

## Personnel-Related Measures

### Establishing a system to nurture employees' sense of challenge and provide society with new values

In accordance with the Ricoh Group's 14th mid-term management plan, which started in fiscal 2002, Ricoh gives top priority to becoming the winners in the 21st century by being the World No. 1 Product Engineering Company. To this end, Ricoh strives to fulfill the Group's vision of being a vibrant company in which employees work earnestly, are self-motivated, and have such enthusiasm that the company is able to generate the largest profit ever. In such a vibrant company, employees are able to 1) share the same clearly defined vision, 2) set challenging goals, 3) obtain satisfactory results and be fairly evaluated and treated, and 4) be proud of being a part of the Ricoh Group. The Ricoh Group is creating a corporate culture that facilitates self-motivation and a creative business structure for all employees and continues to provide quality and benefits to customers and society as a whole by establishing a system that satisfies all the above items. In an increasingly global society, Ricoh would like to improve its existing systems and establish new ones so that eager and able employees will always have the chance to work in a responsible position regardless of gender, age, nationality, race, or religion.

### Promoting Change by Having a Clearly Defined Vision

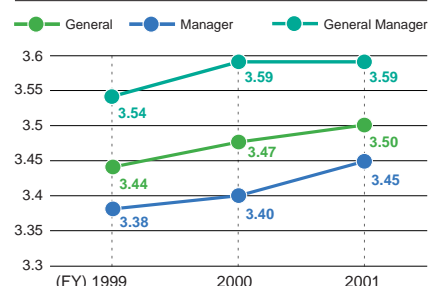
To successfully respond to changing customer needs, the management structure, administration, system, and leadership behavior all need to be flexible enough to change accordingly at a moment's notice. To achieve this, all employees need to have the same clearly defined short-term vision. Only then, can they be aware of

issues and the necessity of change. It is essential for top and other managers to embody the corporate vision and promote change. Such a new managerial environment needs a new kind of manager or leader, one who not only solves or isolates problems but also initiates change according to a clearly defined vision. This plan also requires groups of people who share their own vision with their new leaders to plan and make creative changes to achieve goals. In 1998, Ricoh defined leadership behavior and established the Development Program for Innovative Leaders (DPI) to reform groups led by innovative leaders. The program is implemented at Ricoh and Ricoh Group companies in Japan. Under this program, leaders are evaluated by their subordinates and business associates in such areas as attitude toward and dealing of issues, treatment of subordinates, and basic attitude. The results of the evaluation are then given to the leaders. Other efforts to bring about change using a clearly defined vision include holding seminars to enhance leadership behavior toward change and establishing a database of the best ways of cultivating such behavior, which all Ricoh Group employees in Japan can access.

#### Areas of Leadership in which Ricoh Expects Innovative Leaders to Improve

- Vision (Showing the right direction)
- Change (Striving for improvement)
- Pursuit of goals (Motivating the whole group to achieve goals)
- Empowerment (Giving motivation)
- Development of human resources (Helping employees develop their abilities)
- Basic attitude (Leading by example)

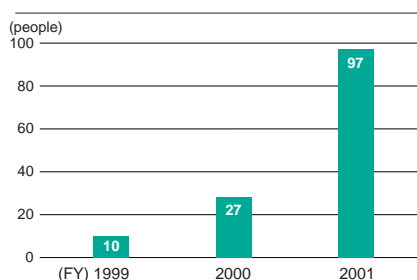
Changes in Total DPI Evaluation Scores over the Past Three Years from Subordinates and Business Associates



### Systems that Encourage Employees to Tackle Challenges in Jobs They Want to Do

Establishing a system that encourages employees to tackle challenges in jobs they want to do is indispensable in employee motivation. In the past, most personnel transfers were done according to the needs of the Company. Now, Ricoh implements a system in which personnel transfers are determined according to the aptitude and desire of the employee and through discussions with supervising managers. The Objective-oriented Interview and Evaluation System and Professional Development Program (PDP) are two examples. Those chosen will be able to display their self-motivation and creativity. Ricoh also establishes an in-house staff recruitment system in which employees volunteer to tackle challenges in jobs that they want to do.

Number of the Employees Transferred according to the In-House Staff Recruitment System

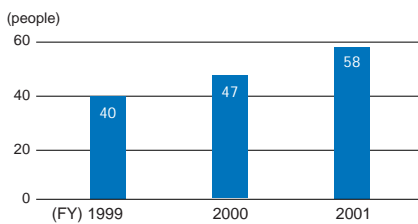


### Re-Employment of Retirees

In an aging society with fewer children, it is important for the Company to make use of the vast expertise and advanced skills that retirees possess to maintain and improve its competitiveness and vitality. Therefore, Ricoh started a system in which retirees are registered upon request at

Ricoh Human Creates Co., Ltd., a Ricoh affiliate, and dispatched to new workplaces where they can make use of their expertise in a variety of areas. Ricoh is contemplating the possibility of dispatching retirees to non-Ricoh Group companies in the future.

#### Results of the Reemployment System



#### Surveying Employee Attitude

Ricoh started its Opinion Survey in 1997 to find out what employees are enthusiastic about and satisfied with, to analyze relevant factors, to clarify issues, and to change the quality of management and organizational climates. Employees are given a questionnaire that asks them about 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. Ricoh Corporation in the United States introduced the Employee Satisfaction Management (ESM) system, which gives subordinates a chance to evaluate their managers, in an effort to improve employee satisfaction toward the company. In the United States, "fairness" is highly valued. If a company wishes to be socially reliable, it needs to ensure that there is no discrimination in its hiring, promotion, and payment practices in terms of race, religion, or gender.

#### Protecting the Personal Information of Employees and Customers

Ricoh sets guidelines in Japan on protecting the personal information of employees and company secrets in Ricoh's Code of Conduct\*. Ricoh Human Creates Co., Ltd., the main businesses of which are personnel training and temporary staffing, established a system to protect the personal information of temporary staff as well as client information and to obtain certification from Japan Information Processing Development Corporation (JIPDEC) in April 2001. Ricoh Human Creates started a consulting business using know-how obtained from JIPDEC certification to help Ricoh Group companies engage in developing an information system and obtain the said certification.

\*See page 57.



JIPDEC Mark for protecting personal information

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

Out of the 265 managers at Ricoh Co., Ltd. Japan, only two are women, and out of 32 directors and operating officers, only one is a woman (not including outside directors). In efforts to provide equal employment opportunities for men and women, Ricoh identified and analyzed the current employment situation through the use of surveys and interviews. Aiming to create a workplace free from sexual harassment, the Company promotes employee awareness of the problem, established the Secretariat of the Human Rights Promotion Committee within the Company, and set up a consulting service outside the Company.

#### Employing the Physically Challenged

As of June 2001, Ricoh's employment rate of the physically challenged is 1.87%, exceeding the employment rate required by Japanese law. To reduce the inconveniences faced by the physically challenged, the Company equips its plants, offices, and other facilities with ramps and other amenities; promotes employee awareness of issues surrounding the physically challenged; and holds sign language training seminars. Employees voluntarily participate in clubs to learn sign language. Ricoh Espoir Ltd. 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.

#### Supporting Volunteer Activities

At Ricoh, employees can take time off to volunteer for activities, take care of family members, or recover from non-work-related injuries or diseases. Moreover, employees can take time off from the Company for a certain period of time to volunteer for activities under a leave of absence system for volunteer activities. At Ricoh Hong Kong Ltd. and Ricoh Office Solutions, which are both located in Hong Kong, employees can take five days off a year for volunteering activities and are awarded for their efforts. In fiscal 2001, five employees requested leave to join the Hong Kong Red Cross, the Boy Scouts, and the Hong Kong Rescue Squad. The five employees were awarded for their efforts.



Ricoh Office Solutions employees who participated in volunteer activities under the leave of absence system