

## Personnel-Related Measures

Ricoh promotes, as its corporate philosophy since its foundation, the Spirit of Three Loves\*: love your neighbor, love your country, love your work. This philosophy is clearly reflected in the Company's management philosophy\* and action guidelines. Based on this philosophy, we constantly strive to create new value by taking proactive measures based on a clear understanding of problems and objectives, to further motivate ourselves through the satisfaction of contributing to customers and society, and to enrich ourselves both as a Company and as individuals.

\* See page 5.

### Systems That Encourage Employees to Tackle Challenges

#### Wholeheartedly and Creatively

Ricoh takes the desires and aptitudes of employees into consideration when allocating business tasks and allows employees to set their own goals, thus ensuring that the work will be done wholeheartedly and creatively. To support this practice, the Company implemented a system in 1996 in which employees set their own objectives at the beginning of each term based on the Company's strategies and measures and align their objectives with those of the Company through discussions with their managers. Then, at the end of the term, employees review their achievements with their managers. The Company evaluates

employees based on term-end reviews.

Ricoh introduced an in-house staff recruitment system in 1991 and a system to promote ventures within the Company in 1993 called The Man Project.

### Improving the Work Environment to Help Employees Develop More Skill

Ricoh believes that the secret to improving employee skills is to encourage self-development. Therefore, the Company needs to support employees in developing their abilities, utilizing those abilities in their jobs, and getting satisfaction and enjoyment out of the self-development process. In this way, Ricoh is improving the work environment for employees to develop and use more skill. More specifically, the Company introduced an internal qualification system called the Basic License Assessment (BLA), which encourages new employees to select a field in which they wish to specialize and to develop the skills needed to become an expert in that field. There is also a program called the Professional Development Program (PDP) that promotes and supports the self-development of employees by helping them set their objectives through discussions with managers. In addition, a system called the Development Program for Innovative Leaders (DPI)\* was implemented in 1998 that targets all managers. Under this system, managers are evaluated by their subordinates and those they work closely with, and the results are

analyzed and given to the managers to strengthen their leadership abilities.

\* See figure below.

### Improving the Work Environment to Benefit Employees

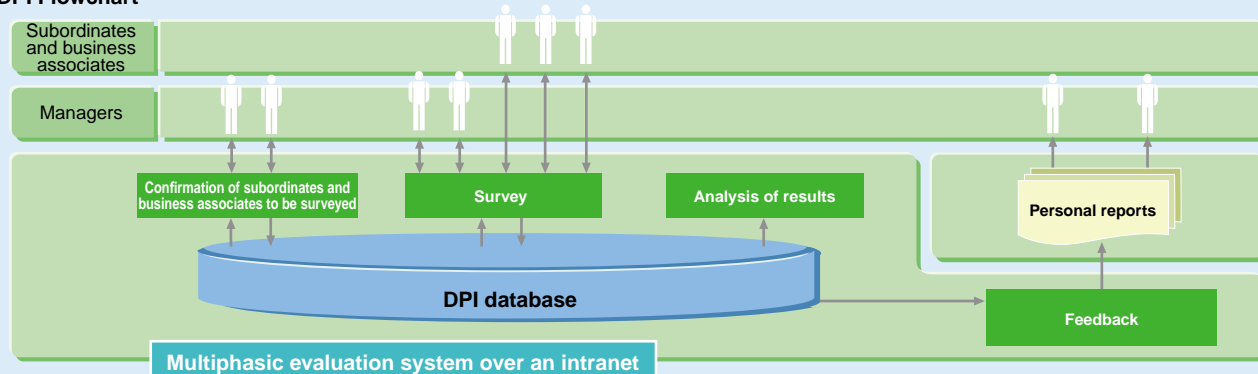
Ricoh has introduced innovative measures to improve the work environment and benefit employees.

Ricoh introduced the five-day workweek in 1971 (at a time when six-day workweeks were the norm), the Family Bonus System (giving employees special holidays and bonuses in the form of travel coupons according to the number of years of service) in 1979, and flextime in 1990. Also in 1990, a system to support childcare was implemented, giving female employees childcare leave or shorter work-hours up until the end of the month of the child's second birthday. At present, male employees can also take advantage of this system. In addition, the Company has set up a system to support employees who must commute long-distance by bullet train.

### Simultaneously Achieving Corporate Growth and Employee Well-being

The opinions and wishes of employees have long been reflected in Ricoh's improvements in the work environment as well as in its personnel-related measures. This was accomplished by finding out what employees think and what they want through daily contact and meetings.

DPI Flowchart



- Following a list of questions, the daily behavior of a manager is evaluated by the manager's subordinates and those he/she works closely with.
- The results of the evaluation are given to the manager after being analyzed, and the manager makes efforts to improve his/her leadership abilities based on those results.

#### Areas of leadership that Ricoh expects managers to improve

Area of leadership	
Vision (Showing the right direction)	Empowerment (Giving motivation)
Change (Striving for improvement)	Development of human resources (Helping employees develop their abilities)
Pursuit of goals (Persevering in attempts to attain goals)	Basic attitude (Leading by example)

Note: Three to five specific examples of behavior are given for each of the elements shown above, and questions on them are asked.

As a comprehensive method of finding out what employees think and what they want, Ricoh introduced the Opinion Survey\* in 1997. About one out of four employees are chosen at random and given the survey, which contains questions on their jobs and their work, efforts toward achieving customer satisfaction (CS), bosses, the workplace, the development of abilities, and the Company's management of personnel. The results of the survey are then taken into consideration when the Company creates countermeasures to the problems identified.

In as early as the 1960s, Ricoh incorporated the idea of sharing profits with employees, calculating bonuses to clearly reflect the Company's financial achievements. Also, the Company makes certain that employees are deeply aware of the importance of thinking of the Ricoh Group as a whole and that improving corporate value as a group is one of its management principles. To emphasize this idea of "groupness" to employees so that they will act in a way that is congruent to this principle, the Company incorporated an index that reflects the financial achievements of the entire Ricoh Group into a formula used to calculate bonuses for employees. The revised formula was used in the second half of fiscal 2000 to calculate summer bonuses for fiscal 2001.

\* See figure below.

## Personnel-Related Measures to Promote Environmental Management and Social Contributions

Acknowledging the importance of environmental management and social contributions as a corporate citizen, Ricoh is implementing the following personnel-related measures.

### Clearly Stipulating Ricoh's Code of Conduct and Encouraging Employees to Follow It



Ricoh clearly stipulates its Code of Conduct\* and distributes brochures stating it to employees to encourage them to follow it.

\* See page 6.

Brochure stating Ricoh's Code of Conduct

### Evaluating the Environmental Conservation Activities of Divisions

Ricoh adds the concept of environmental conservation into the criteria it uses to evaluate the business achievements of its divisions\*. Moreover, the Company has created a system that considers achievements made in environmental conservation to determine the amount of bonus to be given to individual employees.

\* See page 16.

### Rewarding Social Contribution Activities with the Minori Prize

Ricoh evaluates social contributions made by employees and promotes efforts in this area by rewarding the best with the Minori Prize\*. The prize was given for the design and development of a Braille plotter in 1996 and for participation in the cleanup of heavy oil after the Nakhodka oil spill accident in 1997, among others.

\* See page 48.

### Supporting Volunteer Activities

Employees can take time off to volunteer for activities, take care of family members, or to recover from non-work-related injuries or diseases. Moreover, employees can take time off from the Company for a certain period of time for volunteer activities under the leave of absence system for volunteer activities.

### Employing the Physically Challenged

Ricoh's employment rate of the physically challenged was 1.85% in June 1998, 1.89% in June 1999, and 1.94% in June 2000, exceeding the employment rate required by law. The Company holds sign language training seminars to help the hearing impaired lead more comfortable social lives, and employees voluntarily participate in a club for learning sign language.



#### Ricoh Espoir

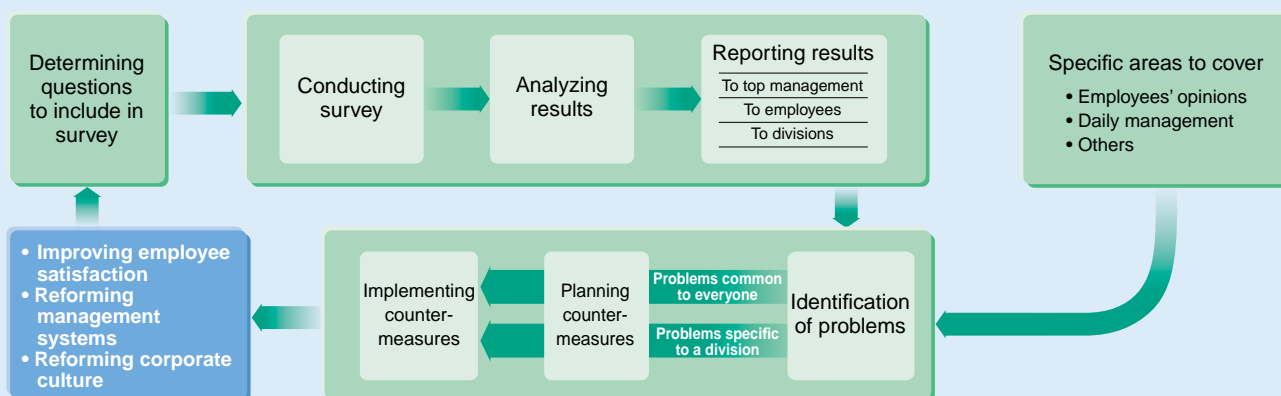
One of Ricoh's special subsidiaries, Ricoh Espoir, was established to promote the employment of people who are severely physically or mentally challenged. The facilities of the company were constructed with

employee needs in mind in order to provide a work environment in which each employee can work comfortably. In 1996, Ricoh Espoir received a prize in excellence from the Japan Association for the Employment of Persons with Disabilities.

### Making Efforts to Provide Equal Employment Opportunities for Men and Women

Since the 1997 revision to the Equal Employment Opportunity between Men and Women Law, Ricoh has been making efforts to prevent sexual harassment in the workplace by making employees more aware of this issue. The Company established the Secretariat of the Human Rights Promotion Committee within the Company for employees and set up a consulting service outside the Company where employees can go. Thus, employees can easily consult with the Company on human rights-related issues. In the event employees infringe on the rights of others, Ricoh, after reviewing all findings, will take the most appropriate action, which may involve counseling, warning, transferring, or firing the employee accused.

## Opinion Survey



- The Opinion Survey is conducted to understand the degree of willingness and satisfaction employees have and, by analyzing the results, to identify problems that need to be solved, improving employee satisfaction and reforming management systems and the corporate culture.
- The results of the Opinion Survey are given not only to top management but also to each division and all employees through in-house newsletters.

- Based on the results of the Opinion Survey, both common and division-specific problems are identified and taken into consideration in determining corporate principles or in examining and implementing corporate measures.