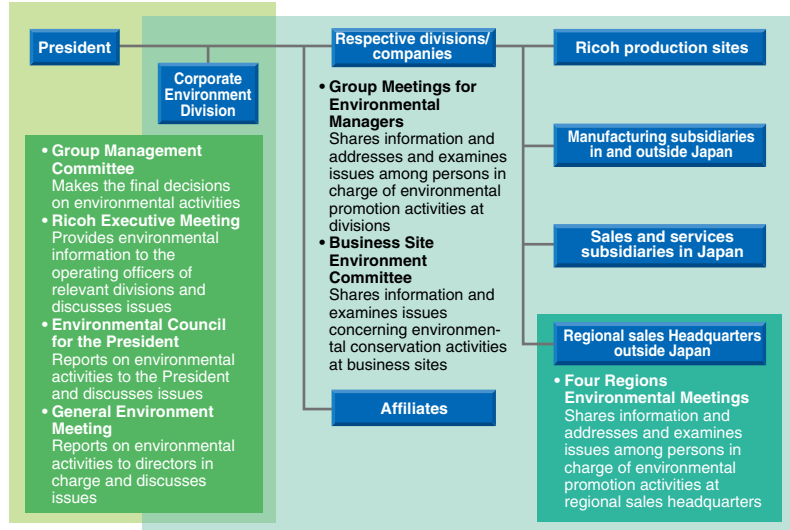


Ricoh promotes the harmonization of environmental preservation and business operations to realize sustainable environmental management.

The Ricoh Group's environmental management system (EMS) is an important tool in facilitating sustainable environmental management on a global scale. We established a system to reflect the environmental action plan set by management in the goals of respective divisions and provide feedback on the results of their actions to management. Under the system, the group as a whole, and each of its business sites and divisions, promotes the plan-do-check-act (PDCA) cycle. Furthermore, based upon the Group-wide Strategic Management by Objectives (SMO), which takes an environmental conservation perspective, the Ricoh Group continually evaluates the performance of respective divisions. Sustainable environmental management will be further promoted by incorporating EMS into the processes of respective businesses.

Organizational Chart for the Ricoh Group's Sustainable Environmental Management System

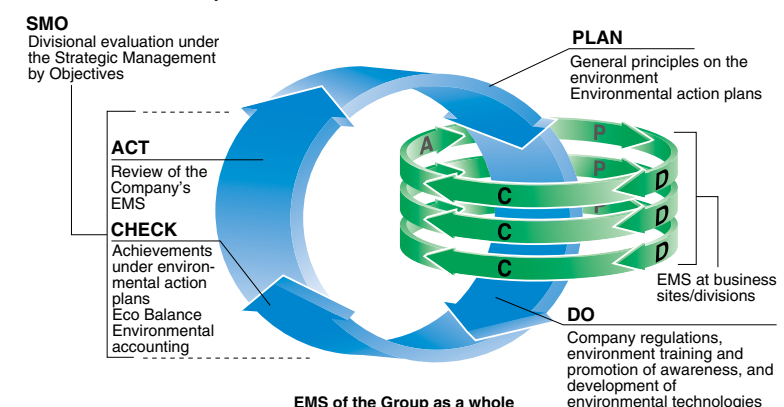


Upgrading the Level of the Environmental Management System

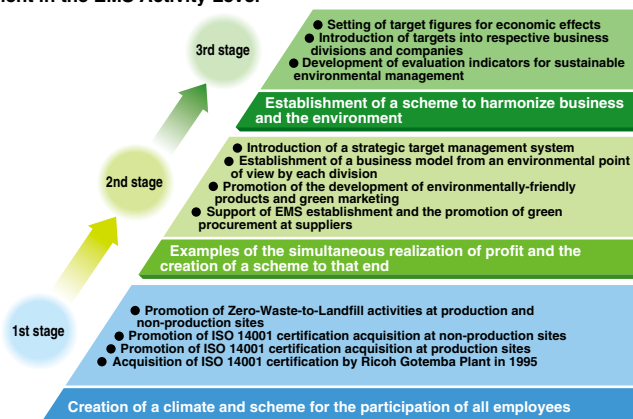
To realize sustainable environmental management, it is essential to incorporate environmental conservation into business operations instead of separating environmental preservation activities from business operations. The Ricoh Group has traditionally promoted the acquisition of ISO 14001 certification by each business site and division to fortify its environmental management system. Starting with Ricoh Gotemba Plant, which received ISO/DIS 14001 certification in 1995, all major Ricoh production sites worldwide were ISO 14001 certified as of March 2000. In 2001, the sales group in Japan as a whole was ISO 14001 certified. Sales subsidiaries other than those in Japan are also making every effort to acquire ISO 14001 certification. Thus, the Group has promoted the creation of a climate for sustainable environmental management by all employees through the acquisition of ISO 14001 certification. In addition, Ricoh and its sales subsidiaries in Japan acquired integrated ISO 14001 certification in February 2007, aiming to harmonize business and the environment. This resulted in the establishment of an infrastructure for carrying out environmental measures from various angles under the 16th Environmental Action Plan, which will start in fiscal 2008, with each business division setting its own targets and taking the initiative.

* For the status of the Ricoh Group's ISO 14001 acquisition, please visit <http://www.ricoh.com/environment/base/iso.html>

EMS of the Ricoh Group



Improvement in the EMS Activity Level



Participatory Approach by All Employees

The Ricoh Group is making an effort to improve sustainable environmental management based on an “all-employee participatory approach.” This “all-employee participatory approach” means that all employees in all divisions—such as R&D, product design, materials procurement, manufacturing, transportation, sales, maintenance/services and collection and recycling—participate in environmental activities. These activities are regarded as just as important as “QCD activities*,” which involve pursuing profitability. To improve environmental activities, internal benchmarks and know-how are provided to all employees from time to time to make them more environmentally aware.

* QCD activities improve the management of Quality, Cost, and Delivery.

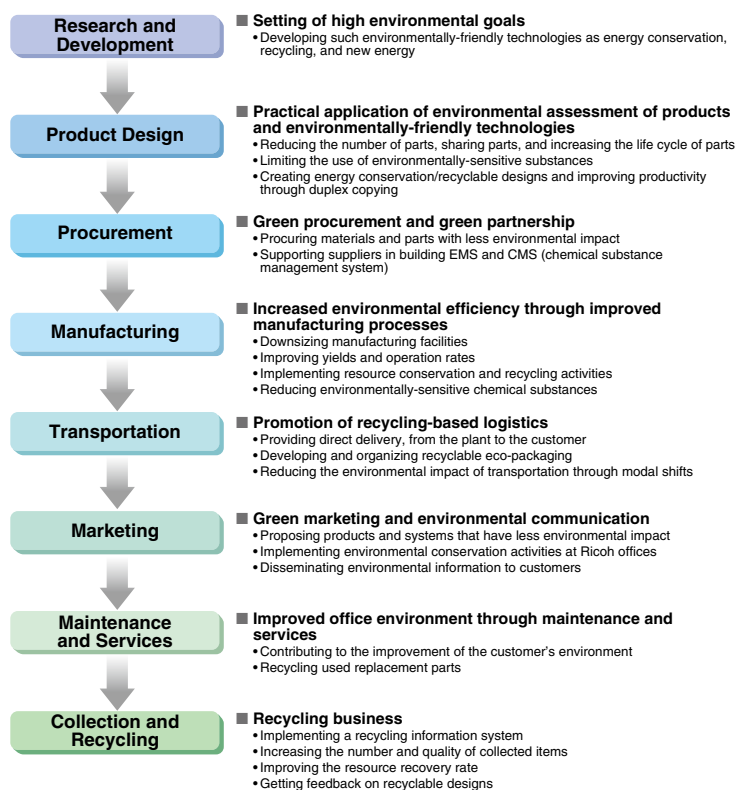
Strategic Management by Objectives (SMO)

Ricoh introduced SMO in 1999 to clarify evaluation standards for environmental conservation activities that are used in divisional performance evaluations. This system is based on the Balanced Scorecard system, a performance management system developed in the 1990s in the United States and characterized by the use of four perspectives. Ricoh has added a specific environmental conservation perspective to the system and is promoting SMO for global sustainable environmental management.

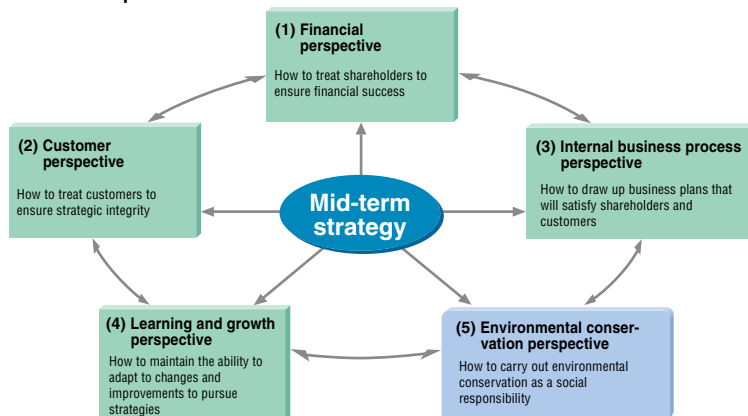
Risk Management

The Ricoh Group carries out risk management using the PDCA cycle. This includes the setting of basic goals/targets; formulation of measures for the prevention of crises, as well as initial measures to cope with them; implementation of preventive and initial measures; evaluation of preventive/initial measures and the risk management system, as well as formulation of measures for correction/improvement; and implementation of corrective/improvement measures. These are based upon the Ricoh Group's Business Process Risk Manage-

Sustainable Environmental Management Activities Participated in by All Employees



The Ricoh Group's SMO



ment Basic Rules. As for initial measures taken when crises arise, they are categorized into 43 types, and the sections in charge and reporting levels for respective types are clearly defined so that appropriate handling and reporting to the top management can be realized.

Penalties and Fines Concerning the Environment (Rico Group)

	FY 2005	FY 2006	FY 2007
No. of cases	0	0	0
Amount	0	0	0