

<NOTICE>

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Ricoh's current strategy is based on a 3-year Mid-Term Business Plan starting in 2011. I would like to go over the progress we made last year, and what we are going to do as well as what challenges we will take on this year and next year, the final year of our MTP.

P1 Ricoh's New Brand Message

- We are launching this New Brand Message to coincide with the start of fiscal year 2012/03.
- By this, we aim to convey the twin concepts of Imagine together with Change as our new global tag line.
- The entire Ricoh Group is committed to meeting the necessary challenges to achieve Change through Innovation (Imagine).

P4 17th MTP Goals

- Our goals for the 17th MTP are Strive for a global brand, Create a future with new innovation and Achieve "growth" and "restructuring" simultaneously.

P5 17th MTP Basic Strategies

<Business Creation and Integration>

In a word, this is about Regeneration

- Simultaneously maintaining top market share and streamlining core businesses.
- Accelerating business structure transformation to service business for developed markets.
- Achieving growth in emerging markets.
- Realizing profits from the Production Printing business
- Expanding new businesses.

<Establish highly effective management>

- Setting up a robust operational structure in order to develop growth strategies.
- In other words, simultaneously achieving growth and optimization of staff.

P7 Changes in Business Environments

- Last year we were profoundly affected by a series of extraordinary events including the East Japan earthquake and tsunami, the Eurozone crisis, and Thai floods.
- We recognize the need to accelerate our initiatives and carry out what we have to do, otherwise we will fail to respond to these significant changes in the business environment.
- As for changes in customer value, advancements in digitalization, networking and mobile trends require changes in our service offerings. We need to transform ourselves at the same time as changes are occurring in our operating environments. This can be regarded as a positive impetus for us to move our business powerfully forward.

P8 17th MTP Final Year Targets

- We have decided to see the necessity to review and make revisions to the Final Year Targets of our 17th MTP based on these changes to the environment I alluded to earlier including head winds.
- We are revising down Net Sales from the initial 2,400 billion yen to 2,100 billion yen due to Forex issues, the Eurozone crisis.
- Operating Income was revised down from 210 billion to 150 billion yen.
- We were aiming at generating 200 billion of Free Cash flow in total for these 3 years; however last year cash flow turned negative by 101.2 billion yen. Thus we have to revise down the Free Cash Flow target to approximately 50 billion yen over the three years.
- The target for our total return ratio remains the same level at 30%.

P9 Impact on Business Performance due to Environmental Changes

- Operating Income in FY2011/03 was 58 billion yen. We started FY2012/03 by targeting 70 billion yen, however ended with a loss of 18 billion yen
- There were unexpected factors of 73 billion yen, including restructuring costs, Impact from the East Japan earthquake and Thai floods, and impairment loss. So if you exclude unexpected factors, we had the capability to generate about 70 billion yen of profits even in such an environment last year.
- Of course, we need to face this result seriously, but it is not because our earning power has becoming weaker, so the MTP strategy is basically sound.

P10 Major Challenges

<Major problems in profit structures>

- Growth in office printing business was sluggish
- Fixed costs increased due to investments for growth
- Organizational hierarchies multiplied, and ancillary operations increased
- Deviations in structural reforms were observed

<Major challenges>

(Accelerating restructuring)

- Reinforce basic functions such as R&D, production, marketing, and sales
- Reengineer all operational processes
- Review human resource deployment

(Implementing growth strategies)

- Reinforce profitability in core businesses
- Develop new markets
- Establish new business cores other than Imaging & Solutions

P12 Achieve Highly Effective Management (a chart from last year)

In order to achieve a robust operational structure, we are implementing the following major company-wide restructuring initiatives.

- Streamline sales structures
- Review non-profitable businesses
- Reorganize production strategies
- Operational reengineering
- Human resource optimization
- Globally centralized purchase
- Review development processes

P13 Achieving Robust Management Structures

- For costs and benefits of human resource optimization, we spent 34.1 billion yen in the first year FY2012/03 mostly in Japan, and planning to use 25 billion yen for FY2013/03. As for the benefits, since we are steadily implementing restructuring, we've already seen benefits in the first year, and aim to achieve 70 billion yen of restructuring benefits by the end of FY2014/03.

P14 Sales Restructuring in Japan

- For Sales Restructuring in Japan ,we are applying ourselves to improving sales and post-sales service productivity.
- For example, introducing satellite offices, to encourage sales people to adopt innovative working styles (mobile-based jobs) to boost customer contact hours as well as sales.

P15 Achieving Restructuring: Other Initiatives

Other restructuring initiatives include:

- Striving for streamlined operations through full-scale BPR development.
- Promoting low-cost development and production by integrating production sites and reviewing development processes.
- Restructuring unprofitable businesses.
- Reducing procurement costs through expansion of global centralized purchasing systems.

We are establishing management structures to always realize an operating margin of 10% or higher

P17 Challenges for Creating the Future

- This chart illustrates our business portfolio with the y-axis showing services and products and the x-axis showing our corporate and consumer customers. Even though each one of our new businesses is small, we are developing new innovations by connecting value chains. Our strategy is to expand our business domain by adding new devices and services to the portfolio.
- What we are doing right now is combining products and services, redefining adjacent businesses and find new opportunities there.

P18 Print Volume Flows in Printing Business

<Offset printing>

- Due to the shift to digital, offset printing is now in a severe situation.

<Consumer>

- Downward tendency

<Office>

- By taking shares from Offset printing, it grew a little.

<Production Printing>

- Thanks to the shift to digital printing from offset printing, we are experiencing high growth.

<E-reader>

- It grows up greatly.

P19 Office and Working Styles in the Future

- Progress of mobility and networks has taken place rapidly around us, and how we work has changed greatly. We need to plan for an anytime, anywhere workstyle.

P20 Scale of IT-related markets

- The global printing market is 13 trillion yen. But when we redefined adjacent business domains and analyzed where business opportunities are, we found that adjacent markets are as big as 123 trillion yen. Given that, we are now developing these markets taking advantage of many untapped opportunities.

P21 Adjacency Strategic Approach

- If we consider business domains adjacent to our core business, the scaffold spreads out in a form like an ameba. And service is newly combined with core business. Moreover, some extend the further into communications. Such business "that develops including hardware, software, and service" is already part of our thinking..
- Reorganization of the imaging business was carried out with the PENTAX acquisition.: we divided the imaging business into two parts; B to B handled by Ricoh, and B to C operated by a newly established company, Pentax Ricoh Imaging. The two companies have a clear line between their business domains while generating a synergistic effect.

P22 New Customer Value Proposition

- Let me give you an example. TAMAGO Presenter is a free software for mobile devices. It enables users to share and synchronize materials at a meeting. It has been a huge hit. TAMAGO Presenter is extremely versatile. It is used at big conferences and mobile meetings.
- We also provide call center function with UCS (unified communication system).
- We are now presenting various new solutions by combining software and devices.

P24 1.Acquire and Maintain Top Market Share in Core Business

Here I explain 17th MTP basic strategies.

- We obtained and will continue to maintain number 1 market share in our core business. We have strengthened product competitiveness, redefined core business to generate significant synergy and increase market share.
- As for environmental technology, we have been developing lower fusing temperature toners. We launched toners which can fuse at temperatures as low as 120 degrees. We are number one in TEC. And we have developed technology to manufacture housings made of recycled steel plates although we still have some ways to go.
- Ricoh has an extensive global sales network. We are focused on making the most of the direct sales channel, in other words, to shift from product-driven marketing to customer-centric marketing. We are currently transforming our marketing approach dramatically adopting the Japanese model overseas. Japan has already developed this capability.

P25 2.Enhance customer values by creating synergies among core business and new business

- We promoted new businesses. Launching products such as projectors, LED tubes, video conference system, thermo-sensitive media, and mobile devices called EWS.
- More than 50% of LED tubes customers are new customers. It means LED tubes are a door opener triggering new customers to use other Ricoh products.
- We launched UCS in Japan and are getting ready for the overseas launch.
- In the projection business we added ultra-short-throw projectors in our lineup. As a result we have earned the No.4 share in the Japan market.

P26 3.Accelerate business structure transformation to service business

- We reinforced MDS in FY 2012/03. Consequently, sales grew by 20% year on year. We won global orders and are recognized as a top player.
- Sales of network system solutions increased by 10% year on year.
- We have emphasized the core and its adjacent businesses while connecting value chains of products and services. We are now seeing tangible results.

P27 4.Achieve business growth in emerging markets

- In FY2012/03 we expanded our MFP market share in China and Asia Pacific.
- In addition, we reinforced our product competitiveness in China. For example in China, we launched printers and A4 MFPs designed and developed specifically for

the Chinese market.

- We established a new research center in India, and a new affiliated sales company in Vietnam. We are steadily extending our business in the emerging market.

P28 5.Increase Earnings from Production Printing Business

- In 2012/03 we put emphasis on strengthening product competitiveness. Specifically, we launched a new product in the Light-High segment of cut sheet printers.
- This helped increase our market share of color cut sheet printers.
- We also unveiled color wide format inkjet printers and full color continuous feed printers. Continuous feed printers are drawing a lot of interest in the publishing industry. Accordingly we believe wide format and continuous feed printing will be a growth business.
- We are focusing more on product competitiveness, and cultivating vertical corporate printing market.

P30 17th MTP Final Year Targets

- We are strongly determined to achieve the targets of the final year of the 17th MTP.
- We ended up with an operating loss in FY 2012/03. That is why we needed to decrease dividend. We believe we will be able increase shareholder return including raising dividend when we see our business picking up according to the plan.

P31 17th MTP Targets: Net Sales by business domain

We aim to achieve our net sales targets as follows.

- We are determined to hit the targets by steadfastly keeping our top market share and creating new value chains.
- We finally launched A4 size MFPs which will be introduced and expanded overseas.
- We will grow our printer business with particular emphasis on emerging countries.
- On the MDS side we will beef up and train our workforce overseas, and differentiate ourselves by providing total solutions to our customers.
- In the Production Printing segment, we have a better product mix comprising cut sheet, continuous feed and wide format models. We will continue to strengthen them further. Our alliance partner Heidelberg of Germany, has built up a capacity to do business worldwide, which should help us grow globally.

- In the Network System segment, we reallocated resources to deploy the Japanese business model throughout the world. Accordingly, we'd like to capture a lot of opportunities in FY 2013/03.
- In the Imaging System business, B to C has been integrated into Pentax Ricoh Imaging. We plan to promote and grow DSLRs and peripheral businesses globally. B to B has been incorporated into Ricoh. Each entity has its own advanced optical technologies, and is expected to streamline operations so as to enhance its business capability.
- Industrial and Other businesses are expected to remain flat.

P32 17th MTP Targets: Operating Income Trends

- We forecast our operating income for FY2013/03 at 70.0 billion yen.
- In FY2014/03, we will add to the 2013/03 figure, 46.9 billion yen of restructuring benefit, 10 billion yen generated through business process reengineering, another 10 billion yen of cost reduction impact, and 13.1 billion yen attributable to sales increase and other factors. 150 billion yen operating income is our commitment for FY 2014/03.