

## **Y2K Responsiveness**

### **1. Responses**

#### **(1) Planning**

Y2K compliance is an important management issue at Ricoh. We make it a top priority endeavor to ensure that our products (equipment and systems) do not cause problems for our customers. To maintain operational continuity, including that of vendors and group affiliates, we maintain companywide project teams that monitor all our products and internal systems (telecommunications infrastructure, information system, development and production facilities, and operating facilities).

#### **(2) Organization**

Specialized teams at domestic and overseas sales operations have overseen Y2K compliance efforts for our products.

The president has appointed a director to manage groupwide information technology systems through a committee encompassing representatives of the Information Technology Systems Division and operating divisions.

We launched several Y2K projects in fiscal 1998 to survey current statuses, plan and execute responses, and monitor progress. Regular reports are submitted to Ricoh management through such organizations as a management deliberative committee of directors.

#### **(3) Progress**

Ricoh intends to complete Y2K compliance for its products by September 1999. Nonetheless, we have almost finished work on cautions and response proposals for core offerings. We maintain a special website that discloses our Y2K information. The address is: <http://www.ricoh.co.jp/year2000/index.html>

We completed Y2K fixes on main internal information systems by the end of March 1999. We will soon finish external data link and time slip tests.

Y2K response initiatives at major affiliates and vendors is proceeding basically as planned. We will check their progress by the end of June 1999.

### **2. Response Expenditures**

It is difficult to clearly categorize Y2K compliance costs, for several reasons. For example, work within the Information Technology Systems Division covers both internal and external projects. Redevelopment work for systems upgrades also includes Y2K compliance fixes.

Together, the parent company and major affiliates have allocated around ¥1.5 billion externally on Y2K work. Spending by the close of fiscal 1999 totaled ¥1.05 billion, and plans have been made to spend ¥450 million in fiscal 2000. Ricoh is convinced that these costs will in no way effect our subsidiaries, our future operations, nor our performance.

### **3. Contingency Plans**

Ricoh operates globally and does business with numerous companies. It recognizes that potential problems that are impossible to measure beforehand may arise. Accordingly, after conducting final checks on response progress in June 1999 the Company will prepare for possible problems by creating contingency plans for initiatives to be implemented for customer products and in-house systems (including telecommunications infrastructures, information systems, development and production facilities, and operating facilities).