

Sustainable environmental management is a crucial element for increasing the corporate value of the Ricoh Group.

Concept of Sustainable Environmental Management

There are three stages in the Ricoh Group's environmental conservation efforts: the Passive Stage, the Proactive Stage, and the Responsible Stage. In the Passive Stage, we coped with social pressures by dealing with laws and regulations and competing with other companies. In the Proactive Stage, however, we began to take voluntary actions with a sense of mission as a global citizen. In the current Responsible Stage, the Ricoh Group is not only operating its business in an environmentally-friendly manner, but also pursuing both environmental conservation and profit generation at an even higher level. By reaching this stage, we as a business entity are now able to position ourselves to reduce our environmental impact for the long term. The Ricoh Group believes that addressing social concerns to help build a sustainable society through its corporate targets and action plans will lead to increased long-term corporate value.

Practicing Sustainable Environmental Management

In practicing sustainable environmental management, it is important to apply a plan-do-check-act (PDCA) cycle whereby we assess the environmental impact of our group-wide operations, set goals, reduce environmental impact, and achieve cost reduction and creation of added value. To facilitate this process, we developed and continually improve an information system to collect environmental impact data, and an environmental accounting and Eco Balance system to evaluate our environmental impact and its economic effects. We are also focusing on the development of environmental technologies that help promote recycling and energy saving and reduce our customers' environmental impact and financial cost, increase the products' added value, and contribute to reduction of the environmental impact of society as a whole. Another important element of effective sustainable environmental management is to motivate our employees and encourage their participation. Continual creation of new added value by integrating an environmental perspective into our offerings hinges on the participation by all Ricoh Group employees, regardless of their functions (e.g., R&D, manufacturing, planning, or sales) or their locations (whether within or outside of Japan). We are working diligently to build a corporate ethos embracing sustainable environmental management by providing environmental education and awareness-raising programs on a worldwide basis.

Three Steps in Environmental Conservation Activities (From Passive Stage to Proactive Stage and Responsible Stage)

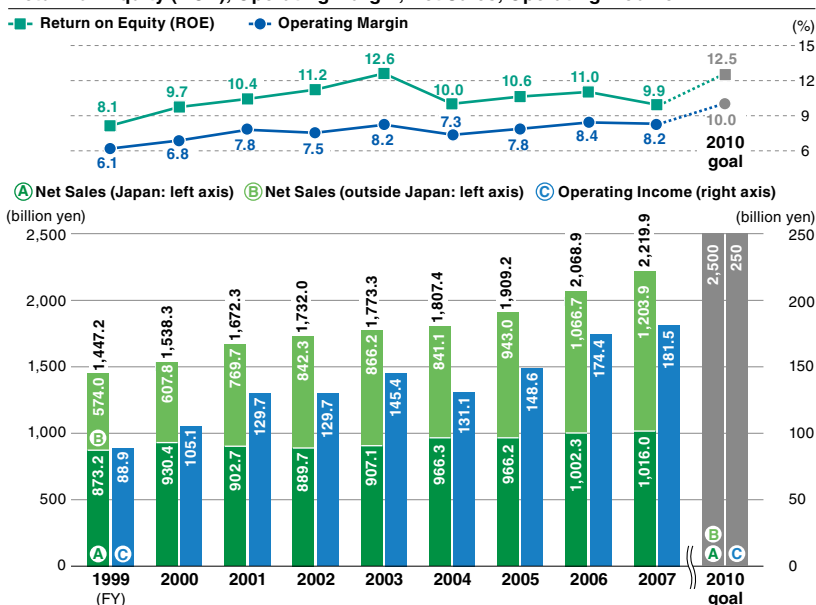
	Passive Stage	Proactive Stage	Responsible Stage
Purpose	Coping with social pressures <ul style="list-style-type: none"> • Laws and regulations • Competition • Customers 	Carrying out its mission as a global citizen <ul style="list-style-type: none"> • Self-imposed responsibility • Voluntary planning • Voluntary activities 	Simultaneously achieving environmental conservation and profits
Activities	Passive measures to meet laws and regulations, competing with other companies, and satisfying customer needs	<ol style="list-style-type: none"> 1. High-aiming, aggressive activities to reduce environmental impact <ul style="list-style-type: none"> • Energy conservation • Resource conservation and recycling • Pollution prevention 2. Improved awareness of all employees 	Environmental conservation activities \approx QCD activities* Ex.: Reduced number of parts Reduced number of process steps Improved yield and operation rate
Tools		<ol style="list-style-type: none"> 1. ISO 14001 2. LCA 3. Volunteer Leader Development Program 	<ol style="list-style-type: none"> 1. Strategic goal management system 2. Environmental accounting 3. Sustainable environmental management information system

* Activities to improve quality, control costs, and manage delivery times.

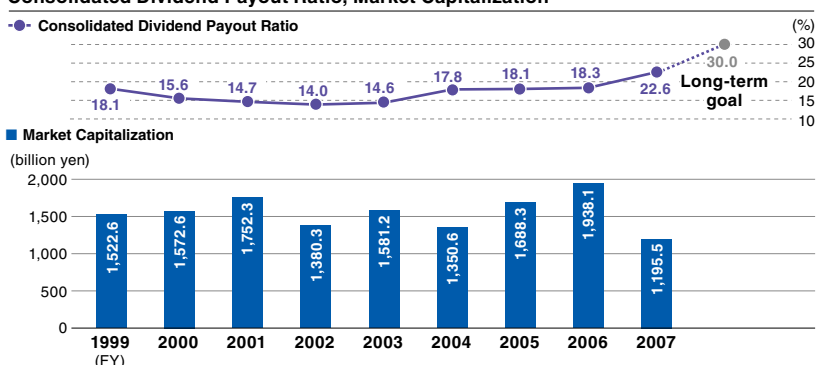
Enhanced Corporate Value as in Strong Earnings and External Recognition

During the time the Ricoh Group has been actively promoting its sustainable environmental management on a global basis as one of the most important business strategies, its corporate value has gone through a significant positive change. For the past 10 years in particular, the benefits of our sustainable environmental management have emerged in a clear-cut manner. In fiscal 2006, more than half of our sales were generated outside Japan and our net sales exceeded ¥2 trillion. In fiscal 2007, the Ricoh Group grew revenue for the 14th straight year. Our success is also measured by the many awards and external recognition we received within and outside Japan. Ricoh ranked first in the Corporate Environmental Management Level Survey organized by Nikkei Inc. —for the fourth time—and received the world's highest rating for corporate social responsibility given by Oekom Research AG of Germany. We were also chosen as one of the Global 100 Most Sustainable Corporations in the World, a ranking list announced by Corporate Knights Inc. of Canada to coincide with the World Economic Forum (the Davos Meeting), for the fourth consecutive year.

Return on Equity (ROE), Operating Margin, Net Sales, Operating Income



Consolidated Dividend Payout Ratio, Market Capitalization



External Recognition

April 2003	Received the 12th Grand Prize for the Global Environment Award
May 2003	Won the 2003 World Environment Center (WEC) Gold Medal as the first Asian firm
Dec. 2004	Ranked first in the 8th Corporate Environmental Management Level Survey organized by Nikkei Inc. (for the 4th time)
July 2005	Given the world's highest rating for corporate social responsibility by Oekom Research AG of Germany in its Environmental Ranking of the IT Industry
June 2007	Rated the highest, AAA, by Tohatsu Evaluation and Certification Organization Co., Ltd. for the third consecutive year
July 2007	Won the Grand Pearl Prize in the environmental management section of the Fifth Japan Sustainable Management Awards
Dec. 2007	Ranked top in five categories in Japan Customer Satisfaction study by J.D. Power Asia Pacific, Inc. (monochrome & color copier/multifunctional copier, monochrome & color laser printer, and solution provider [system planning and construction] categories)
Jan. 2008	Chosen as one of the Global 100 Most Sustainable Corporations in the World (Global 100) for the fourth consecutive year
Jan. 2008	Ranked the highest, AAA, by Innovest Strategic Value Advisors, Inc. of the U.S. in its social and environmental rating