new value to customers, and increased efficiency through structural reform ahead of schedule, prior to the formulation of the new mid-term management plan. However, profits declined significantly due to the influence of foreign exchange rates, as well as posting of one-time expenses including structural reform expenses and impairment expenses.

With regard to dividends, in consideration of our stance of providing stable dividends, we will be proposing a year-end dividend of ¥12.5 per share (including a commemorative dividend of ¥5) at the 117th Ordinary General Meeting of Shareholders. In addition to the interim dividend already disbursed, the annual dividend for the fiscal year under review would amount to ¥35 per share (including a commemorative dividend of ¥10).

Under the 19th Mid-Term Management Plan that began in April 2017, upholding the "RICOH Resurgent", we revised our previous strategy that emphasized scale and have set cost structural reform as our top priority, and will promote enhancement of earnings power in products and services in the office domain. At the same time, we will make investments aimed at the future, focusing on growth businesses that are expanding the market by leveraging the Ricoh Group's strengths.

In the fiscal year ending March 31, 2018, we expect to post structural reform expenses required for the Mid-term Management Plan. The Ricoh Group therefore seeks to achieve sales of ¥2,000.0 billion and profit attributable to owners of the parent of ¥3.0 billion.

We look forward to your continued support and encouragement to the Ricoh Group.

Sincerely,

May 30, 2017

Yoshinori Yamashita,
*Representative Director,
President and CEO*

The RICOH Way

Founding Principles – The Spirit of Three Loves

“Love your neighbor”

“Love your country”

“Love your work”

The Ricoh Group takes as its founding principle “the spirit of three loves” put forward by the company founder, Kiyoshi Ichimura, in 1946. This concept informs the work of all Group employees, as we are guided at every level of business by the pursuit of well-being for ourselves, our families, our customers, related parties such as suppliers, and society at large.

Management Principles

Mission Statement:

At the Ricoh Group, we are committed to providing excellence to improve the quality of living and to drive sustainability.

Vision Statement:

To be the most trusted brand with irresistible appeal in the global market.

Values Statement:

To be one global company, we must care about people, our profession, our society, and our planet. We must dedicate our winning spirit, innovation and teamwork to sharpen our customer centric focus, and we also must commit to the highest standards of ethics and integrity.

(Translation)

**NOTICE OF
117TH ORDINARY GENERAL MEETING OF SHAREHOLDERS**

- 1. Date and Time:** Friday, June 16, 2017, from 10:00 a.m.
(Reception will start at 9:00 a.m.)
- 2. Venue:** Prince Hall, 5th floor of Annex Tower, Shinagawa Prince Hotel
10-30 Takanawa 4-chome, Minato-ku, Tokyo

We recommend that you confirm the location in advance.

3. Purpose:

- Items to be reported:**
1. The Business Report, Consolidated Financial Statements and the results of the audit of the Consolidated Financial Statements by Independent Auditor and the Audit & Supervisory Board for the fiscal year ended March 31, 2017 (from April 1, 2016 to March 31, 2017)
 2. The Non-Consolidated Financial Statements for the fiscal year ended March 31, 2017 (from April 1, 2016 to March 31, 2017)

Items to be resolved:

- Agenda 1: Appropriation of surplus
Agenda 2: Election of two (2) Audit & Supervisory Board Members
Agenda 3: Payment of bonuses to Directors

4. Treatment of voting rights

- (1) Those who will not be able to attend the meeting on the day are kindly requested to consider the appended "Reference Material for Ordinary General Meeting of Shareholders" and exercise their voting rights in writing or via the Internet by no later than 5:30 p.m., Thursday, June 15, 2017.
- (2) When voting rights are exercised both in writing and via the Internet, the vote received later shall be deemed effective. However, if votes are received on the same day, the vote registered via the Internet shall be deemed effective.
- (3) When voting rights are exercised via the Internet more than once, the last vote shall be deemed effective.

- * The Company positions General Meetings of Shareholders as a place to actively communicate with shareholders. To this end, a gathering is scheduled following this General Meeting of Shareholders.

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- If there is any revision to the Reference Material for Ordinary General Meeting of Shareholders, Business Report, Consolidated and Non-consolidated Financial Statements, notification of the content of such revision will be given on the Company's website in the column "To Our Shareholders (Investor Relations / Financial Data)." (<http://jp.ricoh.com/IR/>)

This English translation is an abridged version of the original notice in Japanese. In the event of any discrepancy, the Japanese version shall prevail.

Reference Material for Ordinary General Meeting of Shareholders

Agenda 1: Appropriation of surplus

The appropriation of surplus will be as follows:

While enhancing its retained earnings in pursuit of the strengthening of our corporate structure and new development of operations, the Company strives to deliver stable dividend payments to shareholders by taking into consideration medium-term profit forecast and investment plans, cash flows and financial strength in a comprehensive manner.

The Company intends to use internal reserve funds intensively for the further development of its core businesses and for investment in growing business areas, with a medium- to long-term objective of achieving prosperity.

The year-end dividend for the current fiscal year will be ¥12.5 per share (ordinary dividend of ¥7.5 and 80th anniversary dividend of ¥5).

1. Year-end dividends

(1) Type of dividend assets

Cash

(2) Matters concerning allocation of dividend assets and the total amount

We propose a year-end dividend of ¥12.5 per common share of the Company (ordinary dividend of ¥7.5 and 80th anniversary dividend of ¥5).

The total amount of dividends will be ¥9,061,020,125.

Accordingly, the annual dividend for the current fiscal year, being the total of the interim and year-end dividends, amounts to ¥35 per share (ordinary dividend of ¥25 and 80th anniversary dividend of ¥10).

(3) Effective date of the surplus distribution

We propose that the effective date of the surplus distribution be June 19, 2017.

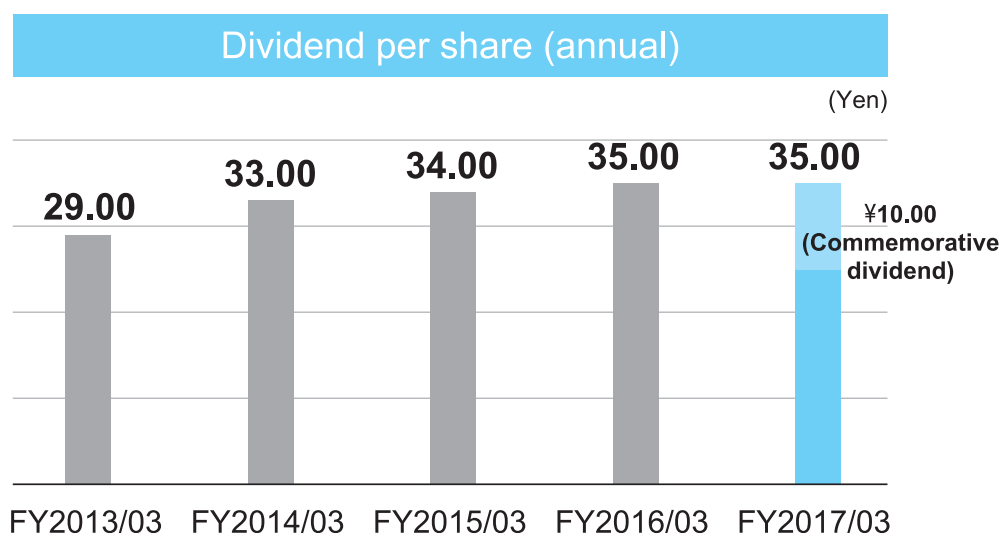
2. Other appropriation of surplus

(1) Item of surplus whose amount is to be increased and the amount thereof

Retained earnings brought forward: ¥20,000,000,000

(2) Item of surplus whose amount is to be decreased and the amount thereof

General reserve: ¥20,000,000,000



Agenda 2: Election of two (2) Audit & Supervisory Board Members

The tenure of office of Audit & Supervisory Board Members Mr. Kunihito Minakawa and Mr. Kimitoshi Yabuki will expire at the conclusion of this Ordinary General Meeting of Shareholders.

Accordingly, the Company proposes the appointment of two (2) Audit & Supervisory Board Members, including one (1) Outside Audit & Supervisory Board Member.

The Audit & Supervisory Board has given its consent to this agenda.

The candidates for Audit & Supervisory Board Members are as follows:

No.	Name (Date of birth)	Brief personal profile and position at the Company and significant concurrent positions	Number of the Company's shares held
1	Hiroshi Osawa (February 28, 1964) New Candidate	<p>Apr. 1988 Joined the Company</p> <p>Jul. 2008 General Manager of Accounting Department, Finance and Accounting Division</p> <p>Nov. 2009 General Manager of Finance Department, Finance and Accounting Division</p> <p>Apr. 2011 General Manager of Audit & Supervisory Board office</p> <p>Jul. 2013 Executive Vice President of Ricoh Europe Plc</p> <p>May 2016 General Manager of Communication Support Department, Corporate Strategy & Planning Center, Corporate Division</p> <p>Apr. 2017 General Manager of Business Management Department, Corporate Strategy & Planning Center, Corporate Division (Current)</p> <p>[Reasons for nomination as a candidate for Audit & Supervisory Board Member] We propose the appointment of Mr. Hiroshi Osawa based on the determination that he is an appropriate person to be an Audit & Supervisory Board Member of the Company given his expertise in the area of finance and accounting, as well as his abundant experience in corporate management at an overseas affiliate company of the Ricoh Group.</p>	0

No.	Name (Date of birth)	Brief personal profile and position at the Company and significant concurrent positions	Number of the Company's shares held
2	Yo Ota (October 3, 1967) Candidate for Outside Audit & Supervisory Board Member New Candidate Independent Audit & Supervisory Board Member (planned)	<p>Apr. 2001 A member of staff of Civil Affairs Bureau of The Ministry of Justice (Japanese Commercial Code Group of Counsellor's Office)</p> <p>Jan. 2003 Partner of Nishimura & Asahi (Current)</p> <p>Jun. 2005 Outside Auditor of Culture Convenience Club Co., Ltd.</p> <p>Jun. 2005 Outside Director of Denki Kogyo Co., Ltd. (Current)</p> <p>May 2012 Director of the Japan Association of Corporate Directors (Current)</p> <p>Apr. 2013 Professor of Graduate Schools for Law and Politics of the University of Tokyo</p> <p>Jun. 2013 Councilor of LOTTE Foundation (Current)</p> <p>Jul. 2014 Vice Chairman of Corporate Governance Committee of the Japan Association of Corporate Directors (Current)</p> <p>Jun. 2016 Outside Director of Nippon Kayaku Co., Ltd. (Current)</p> <p>[Reasons for nomination as a candidate for Outside Audit & Supervisory Board Member] We propose the appointment of Mr. Yo Ota based on the determination that he is an appropriate person to be an Audit & Supervisory Board Member of the Company given his abundant experience as an attorney-at-law and expert in corporate governance.</p>	0

Notes:

- There are no special interests between any of the candidates for Audit & Supervisory Board Members and the Company. Mr. Yo Ota is an attorney-at-law and partner at Nishimura & Asahi. Nishimura & Asahi is one of the law firms that the Company requests the handling of legal affairs on a case-by-case basis. Although the Company has transactions involving consignment of legal affairs, etc. with other attorneys-at-law at Nishimura & Asahi, the relevant transactional amount for the fiscal year under review accounts for less than 1% of the Company's consolidated net sales and Nishimura & Asahi's annual transaction amount, respectively, which is considered extremely insignificant. Therefore, there are no special transactional relationships between the Company and Nishimura & Asahi which could affect Mr. Yo Ota in executing his duties as Outside Audit & Supervisory Board Member. In addition, Mr. Yo Ota has never been involved in legal consultation for the Ricoh Group.
- With the expectation that Audit & Supervisory Board Members can fully fulfill the roles associated with their positions, the Company has executed contracts with Audit & Supervisory Board Members to limit liability for damages as stipulated in Article 423, Paragraph 1 of the Companies Act, to the higher of ¥5 million or the minimum liability limit amount stipulated in Article 425, Paragraph 1 of the Companies Act.
If approval is given for Mr. Yo Ota to be appointed as Outside Audit & Supervisory Board Member, the Company plans to execute a similar liability limitation contract with him.
- The tenure of office of the two (2) candidates for Audit & Supervisory Board Members will expire at the conclusion of the Ordinary General Meeting of Shareholders for the last fiscal year ending within a four-year period after their appointment, in accordance with the Company's Articles of Incorporation.
- If approval is given for Mr. Yo Ota to be appointed as Outside Audit & Supervisory Board Member, he will become Independent Audit & Supervisory Board Member as stipulated in Rule 436-2 of the Securities Listing Regulations of the Tokyo Stock Exchange.
- The numbers of the Company's shares held by each of the candidates for Audit & Supervisory Board Members are as of March 31, 2017.

(Reference) Standards for Independence of Outside Directors and Audit & Supervisory Board Members

1. In principle, Outside Directors and Outside Audit & Supervisory Board Members of Ricoh Company, Ltd. (the “Company”) shall be independent from the Company and shall satisfy all of the items set out below. The Ricoh Group stated herein refers to the corporate group that comprises the Company and its subsidiaries.
 - (1) A person who is not a shareholder holding 10% or more of the total voting rights of the Company (the “major shareholder”), or a person who is not a director, audit & supervisory board member, accounting advisor, executive officer, executive director, corporate officer, manager or any other employee of the major shareholder of the Company.
 - (2) A person who is not a director, audit & supervisory board member, accounting advisor, executive officer, executive director, corporate officer, manager or any other employee of a company of which the Ricoh Group is a major shareholder.
 - (3) A person who is not a director, audit & supervisory board member, accounting advisor, executive officer, executive director, corporate officer, manager or any other employee of the Ricoh Group, or a person who was not a director, audit & supervisory board member, accounting advisor, executive officer, executive director, corporate officer, manager or any other employee of the Ricoh Group within 10 years preceding the assumption of the office of Outside Director.
 - (4) A person of which the Ricoh Group was not a major business partner (whose sales to the Ricoh Group accounted for 2% or more of its consolidated net sales) in the immediately preceding fiscal year or any of the three fiscal years prior to such fiscal year, or a person who is not a director (excluding outside directors who are independent), audit & supervisory board member, accounting advisor, executive officer, executive director, corporate officer, manager or any other employee thereof (including its parent company and subsidiaries).
 - (5) A person who was not a major business partner of the Ricoh Group (to which sales of the Ricoh Group accounted for 2% or more of consolidated net sales of the Ricoh Group) in the immediately preceding fiscal year or any of the three fiscal years prior to such fiscal year, or a person who is not a director (excluding outside directors who are independent), audit & supervisory board member, accounting advisor, executive officer, executive director, corporate officer, manager or any other employee thereof (including its parent company and subsidiaries).
 - (6) A person who is not a consultant, certified public accountant, certified tax accountant, lawyer or any other professional who received money or other property other than executive remuneration, either directly or indirectly, from the Ricoh Group in an amount of ¥10 million or more in the immediately preceding fiscal year or per year in average over the past three fiscal years.
 - (7) A person who does not belong to an organization, such as a law firm, auditing firm, tax accounting firm, consulting firm or any other professional advisory firm, that received money or other property, either directly or indirectly, from the Ricoh Group in an amount equivalent to 2% or more of its total revenue in the immediately preceding fiscal year or per year in average over the past three fiscal years.
 - (8) A person who is not a spouse, a relative within the second degree of kinship or a relative who lives in the same household of a person who falls under the items (1) through (7).
 - (9) A person who is not a director, audit & supervisory board member, accounting advisor, executive officer, executive director, corporate officer, manager or any other important employee of a company, its parent company or subsidiary that has directors dispatched from the Ricoh Group.
 - (10) A person who is unlikely to cause a substantial conflict of interests with the Company.
2. The Company may appoint a person as Outside Director or Outside Audit & Supervisory Board Member if it judges that the person is qualified for the post, even though he/she fails to satisfy any of the above items (1) and (4) through (9) in the preceding paragraph, provided that the Company explains to external parties the reason for its determination that the person qualifies for the post.

Agenda 3: Payment of bonuses to Directors

The Company proposes that bonuses amounting to ¥38.00 million be paid to the seven (7) Directors (excluding Outside Directors) who are at the office of Directors during the current fiscal year, based on the Company's earnings results and other factors. The Company requests that the details such as specific amount to be paid to each Director, timing and manner of payment be left to the decision of the Board of Directors.

Note: As for the previous fiscal year, bonuses amounting to ¥122.99 million were paid to seven (7) Directors (excluding Outside Directors).

<Policy of Remuneration for Directors>

At the Company, executive remuneration is employed as an effective incentive to achieve a sustainable increase in corporate earnings for medium- to long-term, in the pursuit of increased shareholder value of Ricoh and the Ricoh Group. In addition, from the viewpoint of strengthening corporate governance, measures to secure objectivity, transparency, and validity are taken in setting up remuneration levels and determining individual remunerations, and the Company determines executive remuneration based on the following basic policies:

- 1) Remuneration must appropriately reflect roles, responsibilities, performance, etc. that Directors are expected to perform, as well as business results and shareholder value of the Company.
- 2) When remuneration levels are set up and individual remunerations are determined, objectivity, transparency and validity must be secured through proper external benchmarks and deliberation by the Compensation Committee.

[Components and determination of remuneration]

1) Basic remuneration

The amount of basic remuneration paid to Directors is determined based on their roles, importance of responsibilities, and stock price performance.

The basic remuneration for Directors consists of remuneration pertaining to management oversight, remuneration reflecting the importance of their individual roles and responsibilities, remuneration for the purpose of purchasing the Company's stocks, and variable remuneration linked to stock price performance during the relevant business year.

2) Bonuses

The amount of bonuses paid to Directors is determined based on the achievement of key performance indicators such as sales, operating income, and ROA, which pertain to improvement of shareholder value and enhancement of the Company's competitiveness. Proposed bonuses are brought before the Ordinary General Meeting of Shareholders every time for approval.

Business Report for 117th Business Term

(April 1, 2016 - March 31, 2017)

(The following is an unofficial English translation of the Reports for the 117th Fiscal Year of the Company. The Company provides this translation for your reference and convenience only and without any warranty as to its accuracy or otherwise.)

1. Business condition of the Ricoh Group

(1) Operating conditions for the fiscal year

Operating progress and results

■ Overview

Business Environment

The global economy during the fiscal year ended March 31, 2017 was on a gradual recovery trend overall, amid signs of improvement such as government spending mainly in developed countries and a wane on the slowdown in economic growth in emerging markets including China. In Japan, the economy continued to pick up gradually due to increases in export and production backed by strong overseas economies. In the Americas, despite uncertainty about the U.S. presidential election seen in the first half of the year, business sentiment recovered in the second half owing to expectations of fiscal policies under the new administration. Meanwhile, in Europe, the outlook remained uncertain due to issues including Brexit and Italy's bad debt. In these circumstances, the exchange rate saw a trend toward a strong yen both against the U.S. dollar and the Euro.

The RICOH Way

The Ricoh Group aims “to be the most trusted brand with irresistible appeal in the global market” under its universal philosophy, the RICOH Way, which details the basic principles of its business activities, and charges the Ricoh Group with its mission: “We are committed to providing excellence to improve the quality of living and to drive sustainability”.

For this to be possible, we hold and implement our value of “dedicating our winning spirit, innovation and teamwork to sharpen our customer-centric focus, and we also must commit to the highest standards of ethics and integrity”. Accordingly we strive to provide innovative products and services.

Medium and Long Term Management Strategy

We understand that our Imaging & Solutions business, which stands at the center of Ricoh Group businesses, has reached its turning point. The 18th Mid-Term Management Plan, effective from April 2014 to March 2017, was defined as “three years to ensure Ricoh Group's long-term growth”. Accordingly we are committed to the three fundamental initiatives, namely, “actionable strategies”, “management systems”, and “transformation”.

For one of the initiatives, “actionable strategies”, we have specified two basic strategies of “1) Reinforce

and develop earnings power for core businesses (Office Imaging)” and “2) Achieve growth by creating new profit generators”. For “1) Reinforce and develop earnings power for core businesses (Office Imaging)”, we have identified an action plan of “reinforcing earnings power in developed countries” and “creating new profit generators in emerging markets, services, and VC businesses”. For “2) Achieve growth by creating new profit generators”, we have identified an action plan of “creating profit generators in commercial printing, industrial, and consumer businesses” and of “creating new businesses by leveraging Ricoh Group's core assets”.

Performance in the fiscal year

With regard to sales in the fiscal year ended March 31, 2017, although performance was strong in the Industrial Products segment including growth areas and in the Other segment mainly in finance business, sales decreased in Imaging & Solutions due to poor sales of color multifunction printers and a drop in unit sales in Production Printing. With the added impact of the strong yen, total sales decreased by 8.2% from the previous fiscal year to ¥2,028.8 billion.

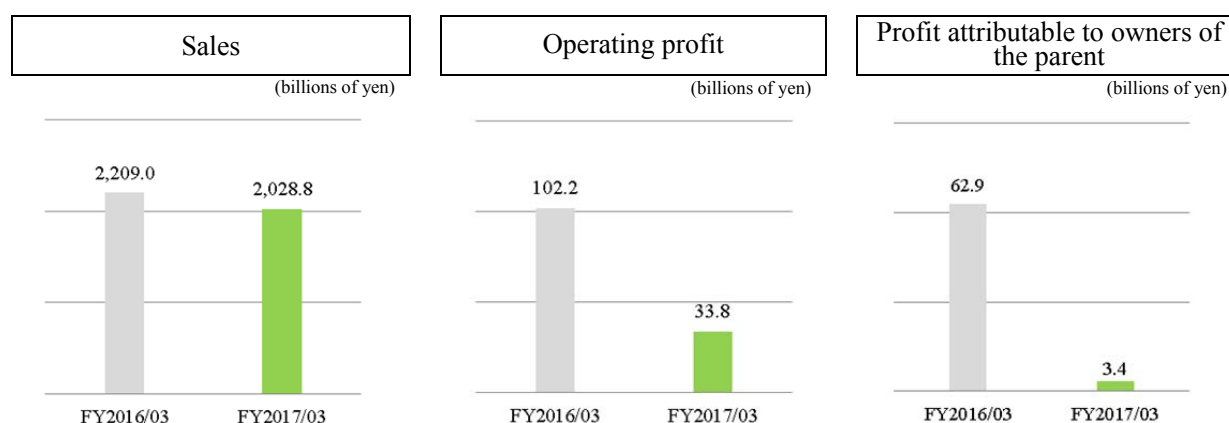
Gross profit decreased by 10.6% year-on-year to ¥788.6 billion, due to the impact of the drop in sales in addition to impairment of property, plant and equipment and intangible assets of ¥1.7 billion in the camera business. Selling, general and administrative expenses decreased by 5.5% year-on-year to ¥755.3 billion, owing to the results of ongoing Group-wide activities to reduce costs as well as the impact of the foreign exchange rates, among other factors, despite an increase in costs due to starting structural reforms aimed at future business growth as well as impairment of property, plant and equipment and intangible assets of ¥3.7 billion in the camera business. Other income decreased significantly from the previous fiscal year. Other expense includes impairment of goodwill of ¥3.9 billion in the camera business. Consequently, operating profit decreased by 66.9% year-on-year to ¥33.8 billion.

In finance income and finance costs, foreign exchange gains increased from the previous fiscal year. Income before income taxes decreased by 68.7% year-on-year to ¥29.9 billion. In addition, an agreement was reached through mutual discussion between the Japanese and U.S. tax authorities concerning advance price agreement (APA) related to the calculation method for arm's length pricing, and the resulting impact is included in income tax expenses. As a result of this Japan-U.S. APA agreement, the risk of double taxation due to transfer pricing taxes has been eliminated. Consequently, profit attributable to owners of the parent decreased by 94.5% year-on-year to ¥3.4 billion. A loss of ¥6.9 billion, including loss posted in the fiscal year ended March 31, 2016 at a local listed subsidiary in India for which disclosure was delayed, has been posted in the consolidated fiscal year under review.

Financial Results Reports Regarding the Company's Overseas Subsidiary

Following the filing of its first quarter financial results ended June 30, 2015 to the Bombay Stock Exchange, Ricoh India Limited (referred to as Ricoh India from here), in line with good governance, changed its auditors. In order to meet its required reporting obligations with the Bombay Stock Exchange, the auditors undertook a limited review of the results for the second quarter ended September 30, 2015 as part of their new auditor processes. During this review the auditors raised concerns with Ricoh India's management and Ricoh India's audit committee regarding financial irregularities. Ricoh India's audit committee commissioned various investigations which have been undertaken by Ricoh India and independent parties. On May 19, 2016 Ricoh India announced its financial results for the second quarter ended September 30, 2015. Then on July 19, 2016, Ricoh India disclosed an estimate for the fiscal year ended March 31, 2016, which reflected the financial irregularities, and finally on November 18, the Company announced its full year financial results for the year ended March 31, 2016.

The Company made an application concerning this incident to the National Company Law Tribunal, and took necessary measures. In addition, as the parent company, we are sequentially formulating and implementing measures to prevent recurrence, including bolstering internal audits at overseas subsidiaries. So far, we have implemented measures including strengthening control of management at subsidiaries, enhancing the evaluation of external independent auditors' qualifications and the effectiveness of internal audits at subsidiaries, strengthening collaboration among internal audit divisions globally, and carrying out thorough compliance education. We will continue to thoroughly implement measures to prevent recurrence and strengthen our governance in the Group.

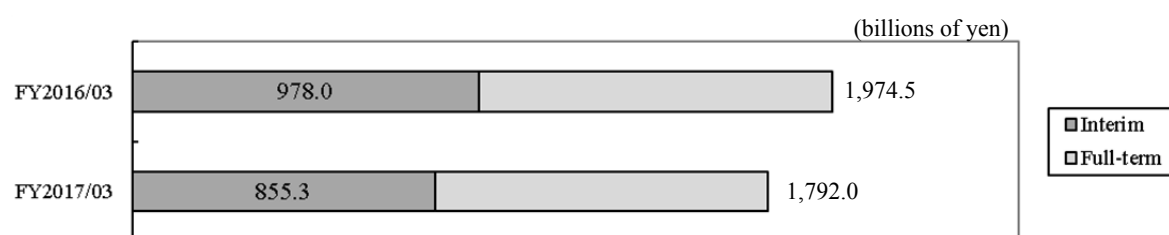


■ Consolidated sales by category

Category	Sales (billions of yen)	Percentage of total (%)	Change (%)
Office Imaging	1,274.8	62.8	(11.0)
Production Printing	206.2	10.2	(7.9)
Network System Solutions	310.9	15.3	(2.4)
Imaging & Solutions	1,792.0	88.3	(9.2)
Industrial Products	124.8	6.2	(0.5)
Other	111.9	5.5	2.7
Total	2,028.8	100.0	(8.2)

Imaging & Solutions (Sales down 9.2% year on year to ¥1,792.0 billion)

The Imaging & Solutions segment consists of Office Imaging, Production Printing and Network System Solutions. The overall sales in this segment decreased by 9.2% from the previous fiscal year to ¥1,792.0 billion.



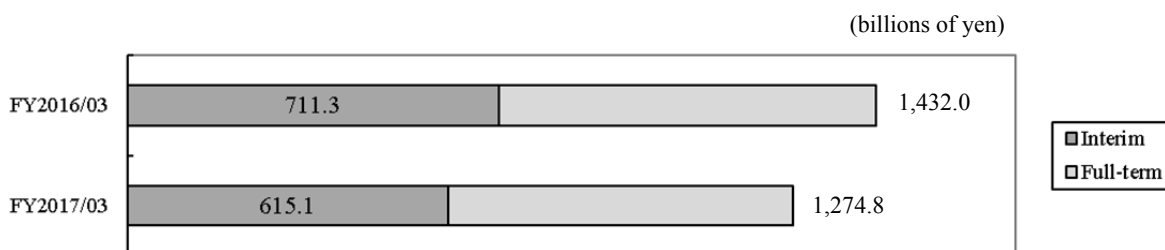
Office Imaging (Sales down 11.0% year on year to ¥1,274.8 billion)

Main Businesses

Multifunctional products (multifunctional printers), copiers, printers, digital duplicators, facsimile machines, scanners, as well as related supplies, customer service, support and software, etc.

In Office Imaging, among our mainstay multifunction printers, we renewed our core product lineup with the launch of 14 models in 6 series of digital full-color multifunction printers including the RICOH MP C6004, and 14 models in 8 series of digital monochrome multifunction printers including the RICOH MP6055, as new products using a new platform to offer even higher value to customers. Users can access a dedicated application website with these new products and download a variety of applications to the device. This lets customers easily take advantage of a range of extended features that help improve office work efficiency, while also making it possible to use the multifunction printer as an input and output terminal for cloud services.

In Office Imaging during the fiscal year under review, sales were affected by a drop in the average unit price due to increased sales of low-priced multifunction printers in the Americas and Europe, Middle East and Africa, in addition to the impact of yen appreciation, despite growth in sales of multifunction printers and printers in the Other region. As a result, sales for the segment decreased by 11.0% from the previous fiscal year to ¥1,274.8 billion.



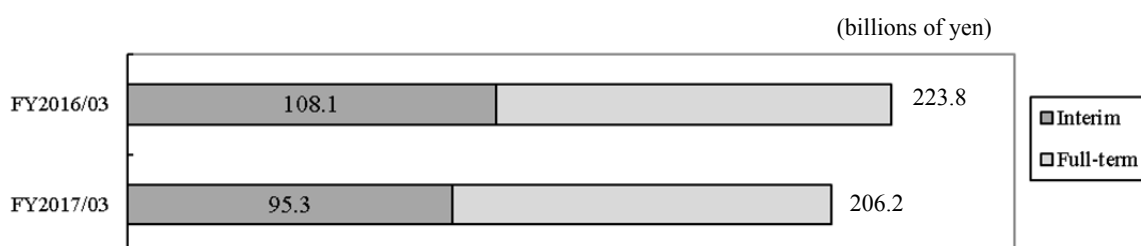
Production Printing (Sales down 7.9% year on year to ¥206.2 billion)

Main Businesses

Cut sheet printer, continuous feed printer, related supplies, customer service, support and software, etc.

In Production Printing, we acquired Avanti Computer Systems Limited, a leading management information system vendor based in Toronto, Canada, in order to further enhance our ability to resolve problems in the printing process. We also opened the RICOH Customer Experience Center TOKYO in Heiwajima, Ota-ku, Tokyo, as a “printing plant showcase”, where customers can immerse themselves in the end-to-end workflow of commercial printing (from receiving orders, to editing, printing, post-processing, packaging, and shipping). This is the fourth such facility, joining existing locations in Europe (U.K.), the U.S., and Asia Pacific (Thailand). It is now possible to offer solution proposals on a global level while sharing and developing examples from each center.

In Production Printing during the fiscal year under review, sales decreased due to factors including yen appreciation and a decline in unit sales in Europe, Middle East and Africa, despite growth in color cut sheet printers in Japan and growth in sales of related parts, supplies and services in both domestic and overseas markets. As a result, sales for the segment decreased by 7.9% from the previous fiscal year to ¥206.2 billion.



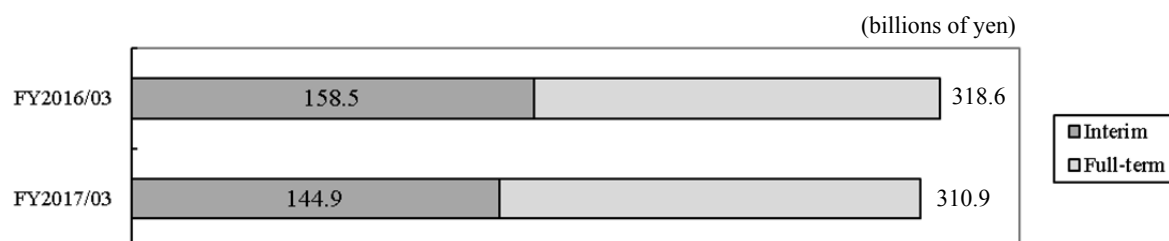
Network System solutions (Sales down 2.4% year on year to ¥310.9 billion)

Main Businesses

Personal computers, PC servers, network equipment, related customer service, support and software, etc.

In Network System Solutions, we worked to expand service businesses, and improved earnings power by providing high added-value services that coordinate documents, communication, and industry-specific solutions. As a new product in IT services, we launched NET Begin BB Pack Next, through which the Ricoh Group provides one-stop service for a secure and comfortable network environment, from installation and development to operation and maintenance, at the customer's location. As a new product in communication support services that enable customers to work anywhere, any time, we launched the RICOH PJ WXC1110, an ultra-compact, palm-sized projector that allows customers to make effective use of limited spaces such as meeting corners or small meeting rooms. In addition, we launched the RICOH Interactive Whiteboard D8400, an interactive whiteboard (electronic blackboard) ideal for use as an information board for large meeting rooms, company reception areas, public facilities and event venues, and the RICOH Multilingual Interpretation Service, a high quality interpretation service that can handle seven major languages using the platform of a teleconference system, the RICOH Unified Communication System.

In Network System Solutions during the fiscal year under review, sales increased due to growth in sales of IT products in Japan. Meanwhile overseas, although sales grew mainly for IT services in the Americas and Europe, Middle East and Africa, sales declined in the Other region. As a result, sales for the segment decreased by 2.4% from the previous fiscal year to ¥310.9 billion.



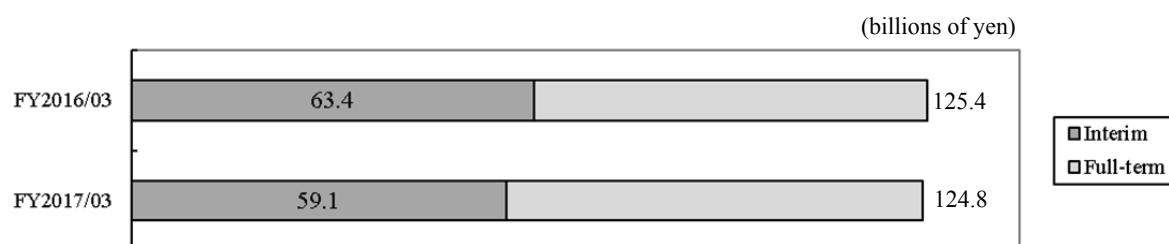
Industrial Products (Sales down 0.5% year on year to ¥124.8 billion)

Main Businesses

Thermal media, optical equipment, electronic components, semiconductors and inkjet heads, etc.

In the Industrial Products segment, we are working to expand business using the technologies cultivated by the Ricoh Group in printing, optics, and image processing. During the fiscal year under review, we newly developed the RICOH MH5220 ink jet print head that achieves high-precision printing, and an industrial ink jet print head equipped with thin-film piezo actuators. These are new products leveraging the proprietary ink jet technologies cultivated by Ricoh for more than 30 years, aimed at industrial printing customers in recently expanding markets such as labeling, packaging, and sign graphics.

In the Industrial Products segment during the fiscal year under review, although sales grew domestically mainly in optical equipment and electronic components, sales decreased overseas due to the impact of yen appreciation and other factors. As a result, sales for the segment decreased by 0.5% from the previous fiscal year to ¥124.8 billion.



Other (Sales up 2.7% year on year to ¥111.9 billion)

Main Businesses

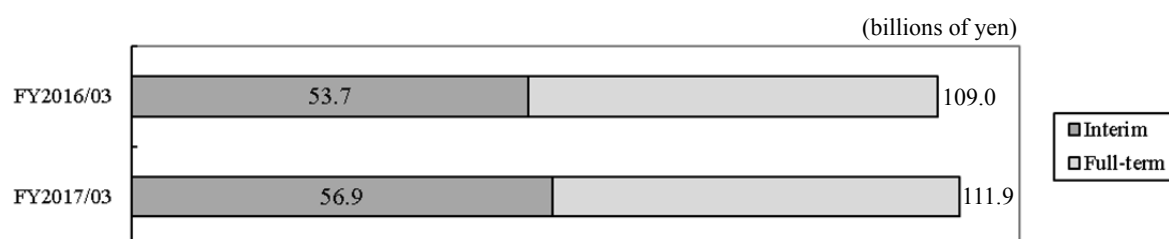
Digital cameras, etc.

In the Other segment, with a view to expanding new businesses, we developed the RICOH R DEVELOPMENT KIT, a camera that enables spherical live streaming employing Ricoh's proprietary spherical imaging technology. This product is expected to find broad application in fields such as Telexistence technology^{*1} and Computer vision^{*2}, as well as in entertainment.

In the Other segment during the fiscal year under review, sales increased in the domestic leasing and finance businesses. However, sales decreased overseas due to the impact of yen appreciation, despite growth in the camera business. As a result, sales for the segment increased by 2.7% from the previous fiscal year to ¥111.9 billion.

*1 Technology that enables one to have the highly realistic sensation of having contact with things in a space other than where one actually is, and to interact remotely with that environment as though directly experiencing it.

*2 Technology that processes raw image data input to a computer and extracts required information.



■ **Consolidated sales by region**

Region	Sales (billions of yen)	Percentage of total (%)	Change (%)
Japan	767.5	37.8	0.8
Overseas	1,261.3	62.2	(12.9)
The Americas	609.0	30.0	(12.2)
Europe, Middle East and Africa	456.4	22.5	(14.0)
Other	195.8	9.7	(12.1)
Total	2,028.8	100.0	(8.2)

Japan (Sales up 0.8% year on year to ¥767.5 billion)

Though the sales in the Office Imaging decreased, sales of solution product in the Network System Solutions and color cut sheet printers in the Production Printing business increased. Also, sales in the Industrial Products segment and the Other segment increased. As a result, the sales in the overall domestic market increased by 0.8% as compared to the previous fiscal year, to ¥767.5 billion.

The Americas (Sales down 12.2% year on year to ¥609.0 billion)

In the Americas, sales in Office Imaging decreased mainly due to the strengthening of the yen. As a result, the overall sales in Americas decreased by 12.2% as compared to the previous fiscal year, to ¥609.0 billion. Sales in the Americas would have decreased by 2.7% as compared to the previous fiscal year, excluding the effects of foreign currency fluctuations.

Europe, Middle East and Africa (Sales down 14.0% year on year to ¥456.4 billion)

In Europe, Middle East and Africa, though sales in the Other segment and color cut sheet printers and after-sales service revenue in the Production Printing business increased, they were offset by the strengthening of the yen. As a result, the overall sales in Europe, Middle East and Africa decreased by 14.0% as compared to the previous fiscal year, to ¥456.4 billion. Sales in Europe, Middle East and Africa would have decreased by 4.1% as compared to the previous fiscal year, excluding the effects of foreign currency fluctuations.

Other (Sales down 12.1% year on year to ¥195.8 billion)

In the Other area, sales of related parts & supplies and services in the Office Imaging and the Production Printing increased, but were offset by the sales decrease in the Network System Solutions and the impact of the strengthening of the yen. As a result, overall sales in Other decreased by 12.1% as compared to the previous fiscal year, to ¥195.8 billion. The sales in this area would have decreased by 2.8% as compared to the previous fiscal year, excluding the effects of foreign currency fluctuations.

(2) Issues that the Ricoh Group faces

Under the 18th Mid-Term Management Plan ended March 2017, we deployed the aforementioned business strategies and continued to implement structural reforms. For various reasons, however, we failed to reach our financial targets. These factors included unanticipated changes in the business environment, growing economic uncertainty in Europe, economic slowdowns in emerging nations, and exchange rate fluctuations. We formulated the 19th Mid-Term Management Plan launched from fiscal year ending March 31, 2018 after evaluating our results.

We have set forth the theme of the 19th Mid-Term Management Plan as RICOH Resurgent and will renew the rationale inside the Company afresh. It is under that banner that we are reviewing our scale-oriented strategies to date of expanding market share and the number of machines in field. Management is making it a top priority to reform our cost structure and reinforce the profitability of our products and services in the office domain. At the same time, we will focus on allocating investments in growth businesses in which we can leverage our strengths to generate market expansion. We will also set about improving our management systems, strengthening implementation, and delegating more authority.



1. Cost structure reform

Ricoh Group's expansion over the years in the Office Imaging field resulted in a high-cost structure and processes because we made it a top priority to avoid missing out on revenue opportunities, and we therefore vertically integrated sales companies. We need to undertake reforms, however, in keeping with the current business climate, characterized by falling prices and intensifying competition and we consider this as an urgent issue. We will review strategies predicated on in-house manufacturing and reinforcing direct sales and services, focusing on profits instead of market share and machine in field expansion.



2. Prioritize growth businesses

We will determine the thrust of our growth businesses by considering and leveraging our customer base and printing technology strengths.

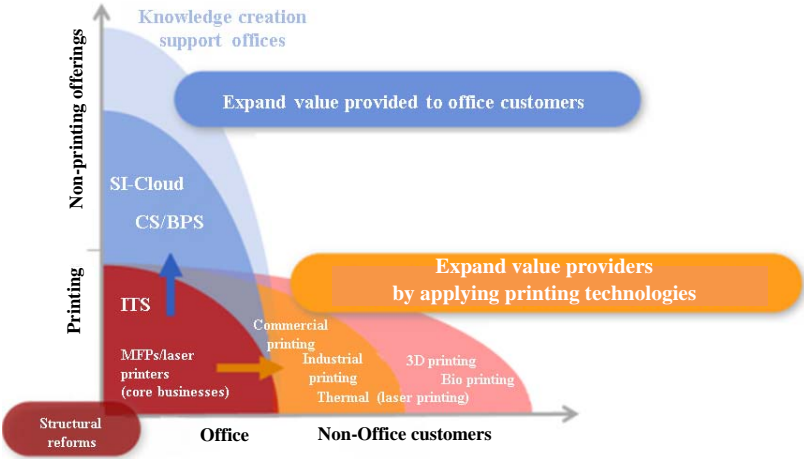
Utilizing our customer base of 1.3 million corporate customers around the world and the 4.0 million devices operating in those customer’s offices, in addition to conventional printing, we aim to also offer products and services that further increase the added value of those devices and become the number one partner of our customers.

For example, we will provide new services that offer cloud-based solutions which support the workflows of mainly small to medium enterprises, as well as digital multifunction printers with large operation panels (Multilink-Panel) that enable the introduction and use of those solutions.

Furthermore, taking advantage of our Interactive Whiteboard (electronic blackboard), we will start offering services that use artificial intelligence to support conferences between remote areas, such as automated interpreting and minutes preparation.

On the other hand, we will deliver advanced printing technologies that incorporate our capabilities in optics, mechatronics, chemicals, and controls to the areas of commercial and industrial printing. For example in industrial printing, we will provide industrial inkjet printers for building materials and apparel by utilizing image processing technology, which Ricoh has cultivated in its office and commercial printing businesses, and inkjet head technology, which have been proven in various industrial printing applications. We will respond to high-mix low-volume production with digital printing and contribute to improvement of product value with unique designs.

In addition to these, we will respond to the needs of customers in various fields by expanding the potential of printing, such as bio printers that create layers of living cells.



3. Reinforce management systems

We will review our management systems to reinforce implementation and further delegate authority. We will accelerate decision making and implementation to increase business speed by appointing business leaders in the office services and commercial and industrial printing domains to oversee these businesses in the Americas and Europe. Our management team aims to drive and complete the implementation of structural reforms during the first half of our new mid-term management plan.

We will maintain the positive aspects of Ricoh's management and corporate culture based on the Spirit of three Loves, conducting reviews that cast aside the traditions and precedents that hamper growth. We will endeavor to produce steady results even in the most dramatic changes in the business climate.

We position the 19th Mid-term Management Plan as a time to transform into a corporate structure that generates profit, and to acquire sufficient fundamental strength for our next growth stage.

With regard to the financial targets of the 19th Mid-term Management Plan that we will promote through “RICOH Resurgent”, we have set targets of over ¥100.0 billion each for structural reform effects, operating income for the fiscal year ending March 31, 2020, and free cash flow excluding the finance business for the three years of the Plan.

RICOH Resurgent Financial Targets

- ◆ **Structural reform savings:** More than **¥100 billion**
- ◆ **Fiscal 2019 operating profit:** More than **¥100 billion**
- ◆ **Total FCEF* over three years:** More than **¥100 billion**
*Free cash flow excluding finance business

(3) Status of plant and equipment investment and fund procurement

(i) Plant and equipment investment

In the fiscal period under review, the Ricoh Group invested a total of ¥75.4 billion (including an investment of ¥18.2 billion by the Company) in plant and equipment, mainly comprising the following.

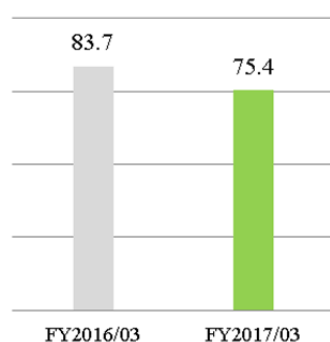
(a) Major equipment and facility expansions completed during the fiscal year:

- Equipment-related supplies plant (Numazu Plant)

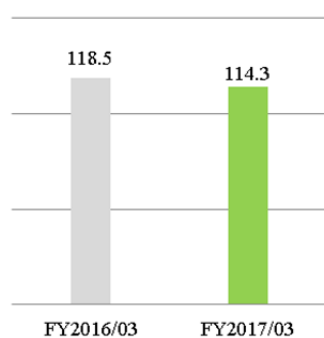
(b) Major equipment and facility expansions in progress in the fiscal year:

- Research and development base building (Ricoch Technology Center)

Plant and equipment investment
(billions of yen)



R&D expenditures
(billions of yen)



(ii) Fund procurement

None applicable.

(4) Status of assets and profit/loss

■ Transition of assets and profit of the Ricoh Group

Items	Fiscal year ended March 31, 2014		Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016	Fiscal year ended March 31, 2017
	U.S. GAAP	IFRS	IFRS	IFRS	IFRS
Net sales (billions of yen)	2,149.6	2,108.4	2,151.4	2,209.0	2,028.8
Income before income taxes and equity in earnings of affiliates (billions of yen)	117.2	118.0	112.2	95.6	29.9
Net income attributable to Ricoh Company, Ltd. (billions of yen)	72.8	72.8	68.5	62.9	3.4
Net income per share attributable to Ricoh shareholders (yen)	100.46	100.44	94.58	86.87	4.81
Total assets (billions of yen)	2,556.9	2,596.6	2,730.2	2,776.4	2,759.2
Total Ricoh shareholders' equity (billions of yen)	1,017.9	1,029.4	1,084.1	1,077.8	1,042.1

Notes:

- The consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) from the fiscal year ended March 31, 2015.
IFRS based numbers of the fiscal year ended March 31, 2014 are also shown as a reference.
- From the fiscal year ended March 31, 2016, presentation for some of the lease transactions was changed from total amount basis to net amount basis.
Due to this change, figures for the fiscal year ended March 31, 2015 and prior years are presented in those after retrospective application.

■ Transition of assets and profit/loss of the Company

Items	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016	Fiscal year ended March 31, 2017
Net sales (billions of yen)	918.8	923.4	903.0	859.7
Ordinary income (loss) (billions of yen)	34.5	49.1	(1.6)	33.1
Net income (loss) (billions of yen)	13.1	40.0	7.1	2.7
Basic earnings per share (yen)	18.17	55.21	9.80	3.86
Total assets (billions of yen)	1,056.4	1,058.9	1,087.0	1,071.2
Net assets (billions of yen)	586.5	593.1	572.5	547.3

(5) Major subsidiaries

■ Major subsidiaries (as of March 31, 2017)

Name	Paid-in capital	Investment ratio (%)	Principle business
Ricoh Industry Co., Ltd.	100 million JPY	100.0	Manufacturing of office equipment
Ricoh Japan Corporation	2,517 million JPY	100.0	Sale of office equipment and provision of maintenance service
Ricoh Leasing Company, Ltd.	7,896 million JPY	52.9	General leasing
RICOH ELECTRONICS, INC. (Note)	27 million USD	100.0	Manufacturing of office equipment and related supplies
RICOH USA INC. (Note)	831 million USD	100.0	Sale of office equipment
RICOH EUROPE HOLDINGS PLC	2.4 million GBP	100.0	Holding company of sales in the European region
RICOH ASIA PACIFIC PTE LTD.	31 million SGD	100.0	Sale of office equipment
RICOH ASIA INDUSTRY LTD.	180 million HKD	100.0	Sale of office equipment
RICOH ASIA INDUSTRY (SHENZHEN) LTD. (Note)	35 million USD	100.0	Manufacturing of office equipment and related supplies

Note:

The respective percentage of total investment ratio for RICOH ELECTRONICS, INC., RICOH USA INC., and RICOH ASIA INDUSTRY (SHENZHEN) LTD. include voting rights of those shares held by subsidiaries.

(6) Principal offices and plants (as of March 31, 2017)

■ Major domestic offices and plants

The Company (location)	Subsidiaries (location)
Head Office (Tokyo)	Ricoh Industrial Solutions Inc. (Kanagawa Pref.)
Omori Office (Tokyo)	Ricoh Industry Co., Ltd. (Kanagawa Pref.)
Shin-Yokohama Office (Kanagawa Pref.)	Ricoh Elemex Corporation (Aichi Pref.)
Ricoh Technology Center (Kanagawa Pref.)	Ricoh Japan Corporation (Tokyo)
Research and Development Center (Kanagawa Pref.)	Ricoh Leasing Company, Ltd. (Tokyo)
Atsugi Plant (Kanagawa Pref.)	
Numazu Plant (Shizuoka Pref.)	
Fukui Plant (Fukui Pref.)	

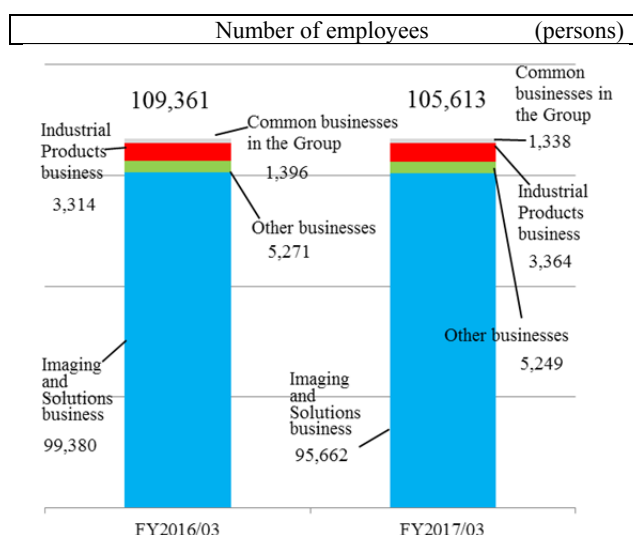
■ Major overseas offices and plants

Subsidiaries (location)	Subsidiaries (location)
RICOH USA INC. (U.S.A.)	RICOH INDUSTRIE FRANCE S.A.S. (France)
RICOH EUROPE HOLDINGS PLC (U.K.)	RICOH ASIA INDUSTRY (SHENZHEN) LTD. (China)
RICOH ASIA PACIFIC PTE LTD. (Singapore)	SHANGHAI RICOH DIGITAL EQUIPMENT CO., LTD. (China)
RICOH ELECTRONICS, INC. (U.S.A.)	RICOH MANUFACTURING (THAILAND) LTD. (Thailand)
RICOH UK PRODUCTS LTD. (U.K.)	

(7) Status of employees (as of March 31, 2017)

(i) Employees of the Ricoh Group

Categories	Number of employees
Imaging & Solutions business	95,662
Industrial Products business	3,364
Other businesses	5,249
Common businesses in the Ricoh Group	1,338
Total	105,613



(ii) Employees of the Company

Categories	
Number of employees	8,043
Change from the end of the previous fiscal year	126 (Decrease)
Average age	43.5
Average length of service	18.4 years

(8) Main creditors (as of March 31, 2017)

Creditors	Amounts borrowed (millions of yen)
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	91,040
Mizuho Bank, Ltd.	78,975
Syndicated loans	70,525

Note:

Syndicated loans are financed by the managing banks of the Bank of Tokyo-Mitsubishi UFJ, Ltd. and Mizuho Bank, Ltd.

2. Shareholders' Equity (as of March 31, 2017)

(1) Total number of shares authorized to be issued: **1,500,000,000**

(2) Total number of shares issued: **744,912,078**

(3) Number of shareholders: **73,468**

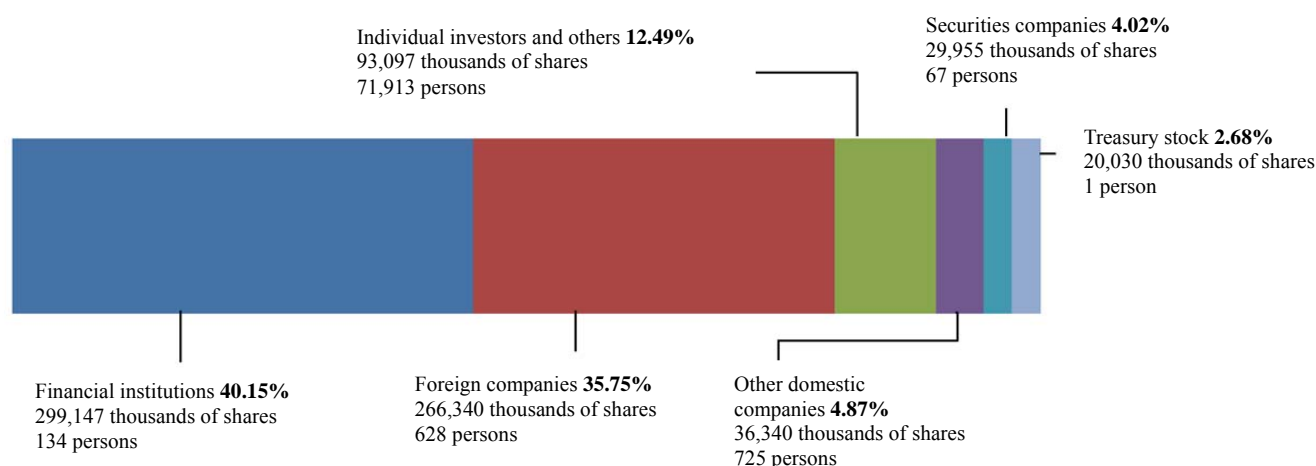
(4) Major shareholders:

Name	The shareholders' stake in the Company	
	Thousands of shares	Percentage of ownership (%)
The Masters Trust Bank of Japan, Ltd. (Trust Account)	59,595	8.22
GOLDMAN SACHS INTERNATIONAL	55,016	7.58
Japan Trustee Services Bank, Ltd. (Trust Account)	39,540	5.45
Nippon Life Insurance Company	29,441	4.06
ROYAL BANK OF CANADA TRUST COMPANY (CAYMAN) LIMITED	24,499	3.37
Japan Trustee Services Bank, Ltd. (Trust Account 9)	23,770	3.27
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	21,573	2.97
BNYMSANV AS AGENT/CLIENTS LUX UCITS NON TREATY 1	20,045	2.76
THE NEW TECHNOLOGY DEVELOPMENT FOUNDATION	15,839	2.18
Sompo Japan Nipponkoa Insurance Inc.	13,399	1.84

Notes:

- The number of treasury stocks (20,030 thousands of shares) is not included in the chart above.
- In addition to the above, stakes in the Company include 1,000 thousands of shares (0.13%) that Sompo Japan Nipponkoa Insurance Inc. owns and has entrusted with The Master Trust Bank of Japan, Ltd. These shares are registered in the name of The Masters Trust Bank of Japan, Ltd. as the owner, but Sompo Japan Nipponkoa Insurance Inc. reserves the right to instruct on exercising voting rights on these shares.
- The percentage of ownership is calculated after deducting treasury stock.

■ Breakdown of shareholders



Policy Regarding Cross-Shareholdings of Listed Shares

From the viewpoint of streamlining and strengthening of business alliance and development of collaborative businesses, the Company shall be able to hold shares of the relating partners only when such holding of shares are deemed necessary and effective for the future development of Ricoh Group, while taking into consideration of the returns such as dividends.

For the number of major shares held, medium- to long-term economic rationality and other factors shall be verified by the Board of Directors and the holdings shall be kept at minimum amount necessary.

3. Status of Corporate Officers

(1) Directors and Audit & Supervisory Board Members (as of March 31, 2017)

Position	Name	Principal duty and significant concurrent positions	
		(as of March 31, 2017)	(Reference: as of April 28, 2017)
Representative Director:	Shiro Kondo	Chairman of the Board Chairman of Nomination Committee Tohoku Electric Power Co., Inc. (Outside Director)	* Resigned as Representative Director on March 31, 2017 Tohoku Electric Power Co., Inc. (Outside Director)
Representative Director:	Zenji Miura	CEO (Chief Executive Officer) Coca-Cola West Co., Ltd. (Outside Director)	Corporate Executive Advisor* Coca-Cola Bottlers Japan Inc. (Outside Director) * Resigned as Representative Director on March 31, 2017
Director:	Yoshinori Yamashita	In charge of core business General Manager of Business Solutions Group	CEO (Chief Executive Officer) * Assumed the post of Representative Director on April 1, 2017
Director:	Nobuo Inaba	-	Chairman of the Board
Director:	Yohzoh Matsuura	In charge of Research and Development General Manager of Intellectual Property Division	General Manager of Research and Development Group General Manager of Intellectual Property Division
Director:	Kunihiko Satoh	In charge of optical-related business In charge of global new business promotion General Manager of New Business Development Division General Manager of Market Development Center Ricoh Leasing Company, Ltd. (Director)	General Manager of Office Printing Business Group
Director:	Akira Oyama	Corporate Human Resource Executive General Manager of Corporate Division General Manager of Business Transformation Center President of Ricoh Americas Holdings, Inc.	CFO (Chief Financial Officer) General Manager of Corporate Division General Manager of CEO Office President of Ricoh Americas Holdings, Inc.
Director:	Kunio Noji	Chairman of Compensation Committee Komatsu Ltd. (Chairman of the Board) NEC Corporation (Outside Director)	Chairman of Nomination Committee Komatsu Ltd. (Chairman of the Board) NEC Corporation (Outside Director)

Position	Name	Principal duty and significant concurrent positions	
		(as of March 31, 2017)	(Reference: as of April 28, 2017)
Director	Makoto Azuma	Science Council of Japan (Member) Tsing Hua University (Advisory Professor) TDK Corporation (Advisor) TOSHIBA INTERNATIONAL FOUNDATION (Councilor)	(Same as on the left)
Director	Masami Iijima	MITSUI & CO., LTD. (Chairman of the Board of Directors)	Chairman of Compensation Committee MITSUI & CO., LTD. (Chairman of the Board of Directors)
Director	Mutsuko Hatano	Department of Electrical and Electronic Engineering, School of Engineering, Tokyo Institute of Technology (Professor) Science Council of Japan (Council Member)	(Same as on the left)
Audit & Supervisory Board Member:	Kunihito Minakawa	(Full-time)	(Same as on the left)
Audit & Supervisory Board Member:	Katsumi Kurihara	(Full-time)	(Same as on the left)
Audit & Supervisory Board Member:	Kimitoshi Yabuki	Attorney-at-law The Graduate School of International Corporate Strategy, Hitotsubashi University (Professor) Sumitomo Life Insurance Company (Outside Director)	(Same as on the left)
Audit & Supervisory Board Member:	Takashi Narusawa	The Nisshin Oillio Group, Ltd. (Outside Director) Hirata Corporation (Outside Director)	(Same as on the left)
Audit & Supervisory Board Member:	Shigeru Nishiyama	Waseda Business School (Graduate School of Business and Finance) (Professor) UNIPRES CORPORATION (Outside Director) Pigeon Corporation (Outside Audit & Supervisory Board Member)	(Same as on the left)

* Corporate Executive Advisor does not engage in management of the Company and devotes himself to duties requested by external organizations and activities outside the Company that contributes to the enhancement of corporate value.

Notes:

1. Mr. Zenji Miura resigned as Director on March 31, 2017.
2. Directors Kunio Noji, Makoto Azuma, Masami Iijima and Mutsuko Hatano are Outside Directors stipulated in Article 2, Item 15 of the Companies Act.
3. Audit & Supervisory Board Members Kimitoshi Yabuki, Takashi Narusawa and Shigeru Nishiyama are Outside Audit & Supervisory Board Members stipulated in Article 2, Item 16 of the Companies Act.
4. Directors Kunio Noji, Makoto Azuma, Masami Iijima and Mutsuko Hatano, Audit & Supervisory Board Members Kimitoshi Yabuki, Takashi Narusawa and Shigeru Nishiyama are Independent Directors / Audit & Supervisory Board Members stipulated in Rule 436-2 of the Securities Listing Regulations of the Tokyo Stock Exchange.

(2) Reasons for appointing Directors and Audit & Supervisory Board Members (as of March 31, 2017)

Name	Reasons for appointment
Representative Director Shiro Kondo	With his experience as Representative Director, President and CEO of the Company, Mr. Shiro Kondo brings extensive experience and deep insight as a longtime management executive. We have appointed him as a Director of the Company based on the determination that, by being an “Internal Director who does not execute business of the company” in line with the Company’s new corporate governance system, he will contribute to improving corporate value for the Ricoh Group, leveraging his experience and insight to deliberate and oversee the execution of important matters with respect to the Company’s management from a neutral stance.
Representative Director Zenji Miura	Mr. Zenji Miura has extensive experience and deep insight as a longtime management executive. Given his efforts to improve corporate value and commitment to achieve fundamental corporate reform since his appointment as Representative Director, President and CEO in fiscal 2013, we have appointed him as a Director of the Company so that he would make an ever greater contribution to further ensuring the improvement of the corporate value of the Ricoh Group.
Director Yoshinori Yamashita	Mr. Yoshinori Yamashita brings extensive experience and deep insight into managing production and global marketing through many years of service. We have appointed him as a Director of the Company based on the determination that he will contribute to improving the corporate value of the Ricoh Group by leveraging his experience and insight to improve the profitability of core businesses and accelerate growth.
Director Nobuo Inaba	Mr. Nobuo Inaba brings deep insight concerning socioeconomic matters through extensive experience as a top executive involved with the Company’s think tank function for many years. We have appointed him as a Director of the Company based on the determination that, by being an “Internal Director who does not execute business of the company”, he will contribute to improving corporate value for the Ricoh Group, leveraging his experience and insight to deliberate and oversee the execution of important matters with respect to the Company’s management from a neutral stance.
Director Yohzoh Matsuura	Mr. Yohzoh Matsuura brings extensive experience and deep insight into managing research and development and managing the design and development of core businesses through many years of service. We have appointed him as a Director of the Company based on the determination that he will contribute to improving the corporate value of the Ricoh Group by leveraging his experience and insight to accelerate growth by developing new technologies that will support both core and new businesses.
Director Kunihiko Satoh	Mr. Kunihiko Satoh brings extensive experience and deep insight into managing marketing operations through many years of service. We have appointed him as a Director based on the determination that he will contribute to improving the corporate value of the Ricoh Group by leveraging his experience and insight to accelerate growth by building new profit generators.
Director Akira Oyama	Mr. Akira Oyama brings extensive experience and deep insight into corporate planning and global marketing through many years of service. We have appointed him as a Director based on the determination that he will contribute to improving the corporate value of the Ricoh Group by leveraging his experience and insight to achieve structural reform and transformation on a global scale.
Director Kunio Noji	We have appointed Mr. Kunio Noji based on the determination that he is an appropriate person to be a Director of the Company given his extensive experience as a management executive at Komatsu Ltd.
Director Makoto Azuma	We have appointed Mr. Makoto Azuma based on the determination that he is an appropriate person to be a Director of the Company given his considerable managerial competence and wide-ranging technological knowledge and experience from his time as Corporate Executive Vice President and Chief Technology Officer of TOSHIBA CORPORATION and as a professor at the Graduate School of Innovation Studies of Tokyo University of Science.
Director Masami Iijima	We have appointed Mr. Masami Iijima based on the determination that he is an appropriate person to be a Director of the Company given his extensive experience as a management executive at MITSUI & CO., LTD.
Director Mutsuko Hatano	We have appointed Ms. Mutsuko Hatano based on the determination that she is an appropriate person to be a Director of the Company given her experience, which includes working as a professor at the Department of Electrical and Electronic Engineering, School of Engineering, Tokyo Institute of Technology and serving as a committee member of many administrative bodies.
Audit & Supervisory Board Member Kunihito Minakawa	We have appointed Mr. Kunihito Minakawa based on the determination that he is an appropriate person to be an Audit & Supervisory Board Member of the Company given that he has been engaged in accounting and finance as well as overseas operations of the Company over the years, and is an expert of management systems.

Name	Reasons for appointment
Audit & Supervisory Board Member Katsumi Kurihara	We have appointed Mr. Katsumi Kurihara based on the determination that he is an appropriate person to be an Audit & Supervisory Board Member of the Company given his experience working within our design and development, production, and quality assurance divisions, among others, as well as his in-depth knowledge of business processes in the Company's core businesses.
Audit & Supervisory Board Member Kimitoshi Yabuki	We have appointed Mr. Kimitoshi Yabuki based on the determination that he is an appropriate person to be an Audit & Supervisory Board Member of the Company in order to accelerate our global corporate activities going forward, given his global experience as a legal expert as well as years of experience in corporate management through activities related to corporate legal matters and as an outside officer, and his excellent management oversight capabilities.
Audit & Supervisory Board Member Takashi Narusawa	We have appointed Mr. Takashi Narusawa based on the determination that he is an appropriate person to be an Audit & Supervisory Board Member of the Company given his experience as a securities analyst and management consultant and in management at Nomura Research Institute, Ltd.
Audit & Supervisory Board Member Shigeru Nishiyama	We have appointed Mr. Shigeru Nishiyama based on the determination that he is an appropriate person to be an Audit & Supervisory Board Member of the Company given his experience working as a professional in the finance and accounting fields, such as a certified public accountant, and a professor at the Waseda Business School (Graduate School of Business and Finance).

Notes:

1. The contents of the agenda for the 116th Ordinary General Meeting of Shareholders are stated as the reasons for appointment. However, for Audit & Supervisory Board Members Kunihito Minakawa and Kimitoshi Yabuki, the contents of the agenda for the 113th Ordinary General Meeting of Shareholders are stated.
2. Mr. Shiro Kondo resigned as Representative Director on March 31, 2017.
3. Mr. Zenji Miura resigned as Representative Director and as Director, and assumed the office of Corporate Executive Advisor on March 31, 2017.
4. Mr. Yoshinori Yamashita assumed the office of Representative Director on April 1, 2017.

(3) Total remuneration, etc. paid to Directors and Audit & Supervisory Board Members

Category	Number of recipients	Total remuneration, etc. (millions of yen)
Directors	12	470
(Outside Directors)	(5)	(54)
Audit & Supervisory Board Members	7	85
(Outside Audit & Supervisory Board Members)	(4)	(25)
Total	19	555

Notes:

1. The above includes compensation paid to one Director and two Audit & Supervisory Board Members who retired at the conclusion of the 116th Ordinary General Meeting of Shareholders held on June 17, 2016.
2. It was decided that aggregate basic remuneration of Directors should not exceed ¥46 million per month (including ¥7 million per month for Outside Directors), according to the resolution of the 107th Ordinary General Meeting of Shareholders held on June 27, 2007. It was decided that aggregate basic remuneration of Audit & Supervisory Board Members should not exceed ¥9 million per month, according to the resolution of the 84th Ordinary General Meeting of Shareholders held on June 29, 1984.
3. The remuneration, etc. paid to Directors excludes employee wages for Directors who are also employees.
4. The remuneration, etc. paid to Directors include allowance for Directors' bonuses based on the proposal, "Payment of bonuses to Directors" to be submitted to the 117th Ordinary General Meeting of Shareholders to be held on June 16, 2017, amounting to ¥38 million.

(4) Outside Directors and Audit & Supervisory Board Members**(i) Significant concurrent jobs Outside Directors and Audit & Supervisory Board Members are engaged in at other companies**

Name	Significant concurrent positions
Outside Director Kunio Noji	Komatsu Ltd. (Chairman of the Board) NEC Corporation (Outside Director)
Outside Director Makoto Azuma	Science Council of Japan (Member) Tsing Hua University (Advisory Professor) TDK Corporation (Advisor) TOSHIBA INTERNATIONAL FOUNDATION (Councilor)
Outside Director Masami Iijima	MITSUI & CO., LTD. (Chairman of the Board of Directors)
Outside Director Mutsuko Hatano	Department of Electrical and Electronic Engineering, School of Engineering, Tokyo Institute of Technology (Professor) Science Council of Japan (Council Member)
Outside Audit & Supervisory Board Member Kimitoshi Yabuki	Attorney-at-law The Graduate School of International Corporate Strategy, Hitotsubashi University (Professor) Sumitomo Life Insurance Company (Outside Director)
Outside Audit & Supervisory Board Member Takashi Narusawa	The Nisshin Oillio Group, Ltd. (Outside Director) Hirata Corporation (Outside Director)
Outside Audit & Supervisory Board Member Shigeru Nishiyama	Waseda Business School (Graduate School of Business and Finance) (Professor) UNIPRES CORPORATION (Outside Director) Pigeon Corporation (Outside Audit & Supervisory Board Member)

(ii) Major activities by Outside Directors and Audit & Supervisory Board Members

Name	Main activities
Outside Director Kunio Noji	Participated in 12 of the 13 Board of Directors meetings (92% attendance rate) held during the fiscal year under review, and proactively made statements from his expert perspective based on his outstanding record and abundant experience as a management member at Komatsu Ltd., which operates on a global scale.
Outside Director Makoto Azuma	Participated in all of the 13 Board of Directors meetings (100% attendance rate) held during the fiscal year under review, and proactively made statements from his vast knowledge and experience mainly on management and technologies.
Outside Director Masami Iijima	Participated in 10 of the 11 Board of Directors meetings (91% attendance rate) held during the fiscal year under review after being appointed as Outside Director, and proactively made statements, mainly from his expert perspective based on his wealth of experience and outstanding achievements as a management member at MITSUI & CO., LTD., which operates on a global scale.
Outside Director Mutsuko Hatano	Participated in 10 of the 11 Board of Directors meetings (91% attendance rate) held during the fiscal year under review after being appointed as Outside Director, and proactively made statements from her expert perspective based on her experience developed through serving for numerous government agencies as a committee member in addition to her experience as university professor.
Outside Audit & Supervisory Board Member Kimitoshi Yabuki	Participated in 10 of the 13 Board of Directors meetings (77% attendance rate) and 12 of the 13 Audit & Supervisory Board meetings (92% attendance rate), held during the fiscal year under review, and proactively made statements, mainly from his perspective as a legal expert acting globally as well as his perspective of excellent management oversight capabilities obtained from years of experience in corporate management through activities related to corporate legal matters and as an outside officer.
Outside Audit & Supervisory Board Member Takashi Narusawa	Participated all of the 11 Board of Directors meetings (100% attendance rate) and all of the 10 Audit & Supervisory Board meetings (100% attendance rate) held during the fiscal year under review after being appointed as Outside Audit & Supervisory Board Member, and proactively made statements from his expert perspective based on his management experience at Nomura Research Institute, Ltd., in addition to his experience as a securities analyst and management consultant.
Outside Audit & Supervisory Board Member Shigeru Nishiyama	Participated all of the 11 Board of Directors meetings (100% attendance rate) and all of the 10 Audit & Supervisory Board meetings (100% attendance rate) held during the fiscal year under review after being appointed as Outside Audit & Supervisory Board Member, and proactively made statements from his expert perspective in the finance and accounting fields as a certified public accountant and university professor.

(iii) Outline of liability limitation contracts

The Company amended its Articles of Incorporation regarding liability limitation contracts at the 115th Ordinary General Meeting of Shareholders on June 19, 2015, establishing the provision of contracts to limit liabilities of Directors (excluding Executive Directors) and Audit & Supervisory Board Members.

The outline of liability limitation contracts, which the Company concluded only with Outside Directors and Audit & Supervisory Board Members in accordance with the revised Articles of Incorporation, is as follows.

(a) Liability limitation contracts with Outside Directors

Under such contracts, the maximum liability of Outside Directors shall be the higher of either of ¥10.00 million or a minimum liability amount stipulated in Article 425, Paragraph 1 of the Companies Act.

(b) Liability limitation contracts with Outside Audit & Supervisory Board Members

Under such contracts, the maximum liability of Outside Audit & Supervisory Board Members shall be the higher of either of ¥5.00 million or a minimum liability amount stipulated in Article 425, Paragraph 1 of the Companies Act.

4. Independent auditor

(1) Name: KPMG AZSA LLC

(2) Remuneration, etc.:

	Amount to be paid
Remuneration, etc. to be paid to the independent auditor by the Company	¥217 million
Total sum of remuneration, etc. to be paid to the independent auditor by the Company and its subsidiaries	¥355 million

Notes:

1. In the audit contract signed between the Company and the independent auditor, there is no classification between remuneration for audit services pursuant to the Companies Act and that in accordance with the Financial Instruments and Exchange Law. Accordingly, the above “Remuneration, etc. to be paid to the independent auditor by the Company” above represent the sum of these remunerations.
2. Among the Company’s major subsidiaries, RICOH ELECTRONICS, INC., RICOH USA INC., RICOH EUROPE HOLDINGS PLC, RICOH ASIA PACIFIC PTE LTD., RICOH ASIA INDUSTRY LTD., RICOH ASIA INDUSTRY (SHENZHEN) LTD., are audited by KPMG.
3. The Audit & Supervisory Board conducted necessary verifications to determine whether the details of the audit plan for auditing by the Independent Auditor, the state of execution of accounting audit duties, and the calculation basis for remuneration estimates are appropriate or not. Upon these verifications, the Audit & Supervisory Board concluded that the amount of remuneration, etc., of the Independent Auditor is reasonable and consent has been given to it.

(3) Non-audit work

None applicable.

(4) Policy regarding the decision to dismiss or not to reappoint the independent auditor

The Audit & Supervisory Board, by unanimous agreement, will dismiss the independent auditor when confirmed that the independent auditor falls under any item of Article 340, Paragraph 1 of the Companies Act. In this case, the dismissal and its reasons will be reported at the first general meeting of shareholders to be held after the dismissal.

In addition to the above, the Audit & Supervisory Board will decide the contents of the proposal on dismissal or reappointment of an independent auditor, which will be proposed at the general meeting of shareholders when confirmed that it is difficult for the independent auditor to properly perform audit duties.

5. Corporate structure and policy

(1) Corporate philosophy of the Ricoh Group

RICOH Way is a universal principle (founding principles, and management philosophy) which forms the basis of the Ricoh Group's corporate activities.

The RICOH Way

Founding Principles – The Spirit of Three Loves

“Love your neighbor”

“Love your country”

“Love your work”

The Ricoh Group takes as its founding principle “the spirit of three loves” put forward by the company founder, Kiyoshi Ichimura, in 1946. This concept informs the work of all Group employees, as we are guided at every level of business by the pursuit of well-being for ourselves, our families, our customers, related parties such as suppliers, and society at large.

Management Principles

Mission Statement:

At the Ricoh Group, we are committed to providing excellence to improve the quality of living and to drive sustainability.

Vision Statement:

To be the most trusted brand with irresistible appeal in the global market.

Values Statement:

To be one global company, we must care about people, our profession, our society, and our planet. We must dedicate our winning spirit, innovation and teamwork to sharpen our customer centric focus, and we also must commit to the highest standards of ethics and integrity.

(2) Corporate governance of the Company

Basic Policies for Corporate Governance

The Ricoh Group is working to build a 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 achieves the continuous growth and expands corporate value.

The RICOH Way, which comprises our founding principles and Management Philosophy, is the foundation of the Ricoh's management policy and strategy, and also is the basis of the corporate governance.

The Company has introduced the corporate audit system. In addition, the Company is making efforts toward enhancing oversight of executive management and execution of operations by continuously enhancing the

Board of Directors and executive officer system. Furthermore, by appointing Outside Directors, the Company ensures transparency in management and its decision-making.

Matters concerning the appointment of Directors and Executive Officers and their compensation are planned and determined by the “Nomination Committee” and “Compensation Committee”, our in-house permanent bodies which are comprised of Internal Directors and Outside Directors.

Duties and responsibilities of the Board of Directors

The Company stipulates in its Articles of Incorporation that important matters concerning business execution shall be resolved by the Board of Directors. The Company is expected to operate its imaging business, the core business of the Company, in a solid and secured way. For this reason, vital issues are actively discussed by the Board of Directors in the process of decision-making. Internal regulations concerning business execution are set within the limits permitted by laws and the Articles of Incorporation. The “Group Management Committee”, a decision-making organization chaired by the Representative Director, President and delegated by the Board of Directors, and composed of executive officers who meet specific criteria, has been established.

Prerequisites for ensuring the effectiveness of the Board of Directors and Audit & Supervisory Board

To ensure substantial discussions, the number of members of the Company’s Board of Directors is stipulated in its Articles of Incorporation to be not more than 15. Currently, 10 Directors are appointed. Outside Directors are elected in accordance with the Company’s Standards for Independence of Outside Directors and Audit & Supervisory Board Members set forth in line with the standards stipulated by the Tokyo Stock Exchange. Directors are elected based on each of their management ability, personal quality, and expertise, etc.

Any internal Director who assumes a post as an officer of another company is required to obtain the approval of the Board of Directors. It is stipulated in the internal regulations that in the event that an Outside Director assumes a post as an officer of another listed company, he/she needs to notify the Nomination Committee.

The Company discloses on its notice of general meeting of shareholders, etc. the posts concurrently held by both internal and outside Directors and Audit & Supervisory Board Members in accordance with the relevant laws and regulations.

Training for Directors and Audit & Supervisory Board Members

The Company offers, when necessary, training to Directors and Audit & Supervisory Board Members in order to provide them with opportunities for understanding their duties and responsibilities and for acquiring knowledge required for their respective roles.

- Training is offered as necessary to internal Directors and Audit & Supervisory Board Members to assist their understanding in their roles and promoting their understanding of the latest legal knowledge. Each individual attends external trainings, etc., in addition to taking online courses on corporate ethics and compliance, etc.
- Although Outside Directors and Audit & Supervisory Board Members are appointed from among those who have adequate knowledge and insight, the Company gives a lecture, upon appointment, on its business contents and outlines their respective roles, and offers them a tour, etc., of key business locations as necessary. Trainings by experts are offered to promote their understanding of the latest legal knowledge.

Policy for constructive engagement with shareholders

- The Company engages energetically and constructively with shareholders. We maintain a cycle in which we reflect feedback from those shareholders in our activities to cultivate trust through mutual understanding. In operating based on that cycle, we endeavor to innovate and deliver value that is useful for everyone, everywhere, helping to enhance their lives and create social sustainability while increasing medium- and long-term corporate value.
- The President and CEO is the person responsible for engagement with shareholders, and an executive in charge may be appointed as required.
- A department in charge of IR shall be set up to promote engagement with shareholders, and takes charge of liaising with related departments.
- In general, engagement with shareholders shall be conducted by the department in charge of IR. However, when a request is made individually, the President and CEO or the executive in charge shall conduct an interview where appropriate.
- In addition to interviews with shareholders, presentations on the Mid-term Management Plan, financial results briefings and small meetings are held for institutional investors. The Company participates in IR events, etc., hosted by a third party to conduct briefings to individual investors. Also the Company hosts an investors' meeting and gathering following General Meetings of Shareholders.
- Opinions obtained through engagement with shareholders are passed on to the management team on a quarterly basis.
- The Company strictly complies with its internal regulations concerning handling of insider information, and no insider information is disclosed to shareholders during individual engagement. To prevent the leak of insider information and ensure fairness in information disclosure, the Company observes a quiet period from the day following the final day of each fiscal year to the day of financial results announcement.

Summary of the Effectiveness of the Board of Directors

The Board of Directors and Audit & Supervisory Board Members conduct a self-assessment of their effectiveness with the aim of voluntarily improving the Board of Directors so that it can appropriately fulfill its roles and responsibilities.

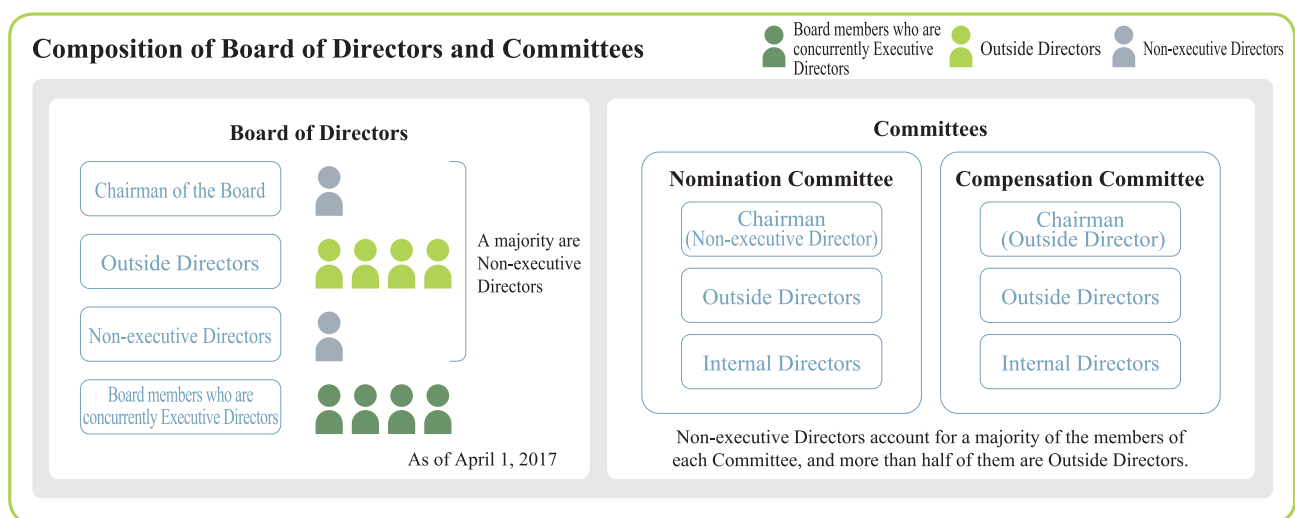
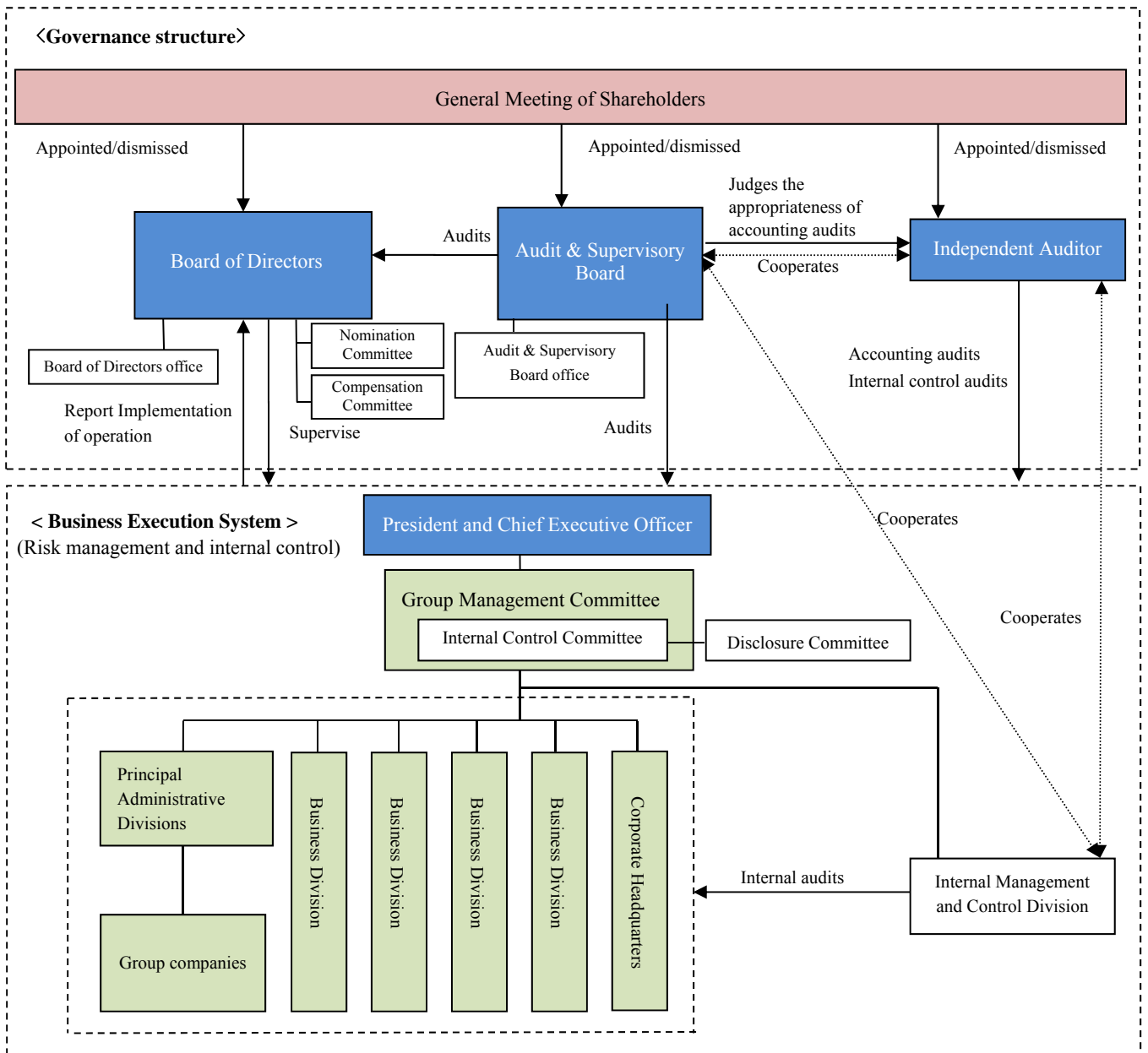
<Evaluation Method>

At the Board of Directors' Meetings held in fiscal year ended March 31, 2016 (from April 2015 to March 2016), the Directors and Audit & Supervisory Board Members conducted individual assessments according to a previously determined format, and upon sharing these assessments, the Directors and Audit & Supervisory Board Members held an evaluation meeting to conduct analyses and evaluations.

Summary on the results of the evaluation of the Board of Directors' effectiveness is posted on the Company's website below.

<http://jp.ricoh.com/governance/>

[Corporate Governance structure]



(3) System to secure appropriateness of operations and their operating status

Resolutions adopted by the Board of Directors for systems to secure the appropriateness of the Company's operations are as follows. The resolutions will be reviewed regularly on an ongoing basis in response to changes in the business environment. (The content was revised according to the resolution by the Board of Directors meeting held on April 28, 2017.)

Internal Control System Basic Policy

The RICOH Way, which comprises our founding principles and Management Philosophy (Mission Statement, Vision Statement and Values Statement), is the foundation of the Ricoh Group's management policy, strategy and internal control system.

Inspired by the values incorporated in The RICOH Way, we are working to establish and implement an internal control system aimed at strengthening competitiveness and continuously improving the system while ensuring transparency based on corporate ethics and legal compliance.

(1) System to ensure appropriate compliance with laws and Articles of Incorporation concerning the implementation of Directors' and employees' duties

Based on the principle of autonomous corporate governance, the Company promotes a corporate culture that values both a sense of duty to meet the various expectations of stakeholders and high ethics suited to good social conscience.

1) Systems to ensure appropriate compliance with laws and Articles of Incorporation concerning the implementation of Directors' duties

- (i) Management transparency and fairness of decision-making are strengthened by the presence of Outside Directors. In addition, the Board of Directors is composed of a majority of non-executive directors to strengthen functions of overseeing from different perspectives.
- (ii) The Board of Directors is positioned as the highest decision-making organization for business management and is chaired by a non-executive director, who leads the Board from a neutral position, in order to facilitate in-depth discussions for important matters to reach robust decisions.
- (iii) As part of the strengthening of 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 have been established. In each committee, more than half of the members are Non-executive directors and half or more of them are Outside Directors, so that the transparency and objectivity of the selection of candidates and compensation of Directors and executive officers, etc. is secured.
- (iv) The "Disclosure Committee" is an independent organization that assures the accuracy, timeliness and comprehensiveness of disclosure of corporate information, and it verifies the process of disclosure.

2) Systems to ensure appropriate compliance with laws and Articles of Incorporation concerning the implementation of employees' duties

- (i) In order to thoroughly implement the "Ricoh Group Corporate Social Responsibility (CSR) Charter"

which sets forth the principles of corporate behavior including compliance, and the “Ricoh Group Code of Conduct” which articulates the general rules of conduct for Group employees, the Specialty Committee and a “Hot Line” for reporting incidents and seeking advice have been established. Also various training programs are set up to enhance compliance domestically and overseas. The Company prohibits unfavorable treatments of anyone who made the report to the “Hot Line” due to such reporting.

- (ii) Efforts are being made to improve business processes and construct a framework for standardized internal control throughout the entire Group, with the goal of “complying with laws, norms and internal rules”, “improvement of business effectiveness and efficiency”, “maintaining high reliability of financial reporting” and “securing of assets”, including compliance to the Financial Instruments and Exchange Law and other relevant laws and regulations.
- (iii) To ensure appropriate internal auditing, a division of internal management and control shall perform fair and objective examination and evaluation of how each division is executing its business based on legal compliance and rational criteria, and provide advice or recommendation for improvement.
- (iv) The Company shall establish a department specializing in enhancing and promoting the functions of (i), (ii) and (iii) above on an integrated basis. To establish and improve an internal control system of the Ricoh Group, the Company shall institute an “Internal Control Committee” within the Group Management Committee (GMC), which is expected to convene regularly to deliberate and decide on relevant matters.

(2) Systems related to the retention and management of information related to the implementation of Directors’ duties

Records and proposals related to decisions by Directors in the course of their duties are created, retained and managed in compliance with applicable laws, regulations and internal rules. Documents are kept so that they can be retrieved and reviewed when a request from Directors and Audit & Supervisory Board Members is made.

(3) Regulations and other systems regarding risk management for losses

- (i) The occurrence of losses shall be proactively prevented based on risk management regulations.
- (ii) Should losses nevertheless arise, efforts shall be made to minimize damage (loss) based on standards for initial reaction.
- (iii) In order to manage losses as a Group, comprehensively and in a unified fashion, a division responsible for integrated management has been created to thoroughly cover all aspects globally.

(4) System to ensure the efficient implementation of Directors’ duties

- (i) The executive officer system, its division of duties clarified, speeds up the decision-making process through the delegation of authority to each business division.
- (ii) The “Group Management Committee” (GMC) is a decision-making organization delegated by the Board of Directors, and composed of executive officers who meet specific criteria. The GMC operates so as to

accelerate deliberation and decision-making from the perspective of the optimum management of the entire Group, concerning the most appropriate strategies for direction of each business division and the entire Group, within the powers granted to it.

- (iii) The “Board of Directors office” realizes robust decision-making and management oversight with high transparency by supporting the Board of Directors.

(5) Systems to ensure correct business standards at Ricoh and its affiliates

The Company and each affiliate in the Ricoh Group shall devise a system that ensures the adherence to correct business standards to improve business performance and enhance the prosperity of each Group company, while respecting each other’s independence, as follows:

- (i) The Company’s Board of Directors and the “Group Management Committee” (GMC) make decisions and perform management oversight for the Ricoh Group as a whole.
- (ii) The Company establishes its management regulations concerning affiliate companies, and prescribes a system for reporting matters regarding the performance of duties of the Directors of each affiliate in the Ricoh Group, and the Directors’ authority for conducting such duties efficiently.
- (iii) Each Group company conducts risk management for losses relating to the company. Should any incident arise, the company should strive to minimize damage and recover quickly, and promptly report to the Company.
- (iv) To ensure that the duties of each Group company’s Directors and employees are performed in compliance with laws and Articles of Incorporation, we formulate a set of common rules which shall be followed as a Group as the Ricoh Group’s common standards, the “Ricoch Group Standard” (RGS), and promote compliance across the Ricoh Group.

(6) Systems established to ensure the effective performance of duties by Audit & Supervisory Board Members

1) Matters regarding measures to secure independence of employees whom Audit & Supervisory Board Members request to assist them in the performance of their duties from Directors and efficacy of instructions given to such employees

- (i) The Company shall establish an Audit & Supervisory Board office, where exclusively assigned employees assist Audit & Supervisory Board Members in performing their duties under their command.
- (ii) Personal assessments regarding said employees shall be made by full-time Audit & Supervisory Board Members. Furthermore, personnel changes regarding said employees shall be made only after gaining agreement of full-time Audit & Supervisory Board Members.

2) Systems for Directors and employees of the Company and each affiliate in the Ricoh Group to report to Audit & Supervisory Board Members and other systems related to the reporting to Audit & Supervisory Board Members

- (i) Directors or employees shall promptly report to Audit & Supervisory Board Members concerning material violations of laws and the Articles of Incorporation at the Company and each affiliate in the

Ricoh Group, as well as matters concerning wrongful acts or the possibility of significant damage to the Company or each affiliate in the Ricoh Group at the time of their discovery.

- (ii) Directors and employees shall cooperate when they are requested to report matters concerning operations required for auditing by Audit & Supervisory Board Members.
- (iii) Directors shall provide Audit & Supervisory Board Members with minutes and materials of important meetings, as well as important resolution documents for their review.
- (iv) The Company prohibits unfavorable treatments of any Directors or employees of the Company or each affiliate in the Ricoh Group, who made the report to Audit & Supervisory Board Members due to such reporting.

3) Other systems established to ensure effective performance of duties by Audit & Supervisory Board Members

Directors and employees of the Company and each affiliate in the Ricoh Group shall cooperate in facilitating the performance of the following items by Audit & Supervisory Board Members.

- (i) Audit & Supervisory Board Members attend important meetings such as The Ricoh Group Management Committee (GMC) and regularly exchange opinions with Representative Directors.
- (ii) Establish a cooperation system for effective auditing of each division of the Company and each affiliate in the Ricoh Group by Audit & Supervisory Board Members at the time of such audit.
- (iii) Create an environment that enables Audit & Supervisory Board Members to conduct effective auditing through mutual cooperation with the Independent Auditor and the division of internal management and control.
- (iv) The Company shall pay expenses incurred from the performance of duties of Audit & Supervisory Board Members.

The Company takes an uncompromising attitude toward antisocial activities and any organizations engaged therein in an effort to eradicate any antisocial activities and will not have any relationship with antisocial entities. This is stipulated in the “Ricoh Group Code of Conduct”, which stipulates correct behaviors for all corporate officers and employees of the Ricoh Group.

Also, the Company has established an internal hotline and has been working closely with outside agencies, such as the police, and relevant organizations as well as making efforts to build trust with such organizations. In the future also, the Company will continue to strengthen its internal system so as to eradicate any antisocial activities or relationships with antisocial entities.

Operating Status of Internal Control System

(1) Systems to ensure appropriate compliance with laws and Articles of Incorporation concerning the implementation of Directors’ and employees’ duties

- 1) Systems to ensure appropriate compliance with laws and Articles of Incorporation concerning the implementation of Directors’ duties
 - (i) The Board of Directors consists of 11 members, including 6 Non-executive Directors (which include 4

Outside Directors), and held 13 meetings during the fiscal year ended March 31, 2017.

- (ii) The Nomination Committee held 6 meetings and the 3 Outside Directors attended 18 times in total.
- (iii) The Compensation Committee held 3 meetings and the 4 Outside Directors attended 12 times in total.

2) Systems to ensure appropriate compliance with laws and Articles of Incorporation concerning the implementation of employees' duties

- (i) With regard to the "Ricoh Group Code of Conduct", in Japan, education is provided on an annual basis and signatures are collected from all employees of the Group to comply with the Code of Conduct. Overseas, conforming to the local customs and laws, education is provided and signatures are collected.
- (ii) "Ricoh Group Whistleblowing System" has been established as Ricoh Group Standard and made known to the Ricoh Group globally. The standard prohibits unfavorable treatments of the whistleblowers.
- (iii) The division of internal management and control conducts audit for the entire Ricoh Group, and provides advice to improve effectiveness and efficiency of compliance and business.

(2) Systems related to the retention and management of information related to the implementation of Directors' duties

Information related to Directors' duties and other important information are appropriately retained and managed in compliance with internal regulations.

(3) Regulations and other systems regarding risk management for losses

The Company has established the "Ricoh Group Total Risk Management Basic Regulation" to promote risk management effectively and efficiently and make preventive measures for the risk of loss. Additionally, the occurrences of and responses to incidents were reported to the Internal Control Committee and the Board of Directors twice during the fiscal year ended March 31, 2017. Risk management promotion plans are formulated each year and measures to prevent the occurrence of incidents are formulated and put into practice.

(4) System to ensure the efficient implementation of Directors' duties

The executive officer system helps make efficient business execution. Deliberation details of the Group Management Committee (GMC) are reported on a quarterly basis to the Board of Directors and the Directors monitor the status of implementation.

(5) Systems to ensure correct business standards at Ricoh and its affiliates

In compliance with the "Corporate Management Regulations for Ricoh Affiliates", the Company receives reports on the implementation of duties of Directors of the affiliates in the Ricoh Group and such Directors efficiently conduct their duties subject to their authorities. Each company in the Ricoh Group strives to ensure that incident responses and reports are made pursuant to the "Incident Management Standard". Audit for compliance to the "Ricoh Group Standard", the Ricoh Group's common standards, is conducted by the division of internal management and control.

(6) Systems established to ensure the effective performance of duties by Audit & Supervisory Board Members

The Audit & Supervisory Board office, which is composed of employees exclusively assigned to assist Audit & Supervisory Board Members, acts under the command of Audit & Supervisory Board Members. Auditing by Audit & Supervisory Board Members is conducted for each division within Ricoh, affiliates in Japan, and overseas affiliates, and at the same time, regular meetings with the GMC (including Internal Control Committee), Representative Director and Independent Auditor are carried out, as well as monthly meeting with the division of internal management and control to exchange opinions.

Consolidated Statements of Financial Position (as of March 31, 2017)

	Millions of yen	
	As of March 31,	
	2017	2016
ASSETS		
Current Assets:	1,239,214	1,273,195
Cash and cash equivalents	126,429	167,547
Time deposits	8,662	973
Trade and other receivables	566,315	564,204
Other financial assets	276,575	272,347
Inventories	202,551	207,092
Other current assets	58,682	61,032
Non-Current Assets:	1,520,073	1,503,266
Property, plant and equipment	271,257	276,551
Goodwill and intangible assets	388,177	413,836
Other financial assets	655,600	620,171
Investments accounted for using the equity method	563	935
Other investments	81,579	67,084
Other non-current assets	39,210	38,905
Deferred tax assets	83,687	85,784
Total Assets	2,759,287	2,776,461

Consolidated Statements of Financial Position (as of March 31, 2017)

	Millions of yen	
	As of March 31,	
	2017	2016
LIABILITIES		
Current Liabilities:	806,924	806,868
Bonds and borrowings	229,944	260,755
Trade and other payables	295,788	286,123
Other financial liabilities	2,227	1,820
Income tax payables	15,149	15,220
Other current liabilities	263,816	242,950
Non-Current Liabilities	835,486	821,829
Bonds and borrowings	629,799	592,045
Other financial liabilities	2,178	3,745
Accrued pension and retirement benefits	120,725	139,049
Other non-current liabilities	72,670	82,392
Deferred tax liabilities	10,114	4,598
Total Liabilities	1,642,410	1,628,697
EQUITY		
Equity attributable to owners of the parent:	1,042,106	1,077,813
Common stock	135,364	135,364
Additional paid-in capital	186,423	186,423
Treasury stock	(37,318)	(37,312)
Other components of equity	100,194	114,914
Retained earnings	657,443	678,424
Non-controlling interests	74,771	69,951
Total Equity	1,116,877	1,147,764
Total Liabilities and Equity	2,759,287	2,776,461

Consolidated Statements of Profit or Loss (for the year ended March 31, 2017)

	Millions of yen	
	For the year ended March 31,	
	2017	2016
Sales	2,028,899	2,209,028
Cost of sales	1,240,271	1,327,064
Gross profit	788,628	881,964
Selling, general and administrative expenses	755,393	799,406
Other revenue	4,590	19,737
Other expense	(3,945)	-
Operating profit	33,880	102,295
Finance income	4,600	5,091
Finance costs	(8,556)	(11,757)
Share of loss of investments accounted for using the equity method	31	55
Profit before income tax expenses	29,955	95,684
Income tax expenses	20,518	28,378
Profit	9,437	67,306
Profit attributable to:		
Owners of the parent	3,489	62,975
Non-controlling interests	5,948	4,331

(Note) Other revenue includes gain on sale of property, plant and equipment, etc.

(Note) Other expense includes impairment of goodwill.

Consolidated Statements of Comprehensive Income (Unaudited) (for the year ended March 31, 2017)

	Millions of yen	
	For the year ended March 31,	
	2017	2016
Profit	9,437	67,306
Other comprehensive income (loss)		
Components that will not be reclassified subsequently to profit or loss:		
Remeasurement of defined benefit plan	4,555	(6,039)
Components that will be reclassified subsequently to profit or loss:		
Net gain on fair value of available-for-sale financial assets	10,746	6,457
Net gain on fair value of cash flow hedges	222	(1,916)
Exchange differences on translation of foreign operations	(25,974)	(44,180)
Total other comprehensive income (loss)	(10,451)	(45,678)
Comprehensive income (loss)	(1,014)	21,628
Comprehensive income attributable to:		
Owners of the parent	(6,705)	18,332
Non-controlling interests	5,691	3,296

Consolidated Statements of Changes in Equity

(for the year ended March 31, 2017)

(Unit: millions of yen)

	Common stock	Additional paid-in capital	Treasury stock	Other components of equity	Retained earnings	Equity attributable to owners of the parent	Non-controlling interests	Total equity
Balance as of April 1, 2016	135,364	186,423	(37,312)	114,914	678,424	1,077,813	69,951	1,147,764
Profit					3,489	3,489	5,948	9,437
Other comprehensive income				(10,194)		(10,194)	(257)	(10,451)
Total comprehensive income	-	-	-	(10,194)	3,489	(6,705)	5,691	(1,014)
Net change in treasury stock			(6)			(6)		(6)
Dividends declared and approved to owners					(28,996)	(28,996)	(871)	(29,867)
Transfer from other components of equity to retained earnings				(4,526)	4,526	-		-
Total transactions with owners	-	-	(6)	(4,526)	(24,470)	(29,002)	(871)	(29,873)
Balance as of March 31, 2017	135,364	186,423	(37,318)	100,194	657,443	1,042,106	74,771	1,116,877

Consolidated Statements of Cash Flows (Unaudited)

	Millions of yen	
	For the year ended March 31,	
	2017	2016
I. Cash flows from operating activities		
Profit	9,437	67,306
Adjustments to reconcile profit to net cash provided by operating activities:		
Depreciation and amortization	106,890	107,366
Impairment of property, plant and equipment and intangible assets	5,552	-
Impairment of goodwill	3,945	-
Other revenue	(4,590)	(19,737)
Share of loss of investments accounted for using the equity method	(31)	(55)
Finance income and costs	3,956	6,666
Income tax expenses	20,518	28,378
Increase in trade and other receivables	(12,763)	(23,376)
Decrease in inventories	1,176	9,595
Increase in lease receivables	(37,741)	(35,683)
Increase in trade and other payables	11,992	11,992
Decrease in accrued pension and retirement benefits	(9,094)	(9,107)
Other, net	21,099	(14,323)
Interest and dividends received	2,947	2,350
Interest paid	(8,406)	(6,916)
Income taxes paid	(26,588)	(24,598)
Net cash provided by operating activities	88,299	99,858
II. Cash flows from investing activities		
Proceeds from sales of property, plant and equipment	14,893	20,997
Expenditures for property, plant and equipment	(75,447)	(83,778)
Expenditures for intangible assets	(26,793)	(28,968)
Payments for purchases of available-for-sale securities	(464)	(799)
Proceeds from sales of available-for-sale securities	824	3,244
Increase in time deposits	(7,519)	(163)
Purchase of business, net of cash acquired	(1,429)	(5,687)
Other, net	(10,780)	(8,984)
Net cash used in investing activities	(106,715)	(104,138)

	Millions of yen	
	For the year ended March 31,	
	2017	2016
III. Cash flows from financing activities		
Net proceeds of short-term debt	(35,246)	(3,620)
Proceeds from long-term debt	303,100	198,895
Repayments of long-term debt	(289,452)	(84,432)
Proceeds from issuance of bonds	51,567	20,000
Repayments of bonds	(20,000)	(60,000)
Dividends paid	(28,996)	(25,009)
Payment for purchase of treasury stock	(7)	(16)
Other, net	(887)	(3,149)
Net cash provided by financing activities	(19,921)	42,669
IV. Effect of exchange rate changes on cash and cash equivalents	(2,781)	(8,564)
V. Net increase (decrease) in cash and cash equivalents	(41,118)	29,825
VI. Cash and cash equivalents at beginning of year	167,547	137,722
VII. Cash and cash equivalents at end of year	126,429	167,547

Notes to Consolidated Financial Statements

* All figures are rounded off to nearest million yen.

Significant Accounting Policies Regarding the Preparation of Consolidated Financial Statements

Scope of Consolidation

The number of consolidated subsidiaries is 213 and the number of companies to which the equity method is applied is 8 in the fiscal year under review.

In addition to the above, the Company adds structured entities to its scope of consolidation.

The names of major consolidated subsidiaries have been omitted, as they are stated in “1. Business condition of the Ricoh Group, (5) Major subsidiaries” of the Business Report for the 117th business term.

Significant Accounting Policies

1. Basis of Preparation

The consolidated financial statements of Ricoh Company, Ltd. (“Ricoh”) including consolidated statement of financial position and consolidated statement of profit or loss have been prepared on the basis of International Financial Reporting Standards (“IFRS”), in compliance with Article 120, Paragraph 1 of the Corporate Calculation Regulations. However, in compliance with the second sentence of the paragraph, certain disclosure that is required on the basis of IFRS is omitted.

2. Inventories

Inventories are measured at the lower of cost and net realizable value. The cost of inventory includes purchase costs and conversion costs that contain appropriate allocation of fixed and variable overhead expenses. These costs are assigned to inventories by mainly the weighted-average method.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

3. Property, Plant and Equipment

(1) Recognition and measurement

Property, plant and equipment are carried at cost less any accumulated depreciation and any accumulated impairment losses.

The cost of items of property, plant and equipment includes costs directly attributable to the acquisition and initial estimate of the costs of dismantling and removing the items and restoring the site on which they are located.

When the useful life of each part of an item of property, plant and equipment varies, it is accounted for as a separate item of property, plant and equipment.

(2) Subsequent costs

Ordinary maintenance and repairs are charged to expense as incurred. Major replacements and

improvements are capitalized to the extent they enhance the future economic benefit of the Ricoh Group's assets.

(3) Depreciation

Depreciation of property, plant and equipment other than land and construction in progress is mainly computed under the straight-line method based on the estimated useful life of each item. Estimated useful lives for the principal items of property, plant and equipment are 2 to 60 years for buildings and structures, 1 to 20 years for machinery, equipment and vehicles, and 1 to 20 years for tools, furniture and fixtures. Leased assets are depreciated over the shorter of the lease term and their useful lives if there is no reasonable certainty that the Ricoh Group will obtain ownership by the end of the lease term.

The depreciation methods, useful lives and residual values are reviewed at the end of each fiscal year, and changed when necessary.

4. Goodwill and Intangible Assets

(1) Goodwill

Goodwill is recognized and measured as the excess of the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed over the aggregate of consideration transferred, including the recognized amount of any non-controlling interests in the acquiree, which generally is measured at fair value at the acquisition date. Goodwill is measured at cost less any accumulated impairment losses. It is not amortized and is required to be tested at least annually for impairment.

(2) Intangible assets

The Ricoh Group adopts the cost model to measure intangible assets and presents them at cost less accumulated amortization and accumulated impairment losses.

(i) Software for Internal Use

The Ricoh Group capitalizes certain internal and external costs incurred to acquire or create internal use software during the application development stage as well as upgrades and enhancements that result in additional functionality. The capitalized software is amortized on a straight line basis over approximately 2 to 10 years.

(ii) Development assets

An intangible asset arising from development activities (or from the development phase of an internal project) of the Ricoh Group shall be recognized if, and only if, it can demonstrate all of the following:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale
- its intention to complete the intangible asset for use or sale
- its ability to use or sell the intangible asset
- how the intangible asset will generate probable future economic benefits
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset
- its ability to measure reliably the expenditure attributable to the intangible asset during its development

Amortization of the asset commences on the commercial production date after the completion of an

internal project and the asset is amortized on a straight line basis over the estimated useful lives that are the expected periods to generate net cash inflows. Other development expenditure and expenditure on research activities are recognized as an expense as incurred.

(iii) Other intangible assets

Intangible asset acquired separately is measured at cost at initial recognition. Intangible asset acquired in a business combination and recognized separately from goodwill are measured at fair value on the acquisition date.

(iv) Amortization (other than development assets)

Intangible assets with definite useful lives are amortized over the estimated useful lives and determination is made for existence of impairment indication. Such intangible assets consisting primarily of software, customer relationships and trademarks are amortized on a straight line basis over the estimated useful lives. Intangible assets with indefinite useful lives and intangible assets that are not ready to use are not amortized, but are tested annually for impairment until its life would be determined to no longer be indefinite.

5. Financial Instruments

Non-derivative financial assets of the Ricoh Group are classified as loans and receivables, and available-for-sale financial assets. Non-derivative financial liabilities are classified as other financial liabilities.

(1) Recognition and derecognition of non-derivative financial assets and non-derivative financial liabilities

The Ricoh Group initially recognizes loans, receivables and debt securities on the date that they are originated. All other financial assets and liabilities are recognized initially on the trade date.

The Ricoh Group derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred.

The Ricoh Group derecognizes a financial liability when contractual obligations specified under a contract is discharged, cancelled or expires.

(2) Measurement of non-derivative financial assets

(i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are recognized initially at fair value plus transaction costs that are directly attributable to the acquisition of the financial asset. Subsequent to initial recognition, loans and receivables are measured at amortized cost using the effective interest method.

(ii) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale or are not classified as any of the above categories of financial assets. Available-for-sale financial assets are recognized initially at fair value plus transaction costs that are directly attributable to the acquisition of the financial asset. Subsequent to initial recognition, these

are measured at fair value and the subsequent changes in fair value are recognized as “net gain on fair value of available-for-sale financial assets” in other comprehensive income. When objective evidence of impairment exists individually, the impairment loss is recognized in profit or loss. Dividends from available-sale-securities are included in profit or loss as part of financial income. When an investment is derecognized, the net gain on fair value of available-for-sale financial assets in other component of equity is reclassified to profit or loss.

(3) Measurement of non-derivative financial liabilities

Non-derivative financial liabilities, including borrowings, are initially recognized at fair value less transaction costs that are directly attributable to issue of financial liability. After initial recognition, non-derivative financial liabilities are measured at amortized cost using the effective interest method.

(4) Equity

(i) Common stock under equity

Costs that are directly attributable to issuance of equity instruments issued by the Company are recognized as a deduction item of equity.

(ii) Treasury stock of the Company

For the Company’s own equity instruments that were repurchased after the initial issuance (treasury stock), consideration paid (including transaction costs that are directly attributable to the purchase of such stock) is recognized as a deduction item of equity. In the event of sale of treasury stock, consideration received is recognized as an increase in equity.

(5) Derivative financial instruments and hedging activities

The Ricoh Group manages its exposure to certain market risks, primarily foreign currency and interest rate risks, through the use of derivative instruments. As a matter of the Ricoh Group policy, the Ricoh Group does not enter into derivative contracts for trading or speculative purposes. The Ricoh Group recognizes all derivative instruments as either assets or liabilities in the consolidated statement of financial position and measures those instruments at fair value. When the Ricoh Group enters into a derivative contract, it makes a determination as to whether or not, the hedging relationship meets the hedge effectiveness requirements. In general, a derivative may be designated as either (1) a hedge of the exposure to changes in fair value of a recognized asset or liability or an unrecognized firm commitment (“fair value hedge”) or (2) a hedge of the exposure to changes in variability of the expected cash flows associated with an existing asset or liability or a planned transaction with very high probability (“cash flow hedge”).

The Ricoh Group formally documents all relationships between hedging instruments and hedged items, as well as its risk-management objective and strategy for undertaking various hedge transactions. This process includes linking all derivatives that are designated as fair value or cash flow hedges to specific assets and liabilities on the consolidated statements of financial position or to specific firm commitments or forecasted transactions with very high probability.

(i) Fair value hedge

Derivative instruments designated as fair value hedges are measured at fair value. Changes in fair values of derivatives designated as fair value hedges are recognized as gains or losses and are offset

by gains or losses resulting from the changes in the fair values of the hedged items.

(ii) Cash flow hedge

The effective portion of gains and losses of on hedging instruments in a cash flow hedge are recognized through other comprehensive income. Other comprehensive income is reclassified to profit or loss in the same period during which the hedged expected cash flows affects profit or loss. Changes in fair values of ineffective portions of cash flow hedges are recognized immediately in profit or loss.

(iii) Derivatives not designated as hedging instruments

Changes in the fair value of derivative financial instruments which do not qualify for hedge accounting are recognized in profit or loss for the fiscal period under review.

6. Provision

Provisions are recognized when the Ricoh Group has present obligations as a result of past events, when it is probable that outflows of resources embodying economic benefits will be required to settle the obligations, and reliable estimates can be made of the amount of the obligations. Where the time value of money is material, provision is measured based on the present value using a discount rate that reflects the risks specific to the liability.

7. Employee Benefits (Post-employment Benefits)

The Ricoh Group has defined benefit corporate pension plans and defined contribution plans. The net obligations for defined benefit plans are recognized at the present value of the amount of future benefit that the employees have earned in the current and prior periods, less the fair value of any plan assets on a plan-by-plan basis. Actuarial gains and losses arising from the defined benefit plan are recognized immediately in other comprehensive income and directly reclassified to retained earnings from other components of equity. Past service costs are recognized in profit or loss. The contribution to the defined contribution plans are recognized as an expense when the related service is provided by the employees.

8. The consumption tax and the local consumption tax are excluded from profits and losses.

Changes in Accounting Policies

The Ricoh Group has applied the following standards and interpretations starting from the fiscal year ended March 31, 2017.

The adoption of the following standards and interpretations has no material impact on the consolidated financial statements.

IFRSs	Title	Summaries of new IFRSs/amendments
IFRS 7	Financial Instruments: Disclosures	Clarification of criteria regarding an entity's continuing involvement in transferred financial assets Clarification of the scope to which the provision of offsetting financial assets and financial liabilities are applicable in interim financial statements.
IAS 1	Presentation of Financial Statements	Clarification of disclosure requirements by significance
IAS 19	Employee benefits	Clarification of the determination of discount rate related to post-employment benefit liabilities
IAS 34	Interim Financial Reporting	Clarification of the handling when certain required disclosures by IAS 34 are included in "elsewhere in the interim financial report"
IAS 16 IAS 38	Property, Plant and Equipment Intangible Assets	Clarification that in principle, revenue-based depreciation and depreciation methods are prohibited

Notes to Consolidated Statements of Financial Position

1. Allowance for doubtful receivables directly deducted from the amount of assets:

(1) Current assets:

Trade and other receivables: ¥11,527 million

Other financial assets: ¥3,388 million

(2) Non-current assets:

Other financial assets: ¥6,203 million

2. Pledged assets and liabilities:

Not applicable.

3. Matters related to transfers of financial assets:

Subsidiaries of Ricoh conduct transfers of lease receivables to trusts and others. The transfers that do not meet the requirements for being treated as the sale of financial assets are accounted for as secured borrowings. With respect to the aforementioned accounting treatment, the consolidated statement of financial position includes the following assets and liabilities:

(1) Assets:

Current assets:

Other financial assets: ¥10,105 million

Non-current assets:

Other financial assets: ¥15,911 million

(2) Liabilities:

Current liabilities:

Bonds and borrowings: ¥8,367 million

Non-current liabilities:

Bonds and borrowings: ¥13,138 million

4. Guarantee obligation:

There is no guarantee obligation having significance in terms of value.

5. Accumulated depreciation and accumulated

impairment losses on property, plant and equipment: ¥790,048 million

6. Other components of equity include exchange differences on translation of foreign operations, net gain on fair value of available-for-sale financial assets, and net gain on fair value of cash flow hedges.

Notes to Consolidated Statements of Changes in Equity

1. Details and total number of shares outstanding as of the end of the current fiscal year
Common stock: 744,912,078 shares

2. Number of treasury stock as of the end of the current fiscal year
Common stock: 20,030,468 shares

3. Dividends

(1) Payment of dividends

Resolution	Total amount of dividends	Dividends per share	Record date
Ordinary General Meeting of Shareholders (June 17, 2016)	¥12,686 million	¥17.50	March 31, 2016
Board of Directors meeting (October 27, 2016)	¥16,309 million	¥22.50	September 30, 2016

Note: Dividends per share resolved at Board of Directors meeting on October 27, 2016 include commemorative dividends of ¥5.00.

(2) Dividends whose record date is in the current fiscal year but whose effective date is in the following fiscal year are as follows:

Resolution (scheduled)	Total amount of dividends	Dividends per share	Record date
Ordinary General Meeting of Shareholders (June 16, 2017)	¥9,061 million	¥12.50	March 31, 2017

Note: Dividends per share scheduled to be resolved at the Ordinary General Meeting of Shareholders on June 16, 2017 include commemorative dividends of ¥5.00.

Notes to Financial Instruments

1. Matters concerning the state of financial instruments

(1) Capital risk management

The Ricoh Group's capital management policy is to maintain a strong financial position which enables to secure adequate funds for its operational development, and at the same time, to sustain an efficient capital structure, with the aim of realizing sustainable growth of the Ricoh Group and enhancement of its corporate value.

(2) Foreign exchange risk management

A considerable part of the Ricoh Group's production and sales activities are conducted outside of Japan, including the U.S., Europe, China, and other regions. As a consequence, the Ricoh Group's performance results, assets and liabilities denominated in foreign currencies may be impacted by currency rate fluctuation.

The Ricoh Group has entered into foreign exchange contracts in an effort to reduce exposure to risk associated with foreign exchange rate fluctuation on its assets and liabilities denominated in foreign currencies.

(3) Interest rate risk management

Of the Ricoh Group's interest-bearing debts, those which are at variable interest rates are exposed to interest rate fluctuation risk.

The Ricoh Group has entered into interest rate swap contracts in order to hedge potential risk, arising

from fluctuation in interest rate, on cash flow by payment of interest. The Ricoh Group uses derivatives pursuant to the policy set forth by the Ricoh Group for the purpose of reducing risk.

(4) Credit risk management

Receivables generated from operating activities of the Ricoh Group are exposed to the credit risk of its business partners.

As for such risk, the Ricoh Group sets a credit limit, conducts surveys on credit and monitoring of the performance of its business partners on an ongoing basis. The Ricoh Group believes that potential risk such as concentration of credit risk and outstanding accounts of business partners to which the Ricoh Group grants credit need to be minimized, and therefore, the Ricoh Group makes adjustment to the extent of granting credit based on the results of monitoring.

When the Ricoh Group uses derivative transactions, financial institutions are limited to those which are highly credible in order to minimize exposure to credit risk.

(5) Liquidity risk management

The Ricoh Group procures operating funds in a form of loans from financial institutions or by issuing bonds. As a consequence, the Ricoh Group is exposed to risk of not being able to fulfill its repayment obligation due to factors such as deterioration of fund procurement environment.

Ricoh and some of its consolidated subsidiaries have entered into agreements with financial institutions in respect of limits on loan and overdraft facilities, and hold commercial paper issuance program. The Ricoh Group has also developed a structure to allow accommodating other Group companies with funds by making use of liquidity on hand effectively among the Group companies, with the Ricoh Group's finance subsidiaries located in each region playing a central role. The Ricoh Group strives for diversifying means for fund procurement, and has concluded commitment line agreements with more than one financial institution as a countermeasure against liquidity risk.

2. Matters concerning fair value of financial instruments

(1) Cash and cash equivalents, time deposits, and trade and other payables

These financial instruments are not included in the table below, as the carrying amounts approximate fair values due to the relatively short term nature.

(2) Trade and other receivables

The receivables settled in a short period of trade and other receivables are not included in the table below, because the carrying amounts approximate fair values due to the short maturities of these instruments.

Fair value of the receivables not expected to be recovered or settled in a short period of time, per each receivable classified per certain business types, are calculated based on present value of such receivable discounted by the interest rate, which takes into account the period to maturity and the credit risk.

(3) Lease receivables and installment loans

Fair value of lease receivables and installment loans, per each receivable classified per certain period, are calculated based on present value of such receivable discounted by the interest rate, which takes into account the period to maturity and the credit risk.

(4) Derivatives

Derivative instruments consist of interest rate swap agreements and foreign currency contracts. Fair values of these instruments are mainly measured by obtaining quotes from brokers.

(5) Securities and bonds

Securities and bonds include mainly marketable securities, bonds and unlisted securities. Marketable securities and bonds are held at fair value using quoted prices in an active market. The fair value of unlisted securities is measured using the comparable companies' analysis or other reasonable valuation methods.

(6) Loans, borrowings and lease liabilities

Loans and borrowings expected to be settled in within 12 months are not included in the table below, as the carrying amounts approximate fair values due to the short maturities of these instruments.

Fair value of loans, borrowings and lease liabilities are calculated from estimated present value using year-end borrowing rates derived from future cash flows, on a per-loan basis, as well as calculated based on market prices.

- Carrying amounts and fair values of the financial instruments on the consolidated statement of financial position as of March 31, 2017 are as follows:

(Unit: millions of yen)

	Carrying amount	Fair value
Assets:		
Trade receivables	94,964	99,231
Other financial assets (current and non-current)		
Lease receivables	810,191	835,283
Derivative assets	1,673	1,673
Installment loans	120,311	120,820
Other investments		
Securities	80,141	80,141
Bonds	1,438	1,438
Liabilities:		
Other financial liabilities (current and non-current)		
Derivative liabilities	2,444	2,444
Lease liabilities	1,961	2,026
Bonds and borrowings	629,799	628,380

Notes to Per-share Information

- | | |
|---|-----------|
| 1. Equity per share attributable to owners of the parent: | ¥1,437.62 |
| 2. Earnings per share attributable to owners of the parent-basic: | ¥4.81 |

Non-consolidated Balance Sheets (as of March 31, 2017)

	Millions of yen	
	As of March 31,	
	2017	2016
ASSETS		
Current Assets:	380,036	401,174
Cash on hand and in banks	18,907	35,554
Notes receivable – trade	720	671
Accounts receivable – trade	102,510	189,327
Marketable securities	17,500	9,000
Finished goods	30,466	29,271
Raw materials	1,711	2,014
Work in process	2,509	3,029
Supplies	10,169	9,984
Accounts receivable – other	19,292	16,488
Short-term loans receivable	161,588	85,639
Deferred tax assets	5,451	7,102
Other current assets	10,505	13,317
Allowance for doubtful accounts	(1,298)	(228)
Fixed Assets:	691,203	685,890
Tangible fixed assets:	113,636	116,811
Buildings	50,682	51,637
Structures	2,520	2,831
Machinery and equipment	19,292	20,715
Vehicles	125	118
Tools, furniture and fixtures	12,338	13,384
Land	21,321	22,025
Leased assets	118	141
Construction in progress	7,235	5,956
Intangible fixed assets:	32,317	33,167
Goodwill	4,650	5,270
Leasehold right and others	8,429	9,019
Software	19,237	18,877
Investments and Other Assets:	545,249	535,911
Investment securities	13,969	12,637
Subsidiaries and affiliates' securities	466,907	452,840
Investment in subsidiaries and affiliates	12,440	20,611
Long-term loans receivable	40,887	38,220
Claims provable in bankruptcy, claims provable in rehabilitation and other	459	126
Lease deposit	4,158	5,183
Other investments	7,009	6,534
Allowance for doubtful accounts	(582)	(243)
Total Assets	1,071,239	1,087,064

Non-consolidated Balance Sheets (as of March 31, 2017)

	Millions of yen	
	As of March 31,	
	<u>2017</u>	<u>2016</u>
LIABILITIES		
Current Liabilities:	327,762	300,375
Notes payable – trade	552	280
Electronically recorded obligations-operating	12,879	11,325
Accounts payable – trade	97,208	100,399
Bonds maturing within one year	20,000	-
Short-term borrowings	60,504	32,733
Current maturities of long-term borrowings	30,000	42,300
Leased obligations	324	379
Accounts payable – other	70,254	66,625
Accrued expenses	15,318	22,484
Accrued bonuses	7,531	9,613
Accrued Directors’ bonuses	38	122
Warranty reserve	681	681
Other current liabilities	12,469	13,429
Fixed Liabilities:	196,116	214,125
Bonds	26,979	35,000
Long-term borrowings	158,807	156,902
Leased obligations	478	661
Provision for loss on business of subsidiaries and affiliates	-	1,405
Retirement benefit obligation	4,268	16,675
Asset retirement obligations	5,021	3,456
Other fixed liabilities	561	25
Total Liabilities	523,879	514,501
(Net Assets)		
Shareholders’ Equity:	541,063	567,268
Common Stock	135,364	135,364
Additional paid-in-capital:	180,804	180,804
Legal capital reserve	180,804	180,804
Retained Earnings:	262,046	288,244
Legal reserve	14,955	14,955
Other retained earnings	247,091	273,289
Reserve for deferral of capital gain on property	3,721	4,019
Reserve for special depreciation	43	89
Reserve for social contribution	104	101
General reserve	235,350	255,350
Retained earnings brought forward	7,872	13,728
Treasury stock	(37,151)	(37,145)
Difference of appreciation and conversion	6,296	5,294
Net unrealized holding gains on securities	6,296	5,294
Total Net Assets	547,360	572,562
Total Liabilities and Net Assets	1,071,239	1,087,064

Non-consolidated Statements of Operations (for the year ended March 31, 2017)

	Millions of yen	
	For the year ended March 31,	
	2017	2016
Net sales	859,760	903,016
Cost of sales	676,576	707,560
Gross profit	183,184	195,456
Selling, general and administrative expenses	187,870	207,920
Total operating loss	(4,686)	(12,464)
Non-operating income:	41,623	15,974
Interest and dividend income	38,367	14,699
Foreign exchange gains	56	-
Other revenue	3,199	1,275
Non-operating expenses:	3,807	5,191
Interest expense	2,062	1,935
Foreign exchange loss	-	741
Provision for loss on business of subsidiaries and affiliates	-	1,405
Other expenses	1,744	1,110
Ordinary income (loss)	33,130	(1,681)
Extraordinary income	-	16,382
Gain on sales of property, plant and equipment	-	13,876
Gain on sales of investment securities	-	2,505
Extraordinary loss:	37,111	2,252
Impairment of fixed assets	1,092	-
Adjustment from transfer pricing taxation	21,214	-
Loss on valuation of shares of subsidiaries and affiliates	14,804	2,252
Income (loss) before income taxes	(3,981)	12,447
Income taxes - current	(1,203)	2,739
Income taxes for prior periods	(5,702)	-
Income taxes - deferred	127	2,602
Net income	2,797	7,105

Statement of Changes in Shareholders' Equity (for the year ended March 31, 2017)

(Unit: millions of yen)

	Shareholders' equity						Difference of appreciation and conversion	Total net assets
	Common stock	Additional paid-in-capital	Retained earnings		Treasury stock	Total shareholders' equity		
		Legal capital reserve	Legal reserve	Other retained earnings (Note)			Net unrealized holding gains on securities	
Beginning balance	135,364	180,804	14,955	273,289	(37,145)	567,268	5,294	572,562
Changes of items during the period								
Dividends from surplus				(28,995)		(28,995)		(28,995)
Net income				2,797		2,797		2,797
Purchase of treasury stock					(7)	(7)		(7)
Disposal of treasury stock				(0)	0	0		0
Net changes of items other than shareholders' equity							1,002	1,002
Total changes of items during the period	-	-	-	(26,198)	(6)	(26,204)	1,002	(25,202)
Ending balance	135,364	180,804	14,955	247,091	(37,151)	541,063	6,296	547,360

Note: Breakdown of other retained earnings

(Unit: millions of yen)

	Reserve for deferral of capital gain on property	Reserve for special depreciation	Reserve for social contributions	General reserve	Retained earnings brought forward	Total other retained earnings
Beginning balance	4,019	89	101	255,350	13,728	273,289
Changes of items during the period						
Dividends from surplus					(28,995)	(28,995)
Net income					2,797	2,797
Reversal of reserve for deferral of capital gain on property	(298)				298	-
Reversal of reserve for special depreciation		(46)			46	-
Transfer of reserve for social contribution			98		(98)	-
Reversal of reserve for social contribution			(95)		95	-
Reversal of general reserve				(20,000)	20,000	-
Disposal of treasury stock					(0)	(0)
Total changes of items during the period	(298)	(46)	2	(20,000)	(5,856)	(26,198)
Ending balance	3,721	43	104	235,350	7,872	247,091

Notes to Non-consolidated Financial Statements

* All figures are rounded down to nearest million yen.

Notes Regarding Significant Accounting Policies

1. Accounting Policy for Securities

(1) Securities of subsidiaries and affiliates

Securities of subsidiaries and affiliates are stated at cost based on the moving average method.

(2) Other securities

Marketable securities: Marked to market based on the market price at the end of the term and other factors (accounting for all valuation differences with the full net-assets injection method; the cost of securities sold is valued at moving average cost).

Non-marketable securities: Stated at cost based on the moving average method.

2. Accounting Policy for Derivatives

Derivatives are stated at market value.

3. Accounting Policy for Inventories

Inventories are stated principally at cost using the gross average method (the amounts on the balance-sheets are stated based on the method of devaluing book values by lowered profitability).

4. Depreciation and Amortization

(1) Tangible fixed assets (excluding leased assets):

Depreciated by using the straight-line method. Major useful life is as follows:

Buildings: 5-50 years

Machinery and equipment: 4-12 years

(2) Intangible fixed assets (excluding leased assets):

Depreciated by using the straight-line method.

With software for sale in the market, however, the Company records the larger of an amortization based on projected sales profits or a uniform amortization based on a projected effective sales period for the balance. The initially projected effective sales term is 3 years. With software for internal use, the Company uses the straight-line method based on a usable period of 3 to 10 years.

Goodwill is amortized using the straight-line method over the period of investment effect (16 years).

(3) Leased assets

Finance leases for which ownership does not transfer to lessees

Ricoh uses straight-line depreciation for leased assets with the lease-term as useful life.

5. Basis for Provision of Reserves

(1) Allowance for doubtful accounts:

The allowance for doubtful accounts is provided to cover possible losses from bad debts and represents possible individual doubtful accounts based on historical default rates and the probability of recoverability.

(2) Accrued bonuses:

The reserve for accrued bonuses is provided by estimating the amount of bonuses payable to employees for the current financial year under our corporate rules for calculating such bonus payment.

(3) Accrued Directors' bonuses:

The reserve for accrued bonuses is provided by estimating the amount of bonuses payable to Directors for the current financial year.

(4) Warranty reserve:

To cover product after-sales service expenses, the Company calculates the product warranty reserve based on projected service costs.

(5) Provision for loss on business of subsidiaries and affiliates:

To cover projected loss on business of subsidiaries and affiliates, the Company records the estimated loss to be borne by the Company taking into account their financial positions.

(6) Retirement benefit obligation:

To cover projected employee benefits, the Company records the estimated obligations at the end of current fiscal year based on projected year-end benefit obligations and plan assets.

For calculation of retirement benefit obligations, the method of attributing expected retirement benefits to periods up to the end of the current fiscal year is on a straight-line basis.

For actuarial gains or losses, the Company uses straight-line amortization over a certain period of time (13 years) within averaged remaining employment term as incurred in each business year starting from the year following the year of occurrence.

For prior service costs the Company uses straight-line amortization over a certain period of time (13 years) within averaged remaining employment term as incurred in each business year.

Unrecognized actuarial gains and losses and unrecognized prior service costs on the non-consolidated balance sheets are treated differently from those on the consolidated statement of financial position.

6. Consumption Taxes

The consumption tax and the local consumption tax are excluded from profits and losses.

7. Application of Consolidated Taxation System

The Company adopts a consolidated taxation system with the Company being the consolidated parent company.

8. Hedge Accounting

(1) Hedge accounting methods:

With interest-rate swaps, special treatment is adopted if requirements of special treatment are met.

(2) Hedge instruments and targets:

Hedging Instruments: Interest swaps
Hedged items: Interests of long-term borrowings

(3) Hedging policies:

In keeping with its internal Market Risk Management Rules, Ricoh uses derivatives to manage the exposure of its assets and liabilities to market fluctuations.

(4) Hedge effectiveness:

The Company assesses the effectiveness of hedges by analyzing the ratios of the total market fluctuations of hedged targets and instruments. Interest rate swaps, which meet the requirements of special treatment, are exempt from the assessment of effectiveness.

9. Application of Implementation Guidance on Recoverability of Deferred Tax Assets

The Company adopts the “Implementation Guidance on Recoverability of Deferred Tax Assets” (Accounting Standards Board of Japan (“ASBJ”) Guidance No. 26, March 28, 2016) from the fiscal year under review.

Notes to Non-consolidated Balance Sheets

1. Monetary debts and credits for subsidiaries and affiliates:	
Short-term receivable due from subsidiaries and affiliates:	¥270,034 million
Long-term receivable due from subsidiaries and affiliates:	¥40,996 million
Short-term payable due to subsidiaries and affiliates:	¥133,696 million
2. Guarantee obligation:	
Parent company’s guarantee for commercial papers issued by subsidiaries and affiliates:	¥33,657 million
Parent company’s guarantee for the lease agreement by subsidiaries and affiliates:	¥800 million
3. Accumulated depreciation on tangible fixed assets:	¥406,381 million

Notes to Non-consolidated Statements of Operations

Transaction with subsidiaries and affiliates:

Sales:	¥817,569 million
Purchase:	¥352,804 million
Other operating transactions:	¥65,749 million
Non-operating transactions:	¥33,903 million

Notes to Statements of Changes in Shareholders' Equity

Number of treasury stocks as of the end of the fiscal year

Common stock:	20,030,468 shares
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Notes to Deferred Tax Accounting

Major factors giving rise to deferred tax assets include loss on valuation of stocks of affiliates, accrued bonuses, and denial of reserve for retirement benefits, with valuation allowance deducted, while major factors giving rise to deferred tax liabilities are gains on establishment of retirement benefit trust and net unrealized holding gains on securities.

Notes to Leased Fixed Assets

The Company uses fixed assets in the balance sheets and certain office equipment and production facilities, etc. under finance lease contracts without ownership transfer.

Notes to Related Party Transactions

(Unit: millions of yen)

Attribute	Name of company, etc.	Voting rights held by Company	Relation with company		Description of transactions	Transaction amount (Note 1)	Account item	Balance as of the fiscal year under review (Note 1)
			Concurrent Directors	Business relation				
Subsidiary	Ricoh Japan Corporation	(Possessed) Directly: 100%	Yes	Sale of the Company's office equipment	Sales of products (Note 2)	424,348	Accounts receivable – trade	61,939
Subsidiary	Ricoh Leasing Company, Ltd.	(Possessed) Directly: 52.9%	Yes	Factoring transaction	Factoring transaction (Note 3)	53,685	Accounts payable – other	20,071
				Lending of funds	Lending of funds (Note 4)	565,401	Short-term loans	86,258
Subsidiary	RICOH ASIA INDSUTRY LTD.	(Possessed) Directly: 100%	Yes	Sale of the Company's office equipment	Purchase of products (Note 2)	113,648	Accounts payable – trade	8,494
Subsidiary	RICOH AMERICAS HOLDINGS, INC.	(Possessed) Directly: 100%	Yes	Lending of funds	Lending of funds (Note 4) (Note 5)	68,347	Short-term loans	53,291
				Payment of transfer pricing adjustment	Payment of transfer pricing adjustment (Note 6)	21,214	Long-term loans	16,828
Subsidiary	RICOH ELECTRONICS, INC.	(Possessed) Indirectly: 100%	No	Manufacturing of the Company's office equipment	Sales of components (Note 2)	150,789	Accounts receivable – trade	8,370
Subsidiary	RICOH EUROPE HOLDINGS PLC	(Possessed) Indirectly: 100%	Yes	Borrowing of funds	Borrowing of funds (Note 4) (Note 5)	46,781	Short-term borrowings	54,370
					Underwriting of capital increase (Note 7)	17,335		
Subsidiary	RICOH EUROPE SCM B.V.	(Possessed) Indirectly: 100%	No	Sale of the Company's office equipment	Sales of products (Note 2)	67,219	Accounts receivable – trade	4,648

Notes: Transaction conditions and policy in determining transaction conditions

1. The transaction amount does not include the consumption tax, while the ending balance includes the consumption tax.
2. Prices and other transaction conditions are determined through price negotiations, taking into account the market situation.
3. For trade payables of the Company, payments are made under the main factoring agreement concluded among three parties which are the Company, counterparty and Ricoh Leasing Company Ltd.
4. Terms and conditions of lending and borrowing are determined each time through negotiations based on market interest rates.
5. The transaction amount shows the average balance during the period.
6. Payment of transfer pricing adjustment refers to adjustment paid to the U.S. subsidiary upon the agreement reached through mutual discussion between the Japan and U.S. tax authorities concerning the advance price agreement related to the calculation method for arm's length pricing.
7. Underwriting of capital increase refers to the amount underwritten by the Company for the capital increase of RICOH EUROPE HOLDINGS PLC.

Notes to Per-share Information

1. Net assets per share:	¥755.10
2. Net income per share:	¥3.86

Independent Auditor's Report

May 16, 2017

The Board of Directors
Ricoh Company, Ltd.

KPMG AZSA LLC

Hiroshi Shiina (Seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Katsunori Hanaoka (Seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Shingo Iwamiya (Seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

We have audited the consolidated financial statements, comprising the consolidated statement of financial position, the consolidated statement of profit or loss, the consolidated statement of changes in equity and the notes to consolidated financial statements of Ricoh Company, Ltd as at March 31, 2017 and for the year from April 1, 2016 to March 31, 2017 in accordance with Article 444-4 of the Companies Act.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the second sentence of Article 120-1 of the Ordinance of Companies Accounting that prescribes some omissions of disclosure items required under designated International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the consolidated financial statements based on our audit as independent auditor. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, while the objective of the financial statement audit is not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above, which were prepared in accordance with the second sentence of Article 120-1 of the Ordinance of Companies Accounting that prescribes some omissions of disclosure items required under designated International Financial Reporting Standards, present fairly, in all material respects, the financial position and the results of operations of Ricoh Company, Ltd. and its consolidated subsidiaries for the period, for which the consolidated financial statements were prepared.

Other Matter

Our firm and engagement partners have no interest in the Company which should be disclosed pursuant to the provisions of the Certified Public Accountants Law of Japan.

Notes to the Reader of Independent Auditor's Report:

The Independent Auditor's Report herein is the English translation of the Independent Auditor's Report as required by the Companies Act.

Independent Auditor's Report

May 16, 2017

The Board of Directors
Ricoh Company, Ltd.

KPMG AZSA LLC

Hiroshi Shiina (Seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Katsunori Hanaoka (Seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Shingo Iwamiya (Seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

We have audited the financial statements, comprising the balance sheet, the statement of operations, the statement of changes in shareholders' equity, the notes to financial statements and the supplementary schedules as at March 31, 2017 and for the year from April 1, 2016 to March 31, 2017 in accordance with Article 436-2-1 of the Companies Act.

Management's Responsibility for the Financial Statements and Others

Management is responsible for the preparation and fair presentation of the financial statements and the supplementary schedules in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of financial statements and the supplementary schedules that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements and the supplementary schedules based on our audit as independent auditor. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and the supplementary schedules are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements and the supplementary schedules. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements and the supplementary schedules, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements and the supplementary schedules in order to design audit procedures that are appropriate in the circumstances, while the objective of the financial statement audit is not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements and the supplementary schedules.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements and the supplementary schedules referred to above present fairly, in all material respects, the financial position and the results of operations of Ricoh Company, Ltd. for the period, for which the financial statements and the supplementary schedules were prepared, in accordance with accounting principles generally accepted in Japan.

Other Matter

Our firm and engagement partners have no interest in the Company which should be disclosed pursuant to the provisions of the Certified Public Accountants Law of Japan.

Notes to the Reader of Independent Auditor's Report:

The Independent Auditor's Report herein is the English translation of the Independent Auditor's Report as required by the Companies Act.

Audit & Supervisory Board's Report

The Audit & Supervisory Board has prepared this Audit Report upon discussion based on the audit reports prepared by each Audit & Supervisory Board Member concerning the execution of duties by the Directors for the 117th fiscal year from April 1, 2016 to March 31, 2017, and hereby reports as follows:

1. Auditing methods employed by Audit & Supervisory Board and the Board Members

- (1) The Audit & Supervisory Board prescribed audit policies, activity plans, assignment of duties and other relevant matters, received reports from each Audit & Supervisory Board Member on their implementation of audits and results thereof, as well as reports from Directors, etc. and the Independent Auditor on the performance of their duties, and requested explanations from them whenever necessary.
- (2) Each Audit & Supervisory Board Member complied with the auditing standards of Audit & Supervisory Board Members established by the Audit & Supervisory Board, followed the audit policies, activity plans, assignment of duties, etc., communicated with Directors, staff of the internal management and control division, and other employees, etc., strove to collect information and establish the environment for auditing, and conducted audits based on the methods below.
 - (i) Each Audit & Supervisory Board Member attended Board of Directors and other important meetings, received reports from Directors, employees, etc. on the execution of their duties, requested explanations from them whenever necessary, inspected important written approvals, etc., examined the status of operations and assets at the head office and principal offices. With regards to the subsidiaries, we strove to communicate and exchange information with the principal administrative divisions of each subsidiary, and received explanations from Directors and employees regarding their business and exchanged opinions by visiting the subsidiaries whenever necessary.
 - (ii) We also regularly received reports, from Directors, employees, etc., requested explanations from them whenever necessary, and expressed our opinions, for ensuring that the execution of duties by Directors described in the Business Report conforms to the related laws and regulations and the Articles of Incorporation, the details of the resolution of the Board of Directors concerning the establishment of the system stipulated in Article 100, Paragraph 1 and Paragraph 3 of the Enforcement Regulations of the Companies Act aiming to secure the appropriateness of the operations of the corporate group consisting of the Company and its subsidiaries; and the construction and operation status of a system (internal control system) established in accordance with the said resolution.
 - (iii) With regard to accounting audits, we received explanations on audit plans from the Independent Auditor in advance and made discussions, as well as received audit reports. Furthermore, we monitored and verified whether the Independent Auditor implemented appropriate audits while maintaining independence, received reports from the Independent Auditor on the execution of their duties, and sought explanations whenever necessary. Furthermore, we received notice from the Independent Auditor that "System for ensuring that the execution of duties are performed properly" (matters set forth in each item of Article 131 of the Company Accounting Regulations) is organized in accordance with the "Quality Management Standards Regarding Audits" (Business Accounting Council; October 28, 2005), etc., and sought explanations whenever necessary.

Based on the above methods, we examined the business report and its supplementary schedule, non-consolidated financial statements and the supplementary schedules (the balance sheet, the statement of operations, the statement of changes in shareholders' equity and the notes to financial statements) and the supplementary schedules for the fiscal year under review, as well as consolidated financial statements (the consolidated financial statements, comprising the consolidated statement of financial position, the consolidated statement of profit or loss, the consolidated statement of changes in equity and the notes to consolidated financial statements).

2. Audit results

(1) Results of audit of Business Report, etc.

- (i) We hereby state that the Business Report and the supplementary schedules fairly represent the Company's conditions in accordance with the related laws and regulations and the Articles of Incorporation.
- (ii) With regard to the performance of duties by Directors, we find no significant evidence of wrongful act or violation of related laws and regulations, nor the Articles of Incorporation.
- (iii) We hereby state that the content of the resolution by the Board of Directors concerning the internal control system is proper. In addition, we find no issue on which to remark in regard to the contents of Business Report and the execution of duties by the Directors regarding the internal control system. However, continuous improvements are desired on the internal control system and its operation.

(2) Results of audit of non-consolidated financial statements and the supplementary schedules

We hereby state that the audit methods of the Independent Auditor, KPMG AZSA LLC, and the results are appropriate.

(3) Results of audit of consolidated financial statements

We hereby state that the audit methods of the Independent Auditor, KPMG AZSA LLC, and the results are appropriate.

May 19, 2017

The Audit & Supervisory Board, Ricoh Company, Limited

Audit & Supervisory Board Member (Full-time)

Kunihito Minakawa (seal)

Audit & Supervisory Board Member (Full-time)

Katsumi Kurihara (seal)

Outside Audit & Supervisory Board Member

Kimitoshi Yabuki (seal)

Outside Audit & Supervisory Board Member

Takashi Narusawa (seal)

Outside Audit & Supervisory Board Member

Shigeru Nishiyama (seal)