

The results of environmental impact reduction and economic value creation in fiscal 2007 and changes in sustainable environmental management indicators showing the level of sustainable environmental management

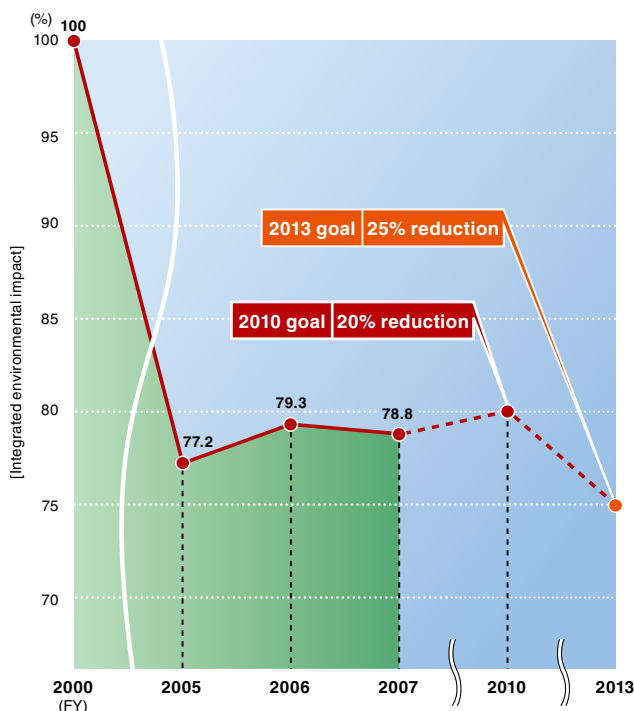
Reducing Environmental Impact

The Ricoh Group has targets to reduce the environmental impact (integrated environmental impact¹) of our major business activities in advanced nations by 15% in fiscal 2007 (and by 20% in fiscal 2010, and 25% in fiscal 2013) over the levels in fiscal 2000. In fiscal 2007, we were able to meet this target by reducing the environmental impact by 21.2%. Although there was a rise in resource use due to an increase in sales of imaging equipment and an increase in paper consumption by customers using our products, this was more than offset by our positive contributions, mainly by reductions in chemical substances contained in our products and power consumption through the development of energy-saving technologies for copiers. As we expect to grow our business by more than 4% annually, we will continue making even greater efforts to reduce environmental impact and achieve our environmental impact reduction targets for 2010. Specifically, we will continue proceeding with our ongoing measures for resource-recirculating, such as increasing sales of recycled copiers and putting more efforts into developing environmental technologies to save energy and reduce paper consumption. In addition, our 16th Mid-Term Environmental Action Plan² running from fiscal 2008 calls for encouraging customers' greater use of energy-saving and duplex-copying functions to reduce their environmental impact, placing this item as a key priority.

1. See page 56.

2. See page 21.

Changes in Integrated Environmental Impact (Operations in Advanced Nations)



Business Results for Fiscal 2007 and Future Goals

The Ricoh Group's consolidated net sales in fiscal 2007 increased by 7.3% over the previous term to reach ¥2,219.9 billion, exceeding ¥2,000 billion for the second consecutive year. In the Office Solutions sector, sales of color digital plain paper copiers (PPC) and color multifunction printers (MFP) particularly showed continuous growth. There was an increase in income in all business sectors, and Group income increased for the 14th consecutive term. Net sales in Japan increased by 1.4% over the previous term, to ¥1,016.0 billion, and net sales outside Japan increased by 12.9%, to ¥1,203.9 billion. Operating income for the same period increased by 4.1% over the previous year, to ¥181.5 billion. This was due mostly to the increase in sales of high value-added products including color MFPs and to continuous cost-trimming campaigns. Going forward, the Group will target net sales of ¥2,500.0 billion and operating income of ¥250.0 billion by the end of fiscal 2010.

Review of Environmental Accounting

Environmental accounting is designed to present the costs incurred for environmental conservation activities during a given period in comparison to the resulting benefits. Such costs and benefits represent how well the environmental impact reduction activities by the Ricoh Group and across the entire life cycle of its products were performed. We therefore began presenting the environmental conservation effect and environmental impact by our upstream and downstream operations, together with those by the Ricoh Group from this year, so that the readers can understand and compare the environmental conservation effects and environmental impact by the Group and those generated throughout the product life cycle. When we look at the overall trend, we see a continuing improvement since fiscal 2006 in the Eco Index, while our business is expanding. This means that the Ricoh Group is able to reduce its environmental impact in proportion to the added value of its business activities (see graph (2)). The Ratio of Eco Profit, an indicator of the cost effectiveness of sustainable environmental management activities, and the Ratio of Eco Effect, an indicator that takes into account the social cost reduction values, improved over the figures for fiscal 2006. This means that we have been able to improve our cost-effectiveness (see graph (1)). When we look at the environmental accounting data* by item, we see a decrease in business area costs (including those of pollution prevention, global environmental conservation, and resource circulation) and social activity costs (including those of preparing environmental reports and advertisements), and an increase in the R&D costs for future environmental impact reduction. Among economic benefits, there is a substantial increase in those from products

and parts recycling activities. This continuing trend from the previous period contributes to boosting of the overall economic benefits. * See page 59.

Market Evaluation Results and Economic Performance (2007)

In 2007, Ricoh held the largest share of the office-use black-and-white copier market and the second largest share of the color copier market in Japan. In the same year, the Ricoh Group held the largest share of the color copier market and the second largest share of the office-use black-and-white copier market in the United States.¹ In Europe,² the Group held the largest share of the office-use black-and-white copier market for the 11th year in a row, and of the color copier market.

1. Total number of products marketed under the Ricoh, Savin, Gestetner, and Lanier brand names
 2. Including products marketed under the Ricoh, Gestetner, Nashuatec, Rex-Rotary, Lanier, and Danka brand names as well as OEM products (excluding the segment for personal copiers)
- * Office-use black-and-white copiers refer to A3 copiers.

Source: Gartner Dataquest, March 2008, GJ08200 (Data for Japan and the United States)
Inforsource S.A. (Data for Europe)

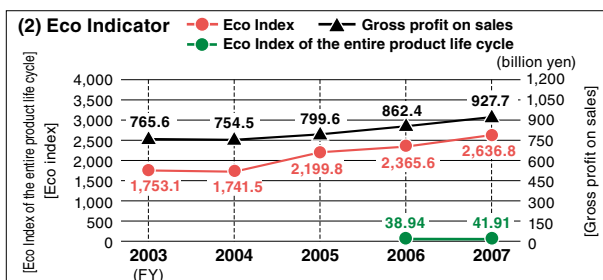
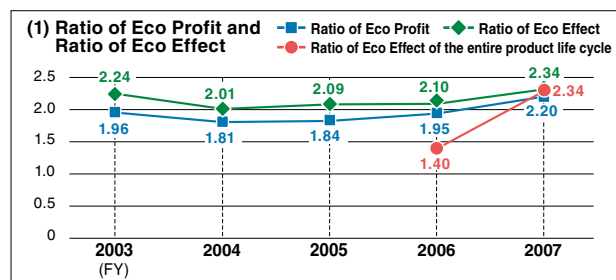
Winning the Minister of Economy, Trade and Industry Award in the 17th Global Environment Awards

Ricoh received the Minister of Economy, Trade and Industry Award, the second highest award in the 17th Global Environment Awards by Fujisankei Communications Group, for its efforts to reduce total environmental impact in absolute terms based on our long-term perspective: advanced nations need to reduce their environmental impact to one-eighth the fiscal 2000 levels by 2050 (Year 2050 Extra-Long-Term Environmental Vision). The ceremony was held at Meiji Kinenkan, Tokyo, on April 22, 2008.



Prince and Princess Akishino honored the ceremony with their presence (Mr. Kondo, president and CEO of Ricoh Co., Ltd., is at the extreme right of the front row).

Changes in the Ricoh Group's sustainable environmental management indicators



The Ricoh Group's Sustainable Environmental Management Indicators (fiscal 2007)		Results in fiscal 2007	Calculation formula
REP: Ratio of Eco Profit		2.20	Total economic benefit (39.51) / Total environmental conservation cost (17.99)
REE: Ratio of Eco Effect		2.34	[Total economic benefit (39.51) + Social cost reduction values (0.22+2.43)] / Total environmental conservation cost (17.99)
Eco Index		2,636.8	Gross profit on sales (¥927,700,000 thousand) / Total environmental impact (351,831)
RPS: Ratio of Profit to Social Cost		151.0	Gross profit on sales (927.7) / Total social cost (6.14)
* Monetary units are indicated in billions of yen unless otherwise indicated.			
Sustainable environmental management indicators of the entire product life cycle (fiscal 2007)		Results in fiscal 2007	Calculation formula
REP: Ratio of Eco Profit		2.20	Total economic benefit (39.51) / Total environmental conservation cost (17.99)
REE: Ratio of Eco Effect		2.34	[Total economic benefit (39.51) + Social cost reduction values (2.43+0.12)] / Total environmental conservation cost (17.99)
Eco Index		41.91	Gross profit on sales (¥927,700,000 thousand) / Total environmental impact (22,137,468.7)
RPS: Ratio of Profit to Social Cost		2.4	Gross profit on sales (927.7) / Total social cost (386.58)
* Monetary units are indicated in billions of yen unless otherwise indicated.			