

## **Tackling the Year 2000 Problem**

### **1. Responses**

#### **(1) Policy**

The Year 2000 problem (Y2K) is an important management issue. Our top priority is to ensure that our products (equipment and systems, etc.) do not inconvenience our customers. To ensure trouble-free operations, including for our vendors and group affiliates, we maintain companywide Y2K-compliance projects that encompass all products and internal systems (communications infrastructure, information systems, development and production facilities, and offices, etc.).

#### **(2) Structure**

Ricoh is tackling Y2K for its products through specialized teams within its sales operations in Japan and overseas.

The Company has appointed a director to oversee its overall in-house systems. The director reports directly to the president. A groupwide information systems committee addresses Y2K issues with internal systems. The divisions head contingency planning and execution for key business functions.

All projects conduct initial surveys, plan and implement responses, and monitor progress. They report progress regularly to top management through director led management steering committees and similar channels.

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

Ricoh finished Y2K compliance work on its main products by the end of September 1999. We are following up with specific customers, and plan to complete Y2K-compliance work through regular maintenance visits by the end of December 1999.

Ricoh has placed its Y2K information and relevant contact details on the following website:

<http://www.ricoh.co.jp/year2000/index.html>

In June 1999, the Company advertised Y2K information and inquiry details in national newspapers, and will do so again in early December.

By the end of September 1999, Ricoh completed Y2K work on its core internal systems and data link testing between main sites and external sites. We plan to finish compliance efforts on divisional systems by the end of December.

Work with all major group affiliates and vendors is proceeding generally as planned. We expect to complete it on time.

### **2. Expenditure**

It is difficult to accurately assess Y2K-related costs. This is because costs for information systems are partly internal and external and because Y2K compliance forms part of overall upgrade and redevelopment work.

The parent company and main Group members have allocated around ¥1.55 billion externally to their Y2K programs. To date, ¥1.38 billion has been spent. We plan to expend the balance within this year.

Y2K costs will not materially affect the performances of Group members or the parent company.

### **3. Contingency Plans**

Ricoh is a global company and deals with many external parties. It is thus hard to precisely measure the impact of Y2K. Accordingly, we will maintain an emergency operation from December 29, 1999, through January 4, 2000, to handle any Y2K-related customer problems.

For internal operations, we are working closely with Group affiliates through a structure to prevent damage and reduce risks for the end of the year and the start of the new year. This work covers such core areas as procurement, production, logistics, sales, and service, as well as common infrastructural areas like office facilities, communications, and main information systems.