

## **To Our Shareholders**

### **Enhancing Corporate Value over the Medium to Long Term with our Shareholders**

We would like to take this opportunity to express our sincere appreciation for our shareholders' continuous support with the delivery of this convocation notice for the 121st Ordinary General Meeting of Shareholders.

The COVID-19 pandemic greatly affected our MFP and other businesses in FY 2020, ended March 31, 2021. We responded by positioning FY 2020 as a period of tackling the emergency and gearing up for the future. Our efforts for tackling the crisis entailed companywide efforts to implement emergency and cost measures and take permanent steps to reinforce our business structure. We geared up for better tomorrows by seeking to expand earnings from our services business.

Consolidated sales for FY 2020 decreased 16.3% from the previous fiscal year, to ¥1,682.0 billion. We unfortunately posted a ¥32.7 billion loss attributable to owners of the parent. We will propose a year-end dividend of ¥7.50 per share for FY 2020 to the 121st Ordinary General Meeting of Shareholders, in accordance with our original forecast. Combined with the interim dividend that we have already disbursed, the annual dividend for FY 2020 would be ¥15 per share. We earlier announced that we would repurchase shares up to ¥100 billion in keeping with a policy announced a year ago of pursuing additional shareholder returns. This is based on our efforts thus far to strengthen our business structure and compensate for declining earnings from changes in the business climate and our view of business growth prospects.

From FY 2021, we are pushing forward with the 20th Mid-Term Management Plan. Under this two-year initiative, we seek to become a digital services company that innovates workplace productivity. We also look to attain a return on equity of at least 9% by driving business growth and improving our returns on capital. Accordingly, we will keep progressing with our capital policy to deliver the profitability required for the capital that shareholders have entrusted to us while striving to achieve a capital structure optimal for a digital services company.

For FY 2021, we forecast ¥1,910 billion in sales and ¥35.4 billion in profit attributable to owners of the parent. Given the progress with efforts thus far to expand our services business, in FY 2021 we will take a major step toward growth and accelerate our business expansion by providing new value to customers through digital technology.

We look forward to your continued support.

Sincerely,

May 2021

Yoshinori Yamashita  
*Representative Director,  
President and CEO,  
Ricoh Company, Ltd.*

**Video Message from Management**

We have prepared a video so that CEO Yoshinori Yamashita can directly deliver a message to shareholders. Please access the link below to watch the video.

Japanese

<https://v.srdb.jp/7752/message2021/>

English

[https://v.srdb.jp/7752/message2021/index\\_en.html](https://v.srdb.jp/7752/message2021/index_en.html)

**(Translation)**

**NOTICE OF  
121ST ORDINARY GENERAL MEETING OF SHAREHOLDERS**

**Date and Time:** Thursday, June 24, 2021, from 10:00 a.m.  
(Reception will start at 9:00 a.m.)

**Venue:** Head Office of Ricoh Company, Ltd. (the Company)  
3-6, Nakamagome 1-chome, Ohta-ku, Tokyo  
(Please refer to the access map at the end of this document (only in the Japanese original) for the venue's location.)

**Purpose:**

**Items to be reported:**

1. The Business Report, Consolidated Financial Statements and the results of the audit of the Consolidated Financial Statements by Independent Auditor and the Audit & Supervisory Board for FY2020 (from April 1, 2020 to March 31, 2021)
2. The Non-consolidated Financial Statements for FY2020 (from April 1, 2020 to March 31, 2021)

**Items to be resolved:**

Agenda 1: Appropriation of surplus  
Agenda 2: Election of ten (10) Directors  
Agenda 3: Election of two (2) Audit & Supervisory Board Members

**Treatment of voting rights**

- (1) Those who will not be able to attend the meeting on the day are kindly requested to consider the appended "Reference Material for Ordinary General Meeting of Shareholders" and exercise their voting rights via postal mail or the Internet by no later than 5:30 p.m., Wednesday, June 23, 2021.
- (2) When voting rights are exercised both via postal mail and the Internet, the vote received later shall be deemed effective. However, if votes are received on the same day, the vote registered via the Internet shall be deemed effective.
- (3) When voting rights are exercised via the Internet more than once, the last vote shall be deemed effective.

## Reference Material for Ordinary General Meeting of Shareholders

A video on items to be resolved (explanations on proposals) is available from the link below.  
<https://v.srdb.jp/7752/agenda2021/>

### Agenda 1: Appropriation of surplus

The appropriation of surplus will be as follows:

The Company prioritizes expanding profit returns to shareholders through medium- to long-term increases in its stock price as a result of sustainable growth as well as stable dividend payments. To that end, the Company will make an effort to gradually raise the total return ratio to 50% as a guide. The Company's dividend policy is to remain committed to increasing dividends in a stable manner reflecting improved business performance, as well as to flexibly repurchase shares using surplus cash generated from improved return on capital taking into account the varied circumstances surrounding business.

In FY2020, the Company's bottom line result turned out to be a loss attributable to owners of the parent of ¥32.7 billion. However, the Company proposes to maintain stable dividends by paying year-end dividends of ¥7.5 per share considering factors such as cash flow generated and improved working capital.

As a result, the annual dividend for FY2020 including the interim dividend will be ¥15 per share.

In addition, we propose a reversal of the general reserve as below and transfer to retained earnings brought forward based on the provisions of Article 452 of the Companies Act.

#### 1. Year-end dividends

(1) Type of dividend assets

Cash

(2) Matters concerning allocation of dividend assets and the total amount

¥7.5 per common share of the Company

Total: ¥5,389,768,095

(3) Effective date of the surplus distribution

June 25, 2021

#### 2. Other appropriation of surplus

(1) Item of surplus whose amount is to be increased and the amount thereof

Retained earnings brought forward: ¥15,350,000,000

(2) Item of surplus whose amount is to be decreased and the amount thereof

General reserve: ¥15,350,000,000

## Basic Capital Policy

The Ricoh Group strives to improve corporate value in a sustainable manner while maintaining a relationship of trust with all stakeholders, and will implement appropriate capital policies and aim to realize returns that exceed capital costs.

In the 20th Mid-Term Management Plan, we announced our target value for return on equity (ROE) of at least 9% for FY2022, the final year of this Plan. To achieve this goal, we have been working on management reforms to improve capital efficiency. In FY2020, to pursue a return on invested capital (ROIC) that exceeds our understanding of the Company's capital costs, we set up a mechanism to implement PDCA\* using the ROIC tree.

In our investment initiatives, an Investment Committee has been established to verify investment plans from a financial perspective based on capital costs and a business strategy perspective based on medium- to long-term profitability, growth potential and risks and has developed a system to make decisions while pursuing investment efficiency. We understand that expanding profits through strategic investments aimed at sustainable growth is the way to meet the expectations of our stakeholders. Cross-shareholdings are verified by the Board of Directors every year whether they are worth the capital cost to reduce the number of issues held (Refer to page 96 for details).

The Company prioritizes expanding profit returns to shareholders through medium- to long-term increases in its stock price as a result of sustainable growth as well as stable dividend payments. To that end, the Company will make an effort to gradually raise the total return ratio to 50% as a guide.

The Company's dividend policy is to remain committed to increasing dividends in a stable manner reflecting improved business performance, as well as to flexibly repurchase shares using surplus cash generated from improved return on capital taking into account the varied circumstances surrounding the business.

\* PDCA: The Plan-Do-Check-Act cycle

**Agenda 2: Election of ten (10) Directors**

The tenure of office of all the eight (8) Directors will expire at the conclusion of this Ordinary General Meeting of Shareholders.

Accordingly, the Company proposes the appointment of ten (10) Directors, including five (5) Outside Directors, increasing the number of Directors by two (2) to enhance the oversight function of the Board of Directors. When selecting the candidates for Directors, the Nomination Committee chaired by an Independent Outside Director nominated candidates based on the skills and capabilities required to supervise management of the Company (Skill Matrix: Refer to pages 36 and 37), and made recommendations to the Board of Directors. The candidates were determined through subsequent discussions by the Board of Directors.

<Reason for increasing the number of Directors by two (2)>

In preparation for the transition to a new business unit structure in April 2021, the Nomination Committee mainly comprised of Outside Directors held two discussions regarding a management structure suited to the business unit structure, in August and September 2020. As a result of these discussions, a plan to improve decision-making by the Board of Directors and enhance monitoring of each business unit was formulated, reaching the conclusion that it is appropriate to increase the number of Directors by two (2), consisting of one (1) Independent Outside Director and one (1) Internal Director.

The Company believes that increasing the number of Outside Directors will enable management decisions and oversight based on a wider range of expertise, leading to accelerated management that contributes to sustainable enhancement of corporate value including addressing ESG\* and social issues from a global perspective.

Furthermore, based on the judgement by the Board of Directors that it is necessary to strengthen our function to oversee the expansion of revenue on a global scale and transformation into a digital services company, the number of Internal Directors is increased to bring on a new Director in charge of digital services, which is the revenue base of the Company, in addition to the Non-executive Director, who serves as the Chairperson of the Board, as well as the CEO, CFO, and CTO, who are the Executive Directors.

The candidates for Directors are on pages 8 to 31

\*ESG: The environment, social, and governance

No.			Current positions at the Company	Years of service as Director (at the conclusion of this Meeting)	Attendance at Board of Directors and Committee meetings during FY2020	Number of concurrent positions at listed companies, including the Company Upper row: executive Lower row: non-executive
1	Yoshinori Yamashita	Reappointment Male	Representative Director	9	Board: 12/12 (100%)	1
					Nomination: 6/6 (100%)	0
					Compensation: 5/5 (100%)	
2	Nobuo Inaba	Reappointment Non-executive Male	Chairperson of the Board	11	Board: 12/12 (100%)	0
					Nomination: 6/6 (100%)	1
					Compensation: 5/5 (100%)	
3	Hidetaka Matsuishi	Reappointment Male	Director	3	Board: 12/12 (100%)	1
						0
4	Seiji Sakata	Reappointment Male	Director	3	Board: 12/12 (100%)	1
						0
5	Akira Oyama	New Male	—	—	—	1
						0
6	Masami Iijima	Reappointment Non-executive Male Outside Independent	Outside Director	5	Board: 12/12 (100%)	0
					Nomination: 6/6 (100%)	4
					Compensation: 5/5 (100%)	
7	Mutsuko Hatano	Reappointment Non-executive Female Outside Independent	Outside Director	5	Board: 12/12 (100%)	0
					Compensation: 5/5 (100%)	1
8	Kazuhiro Mori	Reappointment Non-executive Male Outside Independent	Outside Director	3	Board: 12/12 (100%)	0
					Nomination: 6/6 (100%)	1
					Compensation: 5/5 (100%)	
9	Keisuke Yokoo	Reappointment Non-executive Male Outside Independent	Outside Director	1	Board: 10/10 (100%)	0
					Nomination: 6/6 (100%)	
					Compensation: 4/4 (100%)	
10	Sadafumi Tani	New Non-executive Male Outside Independent (planned)	—	—	[Attendance after appointment at general meeting of shareholders]	2
						0
						1

No.	Name (Date of birth)	Reasons for nomination as a candidate for Director
1	<p>Yoshinori Yamashita (August 22, 1957)</p> <p>Reappointment</p> <p>Male</p> <p>Class and number of the Company's shares held Common shares: 48,000 Dilutive shares: 13,705</p> <p>*The number of dilutive shares represents the number of shares corresponding to the number of points in relation to which rights are expected to be vested under the stock compensation system utilizing a trust.</p> <p>Years of service as Director 9 years (at the conclusion of this Meeting)</p> <p>Attendance during fiscal year ended March 31, 2021</p> <p>Board of Directors meeting 12/12 (100%)</p> <p>Nomination Committee meeting 6/6 (100%)</p> <p>Compensation Committee meeting 5/5 (100%)</p>	<p>Mr. Yoshinori Yamashita has contributed greatly to the development of the Company for many years through his work at the Company, including the management of production and global marketing, management strategy and overseeing the Company's core business, and assumed the office of Director in 2012.</p> <p>Since assuming the post of Representative Director, President and Chief Executive Officer (CEO) in April 2017, he promoted structural reforms and growth strategies in a top-down manner to improve the corporate value of the Company, with a strong will to revise legacies and precedents that hamper the growth of the Company without exception. Simultaneously, he has worked to enhance governance and business management systems, which are the management foundation that supports growth strategies, realizing reform of operational structure and enhancing profitability in the process. Furthermore, amid the unprecedentedly harsh management environment caused by the COVID-19 pandemic starting in 2020, he positioned FY2020 as a period of tackling the emergency and accelerating change, and demonstrated strong leadership in establishing a stronger management structure and implementing reforms for transformation into a digital services company with a view toward the era after the COVID-19 pandemic. In addition, from the perspective of ESG, which the Company has positioned as the future finance, he has stated a long-term goal to contribute to solving social issues such as zero-carbon society, and is steadily accumulating results towards achieving the goal. Moreover, in the 20th Mid-Term Management Plan which starts in FY2021, he has formulated growth strategies that clearly indicate transformation into a business portfolio focused on office services, along with capital policies to support those strategies, looking ahead to FY2025. To that end, he has outlined a medium-to long-term vision and a concrete path towards establishing the Company as a digital services company. He also serves as a Vice Chairman of General Incorporated Association of Japan Business Machine and Information System Industries Association; as a Vice Chairman of the public interest incorporated association, Japan Association of Corporate Executives; and as the Chairperson of the Regional Revitalization Committee; and he actively participates in activities outside of the Company.</p> <p>The Company's Board of Directors has determined that it is appropriate for him to continue to manage the Company, based on the recognition that his extensive experience at the Company, outstanding management skills and unparalleled leadership are necessary to realize the 20th Mid-Term Management Plan and growth strategy, as well as to enhance the Company's shareholder and corporate value. Thus, the Company's Board of Directors nominates him as a candidate for Director.</p> <p>[Responsibilities as a Director of the Company] Nomination Committee Member / Compensation Committee Member</p> <p>[Responsibilities as an Executive Officer of the Company] CEO</p> <p>[Message to our shareholders from the candidate for Director] The COVID-19 pandemic has led us all to deeply reconsider the work style of commuting to an office, which was taken for granted until now. It cannot be denied that we are now in a difficult management environment, since office printing has long been a core part of our business. Yet, the rapid and widespread adoption of telecommuting and teleconferencing has made workplaces and communication more flexible, and digitalization of society as a whole, beyond the boundaries of the office, is expanding and accelerating.</p> <p>In these circumstances, we positioned FY2020 as a period of tackling the emergency and accelerating change, promoting changes in our</p>

	<p>organizational structure and executive system, streamlining operations, and strengthening human resources, so that we transform into a robust management structure capable of withstanding drastic changes in the environment. At the same time, recognizing that changes to work styles and society present an opportunity to transform our profit model, we have dramatically enhanced our products and services that support customers undergoing digitalization, and identified the path to future growth with an eye on the era after the COVID-19 pandemic. Subsequently in March 2021, we announced the 20th Mid-Term Management Plan, declaring that Ricoh will break away from its role as an office appliances manufacturer and become a digital services company, with strong determination to re-establish the company. In order to achieve this goal, we will transition to a new business unit structure, in an aim to conduct portfolio management with further clarified business profitability and highly efficient allocation of management resources. In doing so, we will strive to raise corporate value in order to meet shareholder expectations.</p> <p>As we approach the 100th anniversary of Ricoh's founding in 2036, we have stated our long-term vision of "Fulfilment through Work." While always closely following trends in the ever-changing nature of work, I intend to continue to assist in solving issues faced by customers and society through the power of digitalization. We will continue contributing to the realization of a sustainable society, so that Ricoh will always be needed and wanted by our customers and society.</p> <p>[Brief personal profile, positions and responsibilities at the Company and significant concurrent positions]</p> <p>Mar. 1980      Joined the Company</p> <p>Feb. 1995      General Manager of Business Planning Division of Ricoh UK Products Ltd.</p> <p>Apr. 2008      President of Ricoh Electronics, Inc.</p> <p>Apr. 2010      Group Executive Officer</p> <p>Apr. 2011      Corporate Senior Vice President General Manager of Corporate Planning Division</p> <p>June 2012      Director Corporate Executive Vice President</p> <p>Apr. 2014      General Manager of Business Solutions Group</p> <p>Apr. 2015      In charge of core business</p> <p>June 2016      Deputy President</p> <p>Apr. 2017      <b>Representative Director (Current)</b> <b>President (Current)</b> <b>CEO (Chief Executive Officer) (Current)</b></p> <p>Apr. 2020      CHRO (Chief Human Resource Officer)</p> <p>[Status of concurrent positions as director or officer at listed companies, including the Company (planned)]</p> <table border="1"> <tr> <th>Number of positions held as executive director or officer</th><th>Number of positions held as non-executive director or officer</th></tr> <tr> <td>1</td><td>0</td></tr> </table> <p>*If this proposal is approved.</p>	Number of positions held as executive director or officer	Number of positions held as non-executive director or officer	1	0
Number of positions held as executive director or officer	Number of positions held as non-executive director or officer				
1	0				

Notes:

- There are no special interests between candidate Mr. Yoshinori Yamashita and the Company.
- The term of office of candidate Mr. Yoshinori Yamashita shall be up to the conclusion of the Ordinary General Meeting of Shareholders with respect to the final fiscal year that ends within one (1) year of his election in accordance with the Company's Articles of Incorporation.
- The numbers of the Company's shares and dilutive shares held by the candidate Mr. Yoshinori Yamashita are as of March 31, 2021 and as of the closing of this Meeting on June 24, 2021, respectively.
- The Company has entered into a directors and officers liability insurance contract pursuant to Article 430-3, Paragraph 1 of the Companies Act with an insurance company, with all insurance premiums at the Company's expense. Candidate Mr. Yoshinori Yamashita is insured under the insurance contract, which covers damages and litigation expenses arising from claims made to insured officers during the insurance period as a result of their actions in their capacity as an officer. However, certain damages are not covered by the insurance, including those arising from an action of the insured officer taken with the knowledge that it violates laws and regulations. The Company intends to renew the insurance contract on August 1, 2021, during the candidate's term of office.

No.	Name (Date of birth)	Reasons for nomination as a candidate for Director
2	<p>Nobuo Inaba (November 11, 1950)</p> <p>Reappointment</p> <p>Non-executive</p> <p>Male</p> <p>Number of the Company's shares held 21,000</p> <p>Years of service as Director 11 years (at the conclusion of this Meeting)</p> <p>Attendance during fiscal year ended March 31, 2021</p> <p>Board of Directors meeting 12/12 (100%)</p> <p>Nomination Committee meeting 6/6 (100%)</p> <p>Compensation Committee meeting 5/5 (100%)</p>	<p>After joining the Bank of Japan in 1974, Mr. Nobuo Inaba contributed to the development of the Japanese economy for many years and from 2004, as an Executive Director of the Bank, he contributed to policymaking to stabilize the Japanese economy and the financial system. He actively participates in activities outside the Company, including serving as an executive member of the public interest incorporated association, Japan Association of Corporate Executives; and as a director of the general incorporated association, Gakushikai.</p> <p>From 2010, as the President of Ricoh Institute of Sustainability and Business, he contributed to the growth of the Company from the standpoint of a think tank, based on his wealth of experience in financial and economic matters, as well as his broad knowledge and insight into socioeconomic matters. In 2017, he assumed the office of Chairperson of the Board as a Non-executive Director, taking a leading role in reforming corporate governance, while working to improve the effectiveness of the Board of Directors. In addition, in FY2020, amid the unprecedentedly harsh management environment caused by the COVID-19 pandemic, he led the Board as the Chairperson of the Board, in appropriately overseeing management and resolute decision-making by the Board of Directors regarding matters such as the progress of measures toward tackling the emergency and accelerating change and the formulation of the 20th Mid-Term Management Plan, and provided advice and recommendations from multiple perspectives, thereby making significant contributions to the Company's initiatives to enhance its corporate value. Especially in the course of formulating the 20th Mid-Term Management Plan, he led the discussions of the Board of Directors as its Chairperson, in order to reflect in management the interests and perspectives of capital markets acquired through dialogue with shareholders and investors.</p> <p>The Company's Board of Directors has determined that his extensive experience, knowledge and insight, along with appropriate advice and recommendations based thereon, as well as objective and neutral management decisions and oversight as a Non-executive Director, are necessary to realize the 20th Mid-Term Management Plan and growth strategy, as well as to enhance the Company's shareholder and corporate value. Thus, the Company's Board of Directors nominates him as a candidate for Director.</p> <p>[Responsibilities as a Director of the Company] Chairperson of the Board / Nomination Committee Member / Compensation Committee Member</p> <p>[Message to our shareholders from the candidate for Director] The Ricoh Group continues to make steady progress to meet the expectations of our stakeholders, with the goals of achieving sustainable improvement in corporate value and solving social issues including the SDGs*. This is a philosophy that carries on the idea advocated by our Founding Principles of <i>Love your neighbor, Love your country, Love your work.</i> To that end, the Board of Directors has invited top experts in the fields of industry, commerce, finance, and academia to join as Outside Directors, who comprise the majority of all Directors, with the main objective of reflecting their diverse knowledge in our management policies. We plan to further diversify the Board of Directors by proposing appropriate candidates at this General Meeting of Shareholders. In actual deliberations, the Board of Directors has engaged in active discussions on a variety of topics, such as confirming the operational status of regular business and identifying risks, as well as examining cutting-edge technologies that will open new horizons for business and examining optimal financial strategies by means of finance simulations. I myself serve as the Chairperson of the Board from a neutral standpoint as a Non-executive Internal Director, and I intend to use my experience in financial and economic analysis to contribute to discussions.</p>

	<p>Needless to say, technological innovation is critical to business in the global economy facing many challenges, such as overcoming COVID-19. I intend to supervise and support the executive divisions, in order to fearlessly execute groundbreaking revisions in terms of organizational operations including human capital management, as well as financial strategies such as the optimal capital structure.</p> <p>* SDGs: Sustainable Development Goals</p> <p>In September 2015, the United Nations Summit adopted 17 Sustainable Development Goals and 169 targets as part of a universal agenda to ensure that nobody is left behind in the drive to free humanity from poverty and hunger and improve the human condition in such respects as health, sanitation, economic development, and the environment by 2030.</p> <p>[Brief personal profile, positions and responsibilities at the Company and significant concurrent positions]</p> <table><tr><td>Apr. 1974</td><td>Joined the Bank of Japan</td></tr><tr><td>May 1992</td><td>Director, Head of Securities Division, Credit and Market Management Department of the Bank of Japan</td></tr><tr><td>May 1994</td><td>Director, Head of Planning Division Policy Planning Office of the Bank of Japan</td></tr><tr><td>May 1996</td><td>Deputy Director-General, Policy Planning Office of the Bank of Japan</td></tr><tr><td>Apr. 1998</td><td>Deputy Director-General (Adviser), Policy Planning Office of the Bank of Japan</td></tr><tr><td>Apr. 2000</td><td>Adviser to the Governor Monetary Policy Studies Department, Policy Planning Office of the Bank of Japan</td></tr><tr><td>June 2001</td><td>Director-General, Information System Services Department of the Bank of Japan</td></tr><tr><td>June 2002</td><td>Director-General, Bank Examination and Surveillance Department of the Bank of Japan</td></tr><tr><td>May 2004</td><td>Executive Director of the Bank of Japan</td></tr><tr><td>May 2008</td><td>Joined the Company</td></tr><tr><td></td><td>Executive Adviser</td></tr><tr><td>Apr. 2010</td><td>President of Ricoh Institute of Sustainability and Business</td></tr><tr><td>June 2010</td><td><b>Director (Current)</b></td></tr><tr><td></td><td>Corporate Executive Vice President</td></tr><tr><td>June 2012</td><td>CIO (Chief Information Officer)</td></tr><tr><td>Sep. 2015</td><td>In charge of corporate governance promotion</td></tr><tr><td>Apr. 2017</td><td><b>Chairperson of the Board (Current)</b></td></tr></table> <p>[Status of concurrent positions as director or officer at listed companies, including the Company (planned)]</p> <table><tr><td>Number of positions held as executive director or officer</td><td>Number of positions held as non-executive director or officer</td></tr><tr><td>0</td><td>1</td></tr></table> <p>*If this proposal is approved.</p>	Apr. 1974	Joined the Bank of Japan	May 1992	Director, Head of Securities Division, Credit and Market Management Department of the Bank of Japan	May 1994	Director, Head of Planning Division Policy Planning Office of the Bank of Japan	May 1996	Deputy Director-General, Policy Planning Office of the Bank of Japan	Apr. 1998	Deputy Director-General (Adviser), Policy Planning Office of the Bank of Japan	Apr. 2000	Adviser to the Governor Monetary Policy Studies Department, Policy Planning Office of the Bank of Japan	June 2001	Director-General, Information System Services Department of the Bank of Japan	June 2002	Director-General, Bank Examination and Surveillance Department of the Bank of Japan	May 2004	Executive Director of the Bank of Japan	May 2008	Joined the Company		Executive Adviser	Apr. 2010	President of Ricoh Institute of Sustainability and Business	June 2010	<b>Director (Current)</b>		Corporate Executive Vice President	June 2012	CIO (Chief Information Officer)	Sep. 2015	In charge of corporate governance promotion	Apr. 2017	<b>Chairperson of the Board (Current)</b>	Number of positions held as executive director or officer	Number of positions held as non-executive director or officer	0	1
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Notes:

1. There are no special interests between candidate Mr. Nobuo Inaba and the Company.
2. The term of office of candidate Mr. Nobuo Inaba shall be up to the conclusion of the Ordinary General Meeting of Shareholders with respect to the final fiscal year that ends within one (1) year of his election in accordance with the Company's Articles of Incorporation.
3. The numbers of the Company's shares held by the candidate Mr. Nobuo Inaba are as of March 31, 2021.
4. The Company has entered into a directors and officers liability insurance contract pursuant to Article 430-3, Paragraph 1 of the Companies Act with an insurance company, with all insurance premiums at the Company's expense. Candidate Mr. Nobuo Inaba is insured under the insurance contract, which covers damages and litigation expenses arising from claims made to insured officers during the insurance period as a result of their actions in their capacity as an officer. However, certain damages are not covered by the insurance, including those arising from an action of the insured officer taken with the knowledge that it violates laws and regulations. The Company intends to renew the insurance contract on August 1, 2021, during the candidate's term of office.

No.	Name (Date of birth)	Reasons for nomination as a candidate for Director
3	<p>Hidetaka Matsuishi (February 22, 1957)</p> <p>Reappointment</p> <p>Male</p> <p>Class and number of the Company's shares held Common shares: 13,566 Dilutive shares: 4,025 *The number of dilutive shares represents the number of shares corresponding to the number of points in relation to which rights are expected to be vested under the stock compensation system utilizing a trust.</p> <p>Years of service as Director 3 years (at the conclusion of this Meeting)</p> <p>Attendance during fiscal year ended March 31, 2021</p> <p>Board of Directors meeting 12/12 (100%)</p>	<p>Mr. Hidetaka Matsuishi has experience as the head of five subsidiaries of the Company, including RICOH LEASING COMPANY, LTD., listed on the first section of the Tokyo Stock Exchange. As the President of each company, he swiftly carried out various management reforms with his outstanding execution capabilities. As a result, he has made a significant contribution to the overall growth of the Ricoh Group by improving the performance of each company. At the Company, since assuming office as Director and CFO (Chief Financial Officer) in April 2018, he has led management reforms by advocating a management structure taking into consideration capital costs, while pushing forward the initiatives to improve return on capital. Furthermore, in FY2020, amid the unprecedentedly harsh management environment caused by the COVID-19 pandemic, he played a leading role in introducing the business unit structure that serves as a foothold for the transformation to a digital services company, while also securing liquidity on hand and financial stability. Moreover, in the course of formulating the 20th Mid-Term Management Plan, he actively engaged in dialogue with capital markets and conducted research on precedent cases including benchmarking. He also took the lead in compiling capital policies, such as the optimal capital structure and capital allocation to enhance the effectiveness of growth strategies, as well as cash allocation for business growth and appropriate shareholder returns. Moreover, with his extensive experience in corporate management and excellent management perspectives, he has made significant contributions to the Company's initiatives to enhance its corporate value through appropriate management decisions and oversight based on active discussions at Board of Directors meetings.</p> <p>The Company's Board of Directors has determined that his extensive experience as a corporate manager and excellent management perspectives as well as his management decisions and oversight from the viewpoint of company-wide optimization based thereon are necessary to realize the 20th Mid-Term Management Plan and growth strategy, as well as to enhance the Company's shareholder and corporate value. Thus, the Company's Board of Directors nominates him as a candidate for Director.</p> <p>[Responsibilities as an Executive Officer of the Company] CFO / General Manager of Corporate Planning Division</p> <p>[Message to our shareholders from the candidate for Director] In 2020, our management environment changed drastically, such as the output at offices being dramatically reduced due to the impact of COVID-19 and rising digital needs becoming more prominent. Recognizing that this is our biggest opportunity for reforms and positioning FY2020 as a period of tackling the emergency and accelerating change, I worked on three reforms as CFO and Director in charge of business planning.</p> <p>For the first reform, I have established 26 management themes as emergency response measures amid the COVID-19 pandemic, and set up a structure with Internal Directors as owners and Executive Officers as leaders. In April 2020, we conducted intense deliberations and swiftly implemented the measures. Officers and employees have come together to achieve results, generating approximately ¥100 billion in profits. For the second reform, a business unit structure was introduced. As one of the initiatives to accelerate change in FY2020, we decided to move up our transition to the business unit structure. While holding discussions at management meetings and Board of Directors meetings, we benchmarked other companies, and completed the overall design in August 2020. In October, we appointed the head of each business unit and conducted detailed examinations. Then, in April 2021, we transitioned into a business unit structure after one year of preparations, which would normally take about three years. Furthermore, in order to strengthen governance following the transition to the business unit structure, we have decided to hold monthly business operations meetings at each business unit, as well as semiannual portfolio management meetings. A system is now in place for the Board of Directors to conduct monitoring based on discussions at these meetings. For the third reform, I developed the 20th Mid-Term Management</p>

	<p>Plan and Medium to Long-Term Outlook, announced in March 2021. As part of the process, we have held many discussions in Board of Directors meetings and with other executives, addressing major issues such as structural reform of Office Printing and growth of Office Services. At the same time, as capital policies, we have further clarified our policies tailored to capital markets, such as optimized capital structure, cash allocation, and views on shareholder returns (total return ratio of 50% and executing a stock repurchase of ¥100 billion).</p> <p>Moving forward, I intend to firmly establish the measures and mechanisms which we have planned and built so far, and contribute to the sustainable growth of the Ricoh Group over the medium to long term and raising its corporate value.</p> <p>[Brief personal profile, positions and responsibilities at the Company and significant concurrent positions]</p> <p>Apr. 1981      Joined the Company</p> <p>Oct. 2000      General Manager of SCM Innovation Center, Marketing Group</p> <p>Jan. 2003      President of Nishi Tokyo Ricoh Co., Ltd.</p> <p>Apr. 2005      President of Ricoh Tohoku Co., Ltd.</p> <p>Apr. 2007      General Manager of Business Strategic Planning Office and General Manager of Business Partner Division, Marketing Group</p> <p>Apr. 2008      General Manager of Business Strategy Center, Marketing Group</p> <p>Apr. 2009      General Manager of Major Accounts Marketing Division, Marketing Group</p> <p>July 2009      Representative Director and President of Ricoh IT Solutions Co., Ltd.</p> <p>Apr. 2014      Group Executive Officer (Corporate Senior Vice President) Representative Director, President and CEO of RICOH LEASING COMPANY, LTD.</p> <p>June 2016      Corporate Senior Vice President General Manager of Japan Marketing Group Representative Director, President and CEO of Ricoh Japan Corporation</p> <p>Apr. 2018      Corporate Executive Vice President <b>CFO (Chief Financial Officer) (Current)</b> General Manager of Business Planning Division</p> <p>June 2018      <b>Director (Current)</b></p> <p>Apr. 2021      <b>Executive Corporate Officer (Current)</b> <b>General Manager of Corporate Planning Division (Current)</b></p> <p>[Status of concurrent positions as director or officer at listed companies, including the Company (planned)]</p> <table border="1"> <tr> <td>Number of positions held as executive director or officer</td><td>Number of positions held as non-executive director or officer</td></tr> <tr> <td>1</td><td>0</td></tr> </table> <p>*If this proposal is approved.</p>	Number of positions held as executive director or officer	Number of positions held as non-executive director or officer	1	0
Number of positions held as executive director or officer	Number of positions held as non-executive director or officer				
1	0				

Notes:

- There are no special interests between candidate Mr. Hidetaka Matsuishi and the Company.
- The term of office of candidate Mr. Hidetaka Matsuishi shall be up to the conclusion of the Ordinary General Meeting of Shareholders with respect to the final fiscal year that ends within one (1) year of his election in accordance with the Company's Articles of Incorporation.
- The numbers of the Company's shares and dilutive shares held by the candidate Mr. Hidetaka Matsuishi are as of March 31, 2021 and as of the closing of this Meeting on June 24, 2021, respectively.
- The Company has entered into a directors and officers liability insurance contract pursuant to Article 430-3, Paragraph 1 of the Companies Act with an insurance company, with all insurance premiums at the Company's expense. Candidate Mr. Hidetaka Matsuishi is insured under the insurance contract, which covers damages and litigation expenses arising from claims made to insured officers during the insurance period as a result of their actions in their capacity as an officer. However, certain damages are not covered by the insurance, including those arising from an action of the insured officer taken with the knowledge that it violates laws and regulations. The Company intends to renew the insurance contract on August 1, 2021, during the candidate's term of office.

No.	Name (Date of birth)	Reasons for nomination as a candidate for Director
4	<p>Seiji Sakata (September 12, 1958)</p> <p>Reappointment</p> <p>Male</p> <p>Class and number of the Company's shares held Common shares: 17,800 Dilutive shares: 4,025 *The number of dilutive shares represents the number of shares corresponding to the number of points in relation to which rights are expected to be vested under the stock compensation system utilizing a trust.</p> <p>Years of service as Director 3 years (at the conclusion of this Meeting)</p> <p>Attendance during fiscal year ended March 31, 2021</p> <p>Board of Directors meeting 12/12 (100%)</p>	<p>Mr. Seiji Sakata has been for many years involved in design and development related to office printing, which is the Company's core business, as a leader of the design and development division of printers and multifunctional printers at the Company. Based on his wealth of experience and deep knowledge and insight into the core business and design and development, as the person responsible for the design and development division of the Company's core business, he has taken a leading role in promoting reorganization and reforms within the Group, including the establishment of design-related subsidiaries and the integration of production-related subsidiaries. In addition, he has a record of achievements as the person responsible for the Company's human resources division, such as establishing a global human resources system.</p> <p>Since assuming office as a Director in June 2018 and as the CTO (Chief Technology Officer) in April 2019, he has sought advanced technologies and developed competitive technologies while formulating and implementing technology strategies and plans for the Group as a whole. Furthermore, in FY2020, he quickly adapted to the management environment that has been drastically changed by the COVID-19 pandemic, undertaking initiatives to accelerate the Company's transformation to a digital services company from the perspectives of technology and development. In addition, he has helped the members of the Board of Directors better understand medium- and long-term technology strategies by regularly reporting on the Company's technology situation at Board of Directors meetings while, based on his extensive experience in design and development and deep knowledge and insight into technology, has made significant contributions to the Company's initiatives to enhance its corporate value through appropriate management decisions and oversight with active discussions at Board of Directors meetings. Moreover, in the course of formulating the 20th Mid-Term Management Plan, he led policies to prioritize research and development, as well as create new business domains for the Company to invest in over the medium- to long-term, while playing a central role in developing and acquiring human resources with strong digital acumen to enable those efforts. The Company's Board of Directors has determined that his extensive experience in design and development and deep knowledge and insight into technology, as well as management decisions and oversight from the viewpoint of company-wide optimization based thereon are necessary to realize the 20th Mid-Term Management Plan and growth strategy, as well as to enhance the Company's shareholder and corporate value. Thus, the Company's Board of Directors nominates him as a candidate for Director.</p> <p>[Responsibilities as an Executive Officer of the Company] CTO / General Manager of Advanced Technology R&amp;D Division</p> <p>[Message to our shareholders from the candidate for Director] In FY2020, market conditions changed drastically due to the COVID-19 pandemic. Office Printing, which is mainly comprised of multifunctional printers and laser printers, experienced a particularly strong impact, which forced us to reshape our operational structure. Through these reforms, Ricoh, as a digital services company, aims to deliver services that enable new work practices to its customers. With an eye on achieving this goal, Human Digital Twin at Work (hereinafter, HDT) and Industrial Digital Printing System (hereinafter, IDPS) have been selected as our research and development themes for FY2021.</p> <p>HDT is digitalization technology for people who work in various workplaces, or so-called gig workers. We envision the future of "Work" and aim to realize a future society where people can focus their efforts on creative activities. In order to support the creativity of working people, we will use technologies such as behavior sensing and vital sign sensing to capture data perceived by human senses, as well as internal data such as emotions. We will then use recognition technologies and AI (artificial intelligence) to systematize the data and convert it into knowledge.</p> <p>IDPS uses Ricoh's strengths in inkjet technology to contribute significantly</p>

	<p>to solving social issues such as reducing waste generation and conserving energy in various production processes. I believe this approach will significantly contribute to achieving the SDGs. While Ricoh currently provides value to customers through display printing that uses inkjet technology, which is printing that displays information on paper, we will innovate manufacturing processes with functional printing, which realizes the functions of products per se on demand by spraying functional materials instead of ink.</p> <p>I believe that management from both the perspectives of business and technology will be important for Ricoh's future growth. As the CTO, I will conduct management driven by these two perspectives, and accelerate the development of our existing businesses. At the same time, we will cultivate the seeds for many new businesses through technological innovation, which will lead to Ricoh taking steps in the direction of further growth.</p> <p>[Brief personal profile, positions and responsibilities at the Company and significant concurrent positions]</p> <p>Apr. 1981      Joined the Company</p> <p>Apr. 2006      General Manager of 1st Designing Center, MFP Business Group</p> <p>Apr. 2007      General Manager of Designing Center and General Manager of Peripheral Products Business Center, MFP Business Group</p> <p>Apr. 2008      Deputy General Manager of MFP Business Group</p> <p>Apr. 2009      General Manager of Controller Development Division and Deputy General Manager of MFP Business Group</p> <p>Apr. 2010      Corporate Vice President</p> <p>Apr. 2011      General Manager of Human Resources Division</p> <p>Apr. 2012      Corporate Senior Vice President</p> <p>Apr. 2014      General Manager of Japan Management Division</p> <p>Feb. 2015      General Manager of Japan Management Division and General Manager of Imaging Systems Development Division</p> <p>Apr. 2017      General Manager of Office Printing Development Division, Deputy General Manager of Office Printing Business Group</p> <p>Apr. 2018      Corporate Executive Vice President</p> <p>                  General Manager of Office Printing Business Group</p> <p>June 2018      <b>Director (Current)</b></p> <p>Apr. 2019      <b>CTO (Chief Technology Officer) (Current)</b></p> <p>Apr. 2021      <b>Executive Corporate Officer (Current)</b>  <b>General Manager of Advanced Technology R&amp;D Division (Current)</b></p> <p>[Status of concurrent positions as director or officer at listed companies, including the Company (planned)]</p> <table border="1"> <tr> <td>Number of positions held as executive director or officer</td><td>Number of positions held as non-executive director or officer</td></tr> <tr> <td>1</td><td>0</td></tr> </table> <p>*If this proposal is approved.</p>	Number of positions held as executive director or officer	Number of positions held as non-executive director or officer	1	0
Number of positions held as executive director or officer	Number of positions held as non-executive director or officer				
1	0				

Notes:

- There are no special interests between candidate Mr. Seiji Sakata and the Company.
- The term of office of candidate Mr. Seiji Sakata shall be up to the conclusion of the Ordinary General Meeting of Shareholders with respect to the final fiscal year that ends within one (1) year of his election in accordance with the Company's Articles of Incorporation.
- The numbers of the Company's shares and dilutive shares held by the candidate Mr. Seiji Sakata are as of March 31, 2021 and as of the closing of this Meeting on June 24, 2021, respectively.
- The Company has entered into a directors and officers liability insurance contract pursuant to Article 430-3, Paragraph 1 of the Companies Act with an insurance company, with all insurance premiums at the Company's expense. Candidate Mr. Seiji Sakata is insured under the insurance contract, which covers damages and litigation expenses arising from claims made to insured officers during the insurance period as a result of their actions in their capacity as an officer. However, certain damages are not covered by the insurance, including those arising from an action of the insured officer taken with the knowledge that it violates laws and regulations. The Company intends to renew the insurance contract on August 1, 2021, during the candidate's term of office.

No.	Name (Date of birth)	Reasons for nomination as a candidate for Director
5	<p data-bbox="276 972 474 1030">Akira Oyama (January 6, 1961)</p> <p data-bbox="347 1064 402 1088">New</p> <p data-bbox="347 1126 402 1151">Male</p> <p data-bbox="292 1189 458 1305">Number of the Company's shares held 22,400</p>	<p data-bbox="518 239 1401 539">Since joining the Company, Mr. Akira Oyama has been involved in various operations at local subsidiaries in Europe and the U.S. for many years, and served in many positions of top management at local subsidiaries. Utilizing his wealth of experience overseas and his knowledge and insight into global marketing, he has contributed to enhancing the corporate value of the Company. In addition, he became in charge of global marketing as the CMO (Chief Marketing Officer) from April 2019, and from April 2020, as General Manager of Workplace Solutions Business Group, he has enabled the steady growth of the Office Services business, which is the key to the Company's future growth.</p> <p data-bbox="518 546 1401 999">Since April 2021, he has been in charge of Ricoh Digital Services, which is the largest business unit of the Company, and has taken on the role of leading the expansion of the Company's business performance. As Ricoh Digital Services will become the Company's mainstay business going forward, appointing its head as a Director will enable the Company to incorporate his knowledge into discussions held by the Board of Directors and enhance the supervision and progress of strategies taken by Ricoh Digital Services, which in turn will ensure the achievement of the 20th Mid-Term Management Plan. The Company's Board of Directors has determined that his extensive overseas experience and deep knowledge and insight into global marketing, as well as his management decisions and oversight from the viewpoint of company-wide optimization based on these assets are necessary to realize the 20th Mid-Term Management Plan and growth strategy, as well as to enhance the Company's shareholder and corporate value. Thus, the Company's Board of Directors nominates him as a candidate for Director.</p> <p data-bbox="518 1037 1182 1095">[Responsibilities as an Executive Officer of the Company] President of Ricoh Digital Services Business Unit</p> <p data-bbox="518 1126 1401 1951">[Message to our shareholders from the candidate for Director] FY2020 was a period of tackling the emergency and accelerating change, which I approached as the CMO as well as the executive in charge of our sales subsidiaries. Especially outside of Japan, there were frequent lockdowns, leading to a significant decline in economic activity. We endeavored to improve our profitability by implementing various emergency measures to adapt to this harsh management environment, while also striving to maintain high-quality services as a business essential to customers and society. In addition to the emergency measures, we have also worked to transform our business portfolio in anticipation of the new normal, and our customers' needs for new work styles have created new business opportunities for us. The services we provide to our customers have grown more diverse, and in order to realize those services, we have used various means including corporate acquisitions to strengthen our organizational capabilities. As a result, we were able to grow our Office Services business year-on-year, excluding the impact of temporary demand due to the end of support for Windows 7 in FY2019, and profitability also improved. In FY2021, as President of Ricoh Digital Services Business Unit, I will contribute further to the success of our customers' businesses. As consideration for that contribution, we will earn revenue, and reinvest some of the revenue in order to contribute to our customers even more. I believe repeating this cycle and maximizing the corporate value of the Ricoh Group is our contribution to our shareholders. As a Director, I intend to use my experience and knowledge of overseas business cultivated thus far to supervise business execution, and I will continue to work toward the Ricoh Group's sustainable growth and further improvement of its return on capital.</p>

	<p>[Brief personal profile, positions and responsibilities at the Company and significant concurrent positions]</p> <p>July 1986      Joined the Company</p> <p>Apr. 2011      President of Ricoh Europe Plc</p> <p>Aug. 2012      Group Executive Officer General Manager of Europe Marketing Group Chairperson of Ricoh Europe B.V.</p> <p>Apr. 2014      Corporate Senior Vice President General Manager of Corporate Division</p> <p>Apr. 2015      President of Ricoh Americas Holdings, Inc.</p> <p>June 2015      Director</p> <p>June 2016      Corporate Executive Vice President</p> <p>Apr. 2017      CFO (Chief Financial Officer)</p> <p>Apr. 2018      General Manager of Sales and Marketing Group</p> <p>Apr. 2019      CMO (Chief Marketing Officer)</p> <p>Apr. 2020      General Manager of Workplace Solutions Business Group</p> <p>Apr. 2021      <b>Executive Corporate Officer (Current)</b> <b>President of Ricoh Digital Services Business Unit (Current)</b></p> <p>[Status of concurrent positions as director or officer at listed companies, including the Company (planned)]</p> <table><tr><th>Number of positions held as executive director or officer</th><th>Number of positions held as non-executive director or officer</th></tr><tr><td>1</td><td>0</td></tr></table> <p>*If this proposal is approved.</p>	Number of positions held as executive director or officer	Number of positions held as non-executive director or officer	1	0
Number of positions held as executive director or officer	Number of positions held as non-executive director or officer				
1	0				

Notes:

1. There are no special interests between candidate Mr. Akira Oyama and the Company.
2. The term of office of candidate Mr. Akira Oyama shall be up to the conclusion of the Ordinary General Meeting of Shareholders with respect to the final fiscal year that ends within one (1) year of his election in accordance with the Company's Articles of Incorporation.
3. The numbers of the Company's shares held by the candidate Mr. Akira Oyama are as of March 31, 2021.
4. The Company has entered into a directors and officers liability insurance contract pursuant to Article 430-3, Paragraph 1 of the Companies Act with an insurance company, with all insurance premiums at the Company's expense. If his election is approved, candidate Mr. Akira Oyama will be insured under the insurance contract, which covers damages and litigation expenses arising from claims made to insured officers during the insurance period as a result of their actions in their capacity as an officer. However, certain damages are not covered by the insurance, including those arising from an action of the insured officer taken with the knowledge that it violates laws and regulations. The Company intends to renew the insurance contract on August 1, 2021, during the candidate's term of office.

No.	Name (Date of birth)	Reasons for nomination as a candidate for Outside Director / an outline of roles expected to be performed as an Outside Director
6	<p>Masami Iijima (September 23, 1950)</p> <p>Reappointment</p> <p>Non-executive</p> <p>Male</p> <p>Outside Director</p> <p>Independent Director</p> <p>Number of the Company's shares held 11,400</p> <p>Years of service as Director 5 years (at the conclusion of this Meeting)</p> <p>Attendance during fiscal year ended March 31, 2021</p> <p>Board of Directors meeting 12/12 (100%)</p> <p>Nomination Committee meeting 6/6 (100%)</p> <p>Compensation Committee meeting 5/5 (100%)</p>	<p>Mr. Masami Iijima demonstrated outstanding management skills as Representative Director of MITSUI &amp; CO., LTD., contributing greatly to the development of the company for six years from April 2009. From April 2015, as Representative Director, Chairperson of the Board of Directors of MITSUI &amp; CO., LTD., he focused on management oversight and contributed to the highly effective operation of the Board of Directors.</p> <p>At the Company, as an Outside Director, he has played an important role in ensuring the validity and appropriateness of management decisions and management oversight of the Board of Directors of the Company. With his extensive experience and expertise in management, he has provided very useful advice and recommendations on matters such as global business development, overseas M&amp;A, and risk management. In addition, as Chairperson of the Nomination Committee, he has also contributed to strengthening the supervisory function of the committee by leading objective discussions from an independent standpoint, based on his deep knowledge of and insight into corporate governance. Furthermore, in FY2020, amid the unprecedentedly harsh management environment caused by the COVID-19 pandemic, in relation to global risk management in light of drastic changes in the global situation and local characteristics, establishment of governance, organizational restructuring, and personnel strategy for the transition to a business unit structure, support for capital policy and digital transformation, formulation of the 20th Mid-Term Management Plan, etc., he provided advice and recommendations from multiple perspectives based on his extensive experience, knowledge, and insight as a management executive, and made significant contributions to initiatives aimed at increasing the Company's corporate value by tackling the emergency and accelerating change.</p> <p>The Company's Board of Directors expects objective management decisions and oversight from an independent standpoint based on his extensive experience as a management executive, along with his knowledge and insight into global business and risk management, and has determined that they are necessary to realize the 20th Mid-Term Management Plan and the growth strategy, as well as to enhance the Company's shareholder and corporate value. Thus, the Company's Board of Directors nominates him as a candidate for Outside Director.</p> <p>[Responsibilities as a Director of the Company] Chairperson of the Nomination Committee / Compensation Committee Member</p> <p>[Message to our shareholders from the candidate for Director] In 2020, suffering from the COVID-19 pandemic, the world faced extremely harsh conditions, and companies and individuals alike were forced to redouble their efforts to maintain their businesses and livelihoods while preventing the spread of infection. In this process, the usefulness of digital technology has been recognized anew, and while the introduction of digital technology accelerates, the value of physical interactions has also been confirmed once more. There is now a stark difference in terms of both business performance and market evaluation, between those companies that adapted well or even used these trends as a tailwind to drive them forward, and those companies that have not yet adapted to them. I recognize that my role as an Outside Director is to track these changes in the era and environment with a wide field of vision and from a medium- to long-term perspective, which I cultivated through my management experience at companies such as MITSUI &amp; CO., LTD., so that I can conduct management oversight and provide advice on management.</p> <p>During the course of the COVID-19 crisis, the idea of green recovery, which places addressing climate change issues at the core of economic recovery, has spread worldwide, and there is rising societal demand for us to contribute to sustainability. In order for the Ricoh Group to keep contributing to society, I will continue to perform the supervisory function over the Board of Directors as an Outside Director, and strive to realize corporate governance that meets the expectations of our shareholders and other stakeholders.</p>

[Brief personal profile, positions and responsibilities at the Company and significant concurrent positions]											
Apr. 1974	Joined MITSUI & CO., LTD.										
June 2000	General Manager of Ferrous Raw Materials Division, Iron & Steel Raw Materials Business Unit of MITSUI & CO., LTD.										
Apr. 2004	General Manager of Metals Administrative Division of MITSUI & CO., LTD.										
Apr. 2005	General Manager of Metals & Energy Administrative Division of MITSUI & CO., LTD.										
Apr. 2006	Managing Officer, Chief Operating Officer of Iron & Steel Raw Materials and Non-Ferrous Metals Business Unit of MITSUI & CO., LTD.										
Apr. 2007	Managing Officer, Chief Operating Officer of Mineral & Metal Resources Business Unit of MITSUI & CO., LTD.										
Apr. 2008	Executive Managing Officer of MITSUI & CO., LTD.										
June 2008	Representative Director, Executive Managing Officer of MITSUI & CO., LTD.										
Oct. 2008	Representative Director, Senior Executive Managing Officer of MITSUI & CO., LTD.										
Apr. 2009	Representative Director, President and Chief Executive Officer of MITSUI & CO., LTD.										
Apr. 2015	Representative Director, Chairperson of the Board of Directors of MITSUI & CO., LTD.										
June 2016	<b>Outside Director (Current)</b>										
June 2018	<b>Outside Director of SoftBank Group Corp. (Current)</b>										
June 2019	<b>Counsellor of the Bank of Japan (Current)</b>										
	<b>Outside Director of Isetan Mitsukoshi Holdings Ltd. (Current)</b>										
Apr. 2021	<b>Director of MITSUI &amp; CO., LTD. (Current) (Scheduled to retire in June 2021)</b>										
June 2021	Counselor of MITSUI & CO., LTD. (Scheduled to be appointed)										
[Significant concurrent positions]											
<table border="1"> <thead> <tr> <th>Company</th><th>Position</th></tr> </thead> <tbody> <tr> <td>MITSUI &amp; CO., LTD.</td><td>Director (Non-executive) (Scheduled to retire in June 2021) Counselor (Scheduled to be appointed in June 2021)</td></tr> <tr> <td>SoftBank Group Corp.</td><td>Outside Director</td></tr> <tr> <td>The Bank of Japan</td><td>Counsellor</td></tr> <tr> <td>Isetan Mitsukoshi Holdings Ltd.</td><td>Outside Director</td></tr> </tbody> </table>		Company	Position	MITSUI & CO., LTD.	Director (Non-executive) (Scheduled to retire in June 2021) Counselor (Scheduled to be appointed in June 2021)	SoftBank Group Corp.	Outside Director	The Bank of Japan	Counsellor	Isetan Mitsukoshi Holdings Ltd.	Outside Director
Company	Position										
MITSUI & CO., LTD.	Director (Non-executive) (Scheduled to retire in June 2021) Counselor (Scheduled to be appointed in June 2021)										
SoftBank Group Corp.	Outside Director										
The Bank of Japan	Counsellor										
Isetan Mitsukoshi Holdings Ltd.	Outside Director										
[Status of concurrent positions as director or officer at listed companies, including the Company (planned)]											
<table border="1"> <thead> <tr> <th>Number of positions held as executive director or officer</th><th>Number of positions held as non-executive director or officer</th></tr> </thead> <tbody> <tr> <td>0</td><td>4</td></tr> </tbody> </table>		Number of positions held as executive director or officer	Number of positions held as non-executive director or officer	0	4						
Number of positions held as executive director or officer	Number of positions held as non-executive director or officer										
0	4										
*If this proposal is approved.											

Notes:

- There are no special interests between candidate Mr. Masami Iijima and the Company.  
Candidate Mr. Masami Iijima is Director of MITSUI & CO., LTD. The Company has business relations with MITSUI & CO., LTD. such as product sales, with the relevant transactional amounts totaling less than 1% of the consolidated net sales of the Company and MITSUI & CO., LTD., respectively, which is considered extremely insignificant. Thus, there are no special business relations that could affect him in executing his duties as Outside Director.  
In addition, candidate Mr. Masami Iijima is an Outside Director of SoftBank Group Corp. and Isetan Mitsukoshi Holdings Ltd. The Company has business relations with each of these companies, such as product sales, with the relevant transactional amounts totaling less than 1% of the consolidated net sales of the Company and each of these companies, respectively, which is considered extremely insignificant. Thus, there are no special business relations that could affect him in executing his duties as Outside Director.
- The term of office of candidate Mr. Masami Iijima shall be up to the conclusion of the Ordinary General Meeting of Shareholders with respect to the final fiscal year that ends within one (1) year of his election in accordance with the Company's Articles of Incorporation.
- With the expectation that Outside Directors can fully fulfill the roles associated with their positions, the Company has executed a contract with Mr. Masami Iijima to limit liability for damages as stipulated in Article 423, Paragraph 1 of the Companies Act, to the higher of ¥10 million or the minimum liability limit amount stipulated in Article 425, Paragraph 1 of

the Companies Act. If approval is given for Mr. Masami Iijima to be reelected as Outside Director, the Company plans to continue the said liability limitation contract with him.

4. The Company has entered into a directors and officers liability insurance contract pursuant to Article 430-3, Paragraph 1 of the Companies Act with an insurance company, with all insurance premiums at the Company's expense. Candidate Mr. Masami Iijima is insured under the insurance contract, which covers damages and litigation expenses arising from claims made to insured officers during the insurance period as a result of their actions in their capacity as an officer. However, certain damages are not covered by the insurance, including those arising from an action of the insured officer taken with the knowledge that it violates laws and regulations. The Company intends to renew the insurance contract on August 1, 2021, during the candidate's term of office.
5. Candidate Mr. Masami Iijima has been registered as an Independent Director as stipulated in Rule 436-2 of the Securities Listing Regulations of the Tokyo Stock Exchange, and if approval is given for him to be reelected as Outside Director, he will remain registered as Independent Director.
6. The numbers of the Company's shares held by the candidate Mr. Masami Iijima are as of March 31, 2021.

No.	Name (Date of birth)	Reasons for nomination as a candidate for Outside Director / an outline of roles expected to be performed as an Outside Director
7	<p>Mutsuko Hatano (October 1, 1960)</p> <p>Reappointment</p> <p>Non-executive</p> <p>Female</p> <p>Outside Director</p> <p>Independent Director</p> <p>Number of the Company's shares held 5,700</p> <p>Years of service as Director 5 years (at the conclusion of this Meeting)</p> <p>Attendance during fiscal year ended March 31, 2021</p> <p>Board of Directors meeting 12/12 (100%)</p> <p>Compensation Committee meeting 5/5 (100%)</p>	<p>Ms. Mutsuko Hatano contributed to the advancement of the technology of Hitachi, Ltd. as its researcher while delivering achievements as a visiting researcher at a U.S. university. She assumed the position of professor of the Department of Electrical and Electronic Engineering, School of Engineering of Tokyo Institute of Technology in July 2010. She has also contributed to the advancement of science and technology as a Council Member of the Science Council of Japan and a chairperson of academic societies, and has made many achievements as an expert in government agencies.</p> <p>At the Company, as an Outside Director, she has played an important role in ensuring the validity and appropriateness of the management decisions and management oversight of the Board of Directors of the Company. With her expertise developed from her extensive experience as a researcher, she has provided useful advice and recommendations on matters such as initiatives for advanced technologies, technology strategies in growth areas, and the development and securing of technical personnel. In addition, she has been engaged in leading objective discussions from an independent standpoint from multiple perspectives as the Chairperson of the Compensation Committee, thereby contributing to enhancing its oversight function and ensuring transparency in the process of determining executive compensation. Furthermore, in FY2020, amid the unprecedentedly harsh management environment caused by the COVID-19 pandemic, she provided useful advice and recommendations on reforms toward a digital services company and the formulation of the 20th Mid-Term Management Plan based on her in-depth knowledge and insight into science and technology as well as human resource development. Specifically, on technology and intellectual property strategies, she provided advice and recommendations from an expert perspective, and on human resource strategies, from the perspective of developing and securing advanced professional human resources as well as diversity, thereby making significant contributions to the Company's initiatives to enhance its corporate value by tackling the emergency and accelerating change, as well as the formulation of the 20th Mid-Term Management Plan.</p> <p>The Company's Board of Directors expects objective management decisions and oversight from an independent standpoint based on her extensive experience as well as expert knowledge and insight into technology and human resource development, and has determined that they are necessary to realize the 20th Mid-Term Management Plan and the growth strategy, as well as to enhance the Company's shareholder and corporate value. Thus, the Company's Board of Directors nominates her as a candidate for Outside Director.</p> <p>[Responsibilities as a Director of the Company] Chairperson of Compensation Committee</p> <p>[Message to our shareholders from the candidate for Director] Humankind is currently facing a massive challenge, as it grapples with the COVID-19 pandemic. At the Ricoh Group, we revisited the fundamental issue of "What should the Ricoh Group do to serve global society?" in our discussions and we are accelerating reforms toward a new Ricoh Normal, in which we promote appropriate response from both an emergency and medium-to long-term perspective. Having held repeated discussions in the Board of Directors toward the 20th Mid-Term Management Plan "RICOH Lift Off," we have made progress in reforming the management foundation by implementing structural reforms and growth strategies, improving return on capital, and implementing corporate governance reforms in a three-pronged approach. Furthermore, we have transitioned into a business unit structure in order to transform into a digital services company, setting it as guiding principles and values for all of our business activities. Under the strong leadership of the CEO, Yoshinori Yamashita, we now have a clear</p>

	<p>direction moving forward, with an aim for all employees to play an active role as autonomous human resources.</p> <p>Meanwhile, amid increasing global social challenges, there are growing expectations for us to contribute to the SDGs, accelerate DX*<sup>1</sup> and GX*<sup>2</sup>, and pursue public value that enriches both our spirits and society. In addition, as people's work becomes more creative, work styles are changing from the conventional office-centric model. In these circumstances, it is becoming increasingly important to create innovations that will lead to digital services and new businesses. Therefore, I believe that it is necessary to take a global perspective as we continue to promote fast-paced and highly transparent discussions and decision-making in terms of strategies for technology and human resources.</p> <p>Based on my corporate and academic experience, as well as a diverse perspective and insight different from those within the Company, I will strive to contribute to business growth through innovation that is compatible with the improvement of sustainability. As an Outside Director, I will continue to strive to enhance corporate governance from the perspective of our stakeholders in order to achieve the sustainable growth of the Ricoh Group and enhance its corporate value.</p> <p>*1 DX (digital transformation): Measures taken by companies in response to dramatic changes in the business environment to establish competitive advantage by transforming their products, services, and business models, as well as the operations themselves, organizations, processes, and corporate cultures, through utilization of data and digital technologies, based on the needs of customers and society.</p> <p>*2 GX (green transformation): Reforms aimed at achieving decarbonization.</p> <p>[Brief personal profile, positions and responsibilities at the Company and significant concurrent positions]</p> <p>Apr. 1983      Joined Hitachi, Ltd.</p> <p>Sep. 1997      Visiting Researcher at the University of California, Berkeley (until August 2000)</p> <p>Apr. 2005      Chief Researcher of Central Research Laboratory, Hitachi, Ltd.</p> <p>July 2010      <b>Professor at the Department of Electrical and Electronic Engineering, School of Engineering, National University Corporation Tokyo Institute of Technology (Current)</b></p> <p>Oct. 2014      Council Member of Science Council of Japan</p> <p>June 2016      <b>Outside Director (Current)</b></p> <p>[Significant concurrent positions]</p> <table border="1"> <thead> <tr> <th>Company</th><th>Position</th></tr> </thead> <tbody> <tr> <td>School of Engineering, National University Corporation Tokyo Institute of Technology</td><td>Professor at the Department of Electrical and Electronic Engineering</td></tr> </tbody> </table> <p>[Status of concurrent positions as director or officer at listed companies, including the Company (planned)]</p> <table border="1"> <thead> <tr> <th>Number of positions held as executive director or officer</th><th>Number of positions held as non-executive director or officer</th></tr> </thead> <tbody> <tr> <td>0</td><td>1</td></tr> </tbody> </table> <p>*If this proposal is approved.</p>	Company	Position	School of Engineering, National University Corporation Tokyo Institute of Technology	Professor at the Department of Electrical and Electronic Engineering	Number of positions held as executive director or officer	Number of positions held as non-executive director or officer	0	1
Company	Position								
School of Engineering, National University Corporation Tokyo Institute of Technology	Professor at the Department of Electrical and Electronic Engineering								
Number of positions held as executive director or officer	Number of positions held as non-executive director or officer								
0	1								

Notes:

- There are no special interests between candidate Ms. Mutsuko Hatano and the Company.  
The Company had entered into a consignment contract with candidate Ms. Mutsuko Hatano from April 1, 2016 to June 16, 2016, and had paid ¥1.5 million to her as commission. The purpose of this agreement was to have Ms. Mutsuko Hatano attend the Group Technology Management Meetings to provide advice and recommendations from an outsider's point of view on the management of technology at the Company. However, because this agreement was terminated before her appointment as the Company's Outside Director and the Company's Standards for Independence of Outside Directors and Outside Audit & Supervisory Board Members (refer to page 66) do not apply, it has been deemed that this agreement will have no impact on the independence of the Outside Director.  
The Company has business relations with National University Corporation Tokyo Institute of Technology, mainly regarding research and development consignment, with the relevant transactional amounts totaling less than 1% of the consolidated net

sales of the Company and the annual operating revenue of the university, which is considered extremely insignificant.

2. The term of office of candidate Ms. Mutsuko Hatano shall be up to the conclusion of the Ordinary General Meeting of Shareholders with respect to the final fiscal year that ends within one (1) year of her election in accordance with the Company's Articles of Incorporation.
3. With the expectation that Outside Directors can fully fulfill the roles associated with their positions, the Company has executed a contract with Ms. Mutsuko Hatano to limit liability for damages as stipulated in Article 423, Paragraph 1 of the Companies Act, to the higher of ¥10 million or the minimum liability limit amount stipulated in Article 425, Paragraph 1 of the Companies Act. If approval is given for Ms. Mutsuko Hatano to be reelected as Outside Director, the Company plans to continue the said liability limitation contract with her.
4. The Company has entered into a directors and officers liability insurance contract pursuant to Article 430-3, Paragraph 1 of the Companies Act with an insurance company, with all insurance premiums at the Company's expense. Candidate Ms. Mutsuko Hatano is insured under the insurance contract, which covers damages and litigation expenses arising from claims made to insured officers during the insurance period as a result of their actions in their capacity as an officer. However, certain damages are not covered by the insurance, including those arising from an action of the insured officer taken with the knowledge that it violates laws and regulations. The Company intends to renew the insurance contract on August 1, 2021, during the candidate's term of office.
5. Candidate Ms. Mutsuko Hatano has been registered as an Independent Director as stipulated in Rule 436-2 of the Securities Listing Regulations of the Tokyo Stock Exchange, and if approval is given for her to be reelected as Outside Director, she will remain registered as Independent Director.
6. The numbers of the Company's shares held by the candidate Ms. Mutsuko Hatano are as of March 31, 2021.

No.	Name (Date of birth)	Reasons for nomination as a candidate for Outside Director / an outline of roles expected to be performed as an Outside Director
8	<p>Kazuhiro Mori (October 7, 1946)</p> <p>Reappointment</p> <p>Non-executive</p> <p>Male</p> <p>Outside Director</p> <p>Independent Director</p> <p>Number of the Company's shares held 10,100</p> <p>Years of service as Director 3 years (at the conclusion of this Meeting)</p> <p>Attendance during fiscal year ended March 31, 2021</p> <p>Board of Directors meeting 12/12 (100%)</p> <p>Nomination Committee meeting 6/6 (100%)</p> <p>Compensation Committee meeting 5/5 (100%)</p>	<p>Mr. Kazuhiro Mori previously served as President and Chairperson of affiliated companies of the Hitachi Group, and demonstrated outstanding management skills as Representative Executive Officer, Executive Vice President and Executive Officer of Hitachi, Ltd., contributing greatly to the development of Hitachi, Ltd. as one of the persons in charge of carrying out the said company's reforms.</p> <p>At the Company, as an Outside Director, he has played an important role in ensuring the validity and appropriateness of the management decisions and management oversight of the Board of Directors of the Company. With his extensive management experience gained at manufacturers and broad knowledge and insight into technologies, marketing, etc., he has provided a wide range of useful advice and recommendations on matters ranging from research and development to production and sales. In addition, as a Nomination Committee Member and Compensation Committee Member, he has actively engaged in discussions from an independent standpoint and contributed to ensuring the objectivity and transparency in the nomination and compensation processes, based on his experience as a top manager of companies. Furthermore, in FY2020, amid the unprecedentedly harsh management environment caused by the COVID-19 pandemic, he provided advice and recommendations from multiple perspectives on matters such as initiatives for becoming a digital services company, strengthening business profitability and improving return on capital, ESG efforts, technology and intellectual property strategies, human resources strategies, and the formulation of the 20th Mid-Term Management Plan by exercising his advanced judgment and leadership in management based on his extensive experience, thereby making significant contributions to the Company's initiatives to enhance its corporate value by tackling the emergency and accelerating change.</p> <p>The Company's Board of Directors expects objective management decisions and oversight from an independent standpoint based on his extensive experience, knowledge and insight as a management executive, as well as advanced capabilities for management decision-making and management guidance, and has determined that they are necessary to realize the 20th Mid-Term Management Plan and the growth strategy, as well as to enhance the Company's shareholder and corporate value. Thus, the Company's Board of Directors nominates him as a candidate for Outside Director.</p> <p>[Responsibilities as a Director of the Company] Nomination Committee Member / Compensation Committee Member</p> <p>[Message to our shareholders from the candidate for Director] The advent of the digital society has progressed in leaps and bounds due to the spread of COVID-19, and digital transformation is spreading across all industries. In this business environment, we have declared our intent to break away from our role as an office appliances manufacturer and become a digital services company. With the aim of building a business portfolio driven by customer value and capable of competing globally, we will transition to operations under a business unit structure starting in FY2021, the first year of the 20th Mid-Term Management Plan.</p> <p>In FY2020, we recorded a loss due to the impact of COVID-19, causing concerns to our shareholders. However, by tackling the emergency and accelerating change, we were able to strengthen our management structure and track our customers' needs for digitalization and telecommuting, leading to strong performance in the Office Services business with increased profit. As we were able to build the footholds for the 20th Mid-Term Management Plan "RICOH Lift Off," I believe we can expect further growth in our Digital Services business.</p> <p>In order to provide appropriate returns to shareholders in this uncertain global economy and highly competitive environment, we need to sustainably grow while improving ROE* through business operations that emphasize return on capital and optimal capital policies. To that end, I will work to ensure effective oversight and recommendations to management from an</p>

	<p>independent and objective standpoint, along with timely and appropriate information disclosure.</p> <p>In order to raise corporate value over the medium- to long-term, in addition to achieving results in terms of financial indicators, we must improve the evaluations of our company through non-financial indicators such as ESG and the Company's contribution to the achievement of the SDGs through corporate activities.</p> <p>I will strive to contribute to management oversight and decision-making from a shareholder perspective, drawing on my experience in business execution at a general electronics manufacturer and management experience as an outside director in various industries, including automobile manufacturing, with an aim to achieve the sustainable growth and increase the corporate value of the Ricoh Group over the medium- to long-term.</p> <p>* ROE: Return on equity</p> <p>[Brief personal profile, positions and responsibilities at the Company and significant concurrent positions]</p> <p>Apr. 1969      Joined Hitachi, Ltd.  Feb. 1999      General Manager of Chubu Area Operation, Hitachi, Ltd.  June 2003      Executive Officer of Hitachi, Ltd.  Apr. 2004      Vice President and Executive Officer, General Manager of Industrial System Group &amp; CEO, Hitachi, Ltd.  Aug. 2005      Vice President and Executive Officer of Hitachi, Ltd.  President and Director of Hitachi Displays, Ltd. (Current Japan Display Inc.)  Apr. 2006      Senior Vice President and Executive Officer of Hitachi, Ltd.  Jan. 2007      Representative Executive Officer, Executive Vice President and Executive Officer of Hitachi, Ltd. (until March 2012)  June 2007      Outside Director of Hitachi Capital Corporation (Current Mitsubishi HC Capital Inc.)  June 2010      Chairperson of the Board, Outside Director of Hitachi Capital Corporation  Outside Director of Hitachi Medical Corporation (Current Hitachi Healthcare Manufacturing, Ltd.)  Apr. 2011      Director of Hitachi Maxell, Ltd. (Current Maxell Holdings, Ltd.)  Apr. 2012      Executive Vice President and Executive Officer of Hitachi, Ltd.  June 2013      Chairperson of the Board, Outside Director of Hitachi High-Technologies Corporation (Current Hitachi High-Tech Corporation)  Outside Director of Hitachi Transport System, Ltd.  June 2014      Outside Director of Isuzu Motors Limited  June 2018      <b>Outside Director (Current)</b>  Dec. 2018      <b>Trustee of Toyo University (Current)</b></p> <p>[Significant concurrent positions]</p> <table border="1"> <thead> <tr> <th>Company</th><th>Position</th></tr> </thead> <tbody> <tr> <td>Toyo University</td><td>Trustee</td></tr> </tbody> </table> <p>[Status of concurrent positions as director or officer at listed companies, including the Company (planned)]</p> <table border="1"> <thead> <tr> <th>Number of positions held as executive director or officer</th><th>Number of positions held as non-executive director or officer</th></tr> </thead> <tbody> <tr> <td>0</td><td>1</td></tr> </tbody> </table> <p>*If this proposal is approved.</p>	Company	Position	Toyo University	Trustee	Number of positions held as executive director or officer	Number of positions held as non-executive director or officer	0	1
Company	Position								
Toyo University	Trustee								
Number of positions held as executive director or officer	Number of positions held as non-executive director or officer								
0	1								

Notes:

- There are no special interests between candidate Mr. Kazuhiro Mori and the Company.  
Candidate Mr. Kazuhiro Mori was an Outside Director of Isuzu Motors Limited until June 2018. The Company has business relations with Isuzu Motors Limited, such as product sales, with the relevant transactional amounts totaling less than 1% of the consolidated net sales of the Company and Isuzu Motors Limited, respectively, which is considered extremely insignificant. Thus, there are no special business relations that could affect him in executing his duties as Outside Director.

In addition, the Company has business relations with Hitachi, Ltd., Maxell Holdings, Ltd., Hitachi High-Tech Corporation, and Hitachi Transport System, Ltd., where Mr. Kazuhiro Mori had belonged to in the past 10 years, such as product sales, with the relevant transactional amounts totaling less than 1% of the consolidated net sales of the Company and each of these companies, respectively, which is considered extremely insignificant. Thus, there are no special business relations that could affect him in executing his duties as Outside Director.

Moreover, he is a Trustee of Toyo University. The Company has business relations with Toyo University, such as product sales, with the relevant transactional amounts totaling less than 1% of the consolidated net sales of the Company and annual operating revenue of Toyo University, which is considered extremely insignificant. Thus, there are no special business relations that could affect him in executing his duties as Outside Director.

2. The term of office of candidate Mr. Kazuhiro Mori shall be up to the conclusion of the Ordinary General Meeting of Shareholders with respect to the final fiscal year that ends within one (1) year of his election in accordance with the Company's Articles of Incorporation.
3. With the expectation that Outside Directors can fully fulfill the roles associated with their positions, the Company has executed a contract with Mr. Kazuhiro Mori to limit liability for damages as stipulated in Article 423, Paragraph 1 of the Companies Act, to the higher of ¥10 million or the minimum liability limit amount stipulated in Article 425, Paragraph 1 of the Companies Act. If approval is given for Mr. Kazuhiro Mori to be reelected as Outside Director, the Company plans to continue the said liability limitation contract with him.
4. The Company has entered into a directors and officers liability insurance contract pursuant to Article 430-3, Paragraph 1 of the Companies Act with an insurance company, with all insurance premiums at the Company's expense. Candidate Mr. Kazuhiro Mori is insured under the insurance contract, which covers damages and litigation expenses arising from claims made to insured officers during the insurance period as a result of their actions in their capacity as an officer. However, certain damages are not covered by the insurance, including those arising from an action of the insured officer taken with the knowledge that it violates laws and regulations. The Company intends to renew the insurance contract on August 1, 2021, during the candidate's term of office.
5. Candidate Mr. Kazuhiro Mori has been registered as an Independent Director as stipulated in Rule 436-2 of the Securities Listing Regulations of the Tokyo Stock Exchange, and if approval is given for him to be reelected as Outside Director, he will remain registered as Independent Director.
6. The numbers of the Company's shares held by the candidate Mr. Kazuhiro Mori are as of March 31, 2021.

No.	Name (Date of birth)	Reasons for nomination as a candidate for Outside Director / an outline of roles expected to be performed as an Outside Director
9	<p>Keisuke Yokoo (November 26, 1951)</p> <p>Reappointment</p> <p>Non-executive</p> <p>Male</p> <p>Outside Director</p> <p>Independent Director</p> <p>Number of the Company's shares held 1,000</p> <p>Years of service as Director 1 year (at the conclusion of this Meeting)</p> <p>Attendance during fiscal year ended March 31, 2021 (attendance rate after his appointment at the General Meeting of Shareholders)</p> <p>Board of Directors meeting 10/10 (100%)</p> <p>Nomination Committee meeting 6/6 (100%)</p> <p>Compensation Committee meeting 4/4 (100%)</p>	<p>Mr. Keisuke Yokoo assumed office as a senior executive of Mizuho Securities Co., Ltd. in June 2001, then assumed the office of President in April 2007 and Chairperson in June 2011. As a member of top management, he contributed to the development of Mizuho Securities Co., Ltd. by demonstrating his outstanding management skills in the financial and capital markets over many years. He also assumed the office of President, Member of the Board &amp; Chief Executive Officer of Japan Investment Corporation in December 2019, and contributes to the improvement of Japan's international competitiveness.</p> <p>At the Company, as an Outside Director, he has played an important role in ensuring the validity and appropriateness of the management decisions and management oversight of the Board of Directors of the Company. With his extensive experience and broad knowledge and insight as a management executive, as well as his views and long-term perspective cultivated over many years in financial and capital markets, he has provided a wide range of useful advice and recommendations. In addition, as a Nomination Committee Member and Compensation Committee Member, he has actively engaged in discussions from an independent standpoint with an investor and shareholder perspective. Furthermore, in FY2020, amid the unprecedentedly harsh management environment caused by the COVID-19 pandemic, he provided advice and recommendations from an investor and shareholder perspective backed by his expertise in financial and capital markets, on matters such as corporate finance, communication with capital markets, capital policies, initiatives for becoming a digital services company, improving return on capital, and the formulation of the 20th Mid-Term Management Plan based on his extensive experience, thereby making significant contributions to the Company's initiatives to enhance its corporate value by tackling the emergency and accelerating change.</p> <p>The Company's Board of Directors expects management decisions and oversight from an independent standpoint with the perspective of investors and shareholders based on his extensive experience in the financial and capital markets over many years and his broad knowledge of and insight into finance, etc., and has determined that they are necessary to realize the 20th Mid-Term Management Plan and growth strategy, as well as to enhance the Company's shareholder and corporate value. Thus, the Company's Board of Directors nominates him as a candidate for Outside Director.</p> <p>[Responsibilities as a Director of the Company] Nomination Committee Member / Compensation Committee Member</p> <p>[Message to our shareholders from the candidate for Director] For the past year, the spread of COVID-19 has restricted the movement of people on a truly global scale, virtually forcing the introduction of working at home or telecommuting, and accelerated the shift to paperless offices. In order to respond immediately to these sudden changes in our environment, under the strong leadership of the CEO, Yoshinori Yamashita, we positioned FY2020 as a period of tackling the emergency and accelerating change. While we had already been working on reforms in our operational structure, such as by expanding our Office Services business, we have started full-scale efforts to execute measures in focus areas in the 20th Mid-Term Management Plan ahead of schedule, and to break away from our role as an office appliances manufacturer and become a digital services company.</p> <p>In terms of governance, amid drastic changes in the environment, I have closely monitored and fully deliberated on major themes in order to support decision-making, such as improving our organizational and human resources systems to support the Ricoh Group as it promotes global expansion of business, strengthening risk management, and achieving management indicators including financial targets. Furthermore, with regard to my other important role in nominating Directors and determining compensation for</p>

	<p>Directors, I have actively and positively contributed to constructive discussions in voluntary committees.</p> <p>As an Outside Director and an Independent Director, my role as a member of the Board of Directors is to perform oversight functions from an objective standpoint and to make effective proposals with commitment to appropriately disclosing information. In addition, I will strive to achieve better corporate governance by keeping our shareholders and other stakeholders in mind, leveraging the views and long-term perspective I cultivated through more than 45 years of experience in the financial business sector. At the same time, I will contribute to both the enhancement of corporate value and the pursuit of sustainability.</p> <p>[Brief personal profile, positions and responsibilities at the Company and significant concurrent positions]</p> <p>Apr. 1974      Joined The Industrial Bank of Japan, Ltd. (Current Mizuho Bank, Ltd.)</p> <p>Apr. 2000      General Manager of Nagoya Branch of The Industrial Bank of Japan, Ltd.</p> <p>June 2001      Managing Director, Head of Planning Group of Mizuho Securities Co., Ltd.</p> <p>Apr. 2007      President of Mizuho Securities Co., Ltd. (Shinko Securities Co., Ltd. and Mizuho Securities Co., Ltd. merged in May 2009 to form Mizuho Securities Co., Ltd.)</p> <p>June 2011      Chairperson of Mizuho Securities Co., Ltd.</p> <p>June 2012      Advisor of Mizuho Securities Co., Ltd.</p> <p>Apr. 2015      Vice Chairperson &amp; President of Japan Association of Corporate Executives (KEIZAI DOYUKAI)</p> <p>Oct. 2016      <b>Outside Director of The Dai-ichi Life Insurance Company, Limited (Current)</b></p> <p>June 2017      Outside Director of Nippon Suisan Kaisha, Ltd.</p> <p>May 2019      <b>Chairperson of Sonar Advisers Inc. (Current)</b></p> <p>Dec. 2019      <b>President, Member of the Board &amp; Chief Executive Officer of Japan Investment Corporation (Current)</b></p> <p>May 2020      <b>Outside Director of Takashimaya Company, Limited (Current)</b></p> <p>June 2020      <b>Outside Director (Current)</b></p> <p>[Significant concurrent positions]</p> <table border="1"> <thead> <tr> <th>Company</th><th>Position</th></tr> </thead> <tbody> <tr> <td>The Dai-ichi Life Insurance Company, Limited</td><td>Outside Director</td></tr> <tr> <td>Sonar Advisers Inc.</td><td>Chairperson (Non-executive)</td></tr> <tr> <td>Japan Investment Corporation</td><td>President, Member of the Board &amp; Chief Executive Officer</td></tr> <tr> <td>Takashimaya Company, Limited</td><td>Outside Director</td></tr> </tbody> </table> <p>[Status of concurrent positions as director or officer at listed companies, including the Company (planned)]</p> <table border="1"> <thead> <tr> <th>Number of positions held as executive director or officer</th><th>Number of positions held as non-executive director or officer</th></tr> </thead> <tbody> <tr> <td>0</td><td>2</td></tr> </tbody> </table> <p>*If this proposal is approved.</p>	Company	Position	The Dai-ichi Life Insurance Company, Limited	Outside Director	Sonar Advisers Inc.	Chairperson (Non-executive)	Japan Investment Corporation	President, Member of the Board & Chief Executive Officer	Takashimaya Company, Limited	Outside Director	Number of positions held as executive director or officer	Number of positions held as non-executive director or officer	0	2
Company	Position														
The Dai-ichi Life Insurance Company, Limited	Outside Director														
Sonar Advisers Inc.	Chairperson (Non-executive)														
Japan Investment Corporation	President, Member of the Board & Chief Executive Officer														
Takashimaya Company, Limited	Outside Director														
Number of positions held as executive director or officer	Number of positions held as non-executive director or officer														
0	2														

Notes:

- There are no special interests between candidate Mr. Keisuke Yokoo and the Company.  
Candidate Mr. Keisuke Yokoo currently serves as Outside Director of The Dai-ichi Life Insurance Company, Limited and Takashimaya Company, Limited. The Company has business relations with each of these companies, such as product sales, with the relevant transactional amounts totaling less than 1% of the consolidated net sales of the Company and each of these companies, respectively, which is considered extremely insignificant. Thus, there are no special business relations that could affect him in executing his duties as Outside Director.  
In addition, the Company has business relations with Mizuho Securities Co., Ltd. and Nippon Suisan Kaisha, Ltd., where Mr. Keisuke Yokoo had belonged to in the past 10 years, such as product sales, with the relevant transactional amounts totaling less than 1% of the consolidated net sales of the Company and each of these companies, respectively, which is considered extremely insignificant. Thus, there are no special business relations that could affect him in executing his duties as Outside Director.

2. The term of office of candidate Mr. Keisuke Yokoo shall be up to the conclusion of the Ordinary General Meeting of Shareholders with respect to the final fiscal year that ends within one (1) year of his election in accordance with the Company's Articles of Incorporation.
3. With the expectation that Outside Directors can fully fulfill the roles associated with their positions, the Company has executed a contract with Mr. Keisuke Yokoo to limit liability for damages as stipulated in Article 423, Paragraph 1 of the Companies Act, to the higher of ¥10 million or the minimum liability limit amount stipulated in Article 425, Paragraph 1 of the Companies Act. If approval is given for Mr. Keisuke Yokoo to be reelected as Outside Director, the Company plans to continue the said liability limitation contract with him.
4. The Company has entered into a directors and officers liability insurance contract pursuant to Article 430-3, Paragraph 1 of the Companies Act with an insurance company, with all insurance premiums at the Company's expense. Candidate Mr. Keisuke Yokoo is insured under the insurance contract, which covers damages and litigation expenses arising from claims made to insured officers during the insurance period as a result of their actions in their capacity as an officer. However, certain damages are not covered by the insurance, including those arising from an action of the insured officer taken with the knowledge that it violates laws and regulations. The Company intends to renew the insurance contract on August 1, 2021, during the candidate's term of office.
5. Candidate Mr. Keisuke Yokoo has been registered as an Independent Director as stipulated in Rule 436-2 of the Securities Listing Regulations of the Tokyo Stock Exchange, and if approval is given for him to be reelected as Outside Director, he will remain registered as Independent Director.
6. The numbers of the Company's shares held by the candidate Mr. Keisuke Yokoo are as of March 31, 2021.

No.	Name (Date of birth)	Reasons for nomination as a candidate for Outside Director / an outline of roles expected to be performed as an Outside Director
10	Sadafumi Tani (September 15, 1954)	After joining Jiji Press Ltd. in 1977, Mr. Sadafumi Tani took on the roles of analyzing and distributing information in Japan and overseas as an economic reporter for many years. He assumed the office of Director in June 2010 and of Managing Director in June 2013, contributing to the development of Jiji Press Ltd. by demonstrating his outstanding management skills. Furthermore, since June 2016, as Director and General Manager of Editorial Division of the Nippon Communications Foundation, he has spread information about Japan far and wide overseas, aided in the promotion of mutual understanding between countries, and contributed to global human resource development. The Company's Board of Directors expects management decisions and oversight from an objective and societal perspective based on his extensive experience as an economic reporter over many years and his broad views on, and insight into, the global economy and social issues, as well as advanced capabilities in information gathering and analysis, in addition to advice and recommendations regarding distribution of information based on his excellent communication skills, and has determined that they are necessary to realize the 20th Mid-Term Management Plan and the growth strategy, as well as to sustainably enhance the Company's shareholder and corporate value through means such as by addressing ESG and social issues. Thus, the Company's Board of Directors nominates him as a candidate for Outside Director.
	New	[Responsibilities as a Director of the Company] -
	Non-executive	[Message to our shareholders from the candidate for Director]
	Male	I have covered many companies and government offices, and have worked with countless executives and employees. Through these experiences, I reached the conclusion that the greatest asset to any organization is its people, regardless of subtle differences between industries. The same applies to Ricoh, a global company; its management executives and employees, and even business partners and customers are all valuable human assets. It is people who create and operate production equipment, including factories, as well as intellectual property and a variety of knowhow.
	Outside Director	With that in mind, what brings these people together is communication. Technical or complicated information not communicated clearly and accurately might as well be shouting into a well no matter how much you assert that it is correct. Announcing information is not enough to give it value. Information only has value if it is received.
	Independent Director (planned)	The whole world is now facing challenges posed by COVID-19, and working at home and teleconferences are becoming the norm. Given that it is often difficult to engage in smooth communication even when face to face, we must make more meticulous efforts when communicating information. From my standpoint as an Outside Director, I will do my utmost to improve communication within Ricoh and enhance the Company's ability to communicate with the outside world.
	Number of the Company's shares held 0	[Brief personal profile, positions and responsibilities at the Company and significant concurrent positions] Apr. 1977      Joined Jiji Press, Ltd. Apr. 1988      Staff Correspondent of Washington D.C. Bureau of Jiji Press, Ltd. Dec. 2001      Editor in Chief of Economic News of Jiji Press, Ltd. June 2004      Director of Kobe Bureau of Jiji Press, Ltd. June 2006      Managing Editor of Jiji Press, Ltd. June 2009      Director of General Administration Division of Jiji Press, Ltd. Jan. 2010      General Manager of President's Office of Jiji Press, Ltd. June 2010      Director of Jiji Press, Ltd.

		<div>July 2010Director and Managing Editor of Jiji Press, Ltd.</div> <div>June 2013Executive Director of Jiji Press, Ltd.</div> <div>Mar. 2016Director / Editor in Chief of Nippon.Com</div> <div>May 2016Audit &amp; Supervisory Board Member of Quants Research Inc.</div> <div>June 2016<b>Executive Director/ Editor in Chief of Nippon.com (Current)</b></div> <div>[Significant concurrent positions]</div> <table><tr><th>Company</th><th>Position</th></tr><tr><td>Nippon.Com</td><td>Executive Director and Editor in Chief</td></tr></table> <div>[Status of concurrent positions as director or officer at listed companies, including the Company (planned)]</div> <table><tr><th>Number of positions held as executive director or officer</th><th>Number of positions held as non-executive director or officer</th></tr><tr><td>0</td><td>1</td></tr></table> <div>*If this proposal is approved.</div>	Company	Position	Nippon.Com	Executive Director and Editor in Chief	Number of positions held as executive director or officer	Number of positions held as non-executive director or officer	0	1
Company	Position									
Nippon.Com	Executive Director and Editor in Chief									
Number of positions held as executive director or officer	Number of positions held as non-executive director or officer									
0	1									

Notes:

- There are no special interests between candidate Mr. Sadafumi Tani and the Company.  
The Company has business relations with Jiji Press Ltd. and Quants Research Inc., where candidate Mr. Sadafumi Tani had belonged to in the past 10 years, such as product sales, with the relevant transactional amounts totaling less than 1% of the consolidated net sales of the Company and each of these companies, respectively, which is considered extremely insignificant. Thus, there are no special business relations that could affect him in executing his duties as Outside Director.
- The term of office of candidate Mr. Sadafumi Tani shall be up to the conclusion of the Ordinary General Meeting of Shareholders with respect to the final fiscal year that ends within one (1) year of his election in accordance with the Company's Articles of Incorporation.
- With the expectation that Outside Directors can fully fulfill the roles associated with their positions, the Company executes contracts with Outside Directors to limit their liability for damages as stipulated in Article 423, Paragraph 1 of the Companies Act, to the higher of ¥10 million or the minimum liability limit amount stipulated in Article 425, Paragraph 1 of the Companies Act. If approval is given for candidate Mr. Sadafumi Tani to be elected as Outside Director, the Company plans to execute the said liability limitation contract with him.
- The Company has entered into a directors and officers liability insurance contract pursuant to Article 430-3, Paragraph 1 of the Companies Act with an insurance company, with all insurance premiums at the Company's expense. If his election is approved, candidate Mr. Sadafumi Tani will be insured under the insurance contract, which covers damages and litigation expenses arising from claims made to insured officers during the insurance period as a result of their actions in their capacity as an officer. However, certain damages are not covered by the insurance, including those arising from an action of the insured officer taken with the knowledge that it violates laws and regulations. The Company intends to renew the insurance contract on August 1, 2021, during the candidate's term of office.
- If approval is given for candidate Mr. Sadafumi Tani to be elected as Outside Director, he will be registered as an Independent Director as stipulated in Rule 436-2 of the Securities Listing Regulations of the Tokyo Stock Exchange.
- The numbers of the Company's shares held by the candidate Mr. Sadafumi Tani are as of March 31, 2021.

### Agenda 3: Election of two (2) Audit & Supervisory Board Members

The tenure of office of the two (2) Audit & Supervisory Board Members Mr. Hiroshi Osawa and Mr. Yo Ota will expire at the conclusion of this Ordinary General Meeting of Shareholders.

Accordingly, the Company proposes the appointment of two (2) Audit & Supervisory Board Members, including one (1) Outside Audit & Supervisory Board Member.

(Please refer to page 65 for the Approach and Process for Election of Audit & Supervisory Board Members.)

The Audit & Supervisory Board has given its consent to this agenda.

The candidates for Audit & Supervisory Board Member are on pages 32 to 35.

No.	Name (Date of birth)	Reasons for nomination as a candidate for Audit & Supervisory Board Member
1	<p>Shinji Sato (May 2, 1960)</p> <p>New</p> <p>Male</p> <p>Number of the Company's shares held 3,300</p>	<p>After joining MITSUI &amp; CO., LTD. in 1983, Mr. Shinji Sato was engaged in accounting and finance for many years, and has considerable knowledge in finance and accounting. He also possesses a wide range of experience and achievements, such as being stationed at the overseas branch offices of MITSUI &amp; CO., LTD. and serving as a representative director of an affiliated company and an Internal Auditor of the Internal Auditing Division, and has a fresh perspective free from the Company's conventional beliefs.</p> <p>After joining the Company, he served as General Manager of Finance and Legal Division (current Financial Management Division), where he promoted ROIC management and improved accounting and finance processes. He has also contributed to strengthening governance by the Group headquarters, such as by strengthening internal controls in the Ricoh Group, including subsidiaries. In addition, as a GMC* member, he has participated in management meetings and is deeply familiar with management issues faced by the Company, which has entered a period of change. As such, he can be expected to perform highly effective audits with an understanding of conditions inside the Company.</p> <p>Moreover, he demonstrates sophisticated communication skills, logical thinking based on facts, and prudence, and, thus, the Board of Directors believes he will be able to actively offer recommendations.</p> <p>Based on the above, the Company's Board of Directors has determined that he is an appropriate person to serve as an Audit &amp; Supervisory Board Member, and, thus, nominates him as a candidate for Audit &amp; Supervisory Board Member.</p> <p>* GMC (Group Management Committee): Please refer to page 42.</p> <p>[Message to our shareholders from the candidate for Audit &amp; Supervisory Board Member]</p> <p>Having worked at a trading company for more than 34 years, I joined the Company in December 2017, and since then have been in charge of the accounting and finance division as General Manager of Finance and Accounting Division. At the trading company, I was engaged in work such as accounting, tax, finance, and internal audits at offices in Japan and overseas, as well as subsidiaries and affiliated companies. Drawing on this experience, at the Company, I have mainly worked on improving operational processes aimed at optimizing and speeding up the settlement of accounts, enhancing our disclosures, strengthening internal controls in the Company, and other Group companies, formulating and implementing capital policies to improve return on capital, and promoting ROIC management.</p> <p>As we start the 20th Mid-Term Management Plan, we introduced a business unit structure in FY2021. The new structure aims to further accelerate our business growth and improvement of return on capital by pursuing swift decision-making through the transfer of as much authority as possible to each of our business units, and pursuing capital-efficient management of each business unit through optimized allocation of management resources. In order to achieve these goals, group governance will be more important than ever.</p> <p>While I have made efforts to strengthen our risk management structure from the standpoint of business execution thus far, going forward, as a member of</p>

	<p>the Audit &amp; Supervisory Board, which plays an important role in the corporate governance structure, I will work closely with the Independent Auditor, the internal auditing division, the Board of Directors, and the executive team to provide necessary advice and recommendations as appropriate. In doing so, I intend to strengthen group governance and contribute to sustainable growth of the Company and raising its corporate value.</p> <p>[Brief personal profile, positions at the Company and significant concurrent positions]</p> <p>Apr. 1983      Joined MITSUI &amp; CO., LTD.</p> <p>May 2010      President and Representative Director of Mitsui &amp; Co. Financial Management, Ltd.</p> <p>Apr. 2012      Chief Financial Officer of Asia Pacific Business Unit of MITSUI &amp; CO., LTD. Senior Vice President of Mitsui &amp; Co. (Asia Pacific) Pte. Ltd.</p> <p>Apr. 2015      Internal Auditor of Internal Auditing Division of MITSUI &amp; CO., LTD.</p> <p>Dec. 2017      Joined the Company Adviser</p> <p>Apr. 2018      Corporate Vice President in charge of finance General Manager of Finance and Legal Division <b>President of Ricoh Americas Holdings, Inc. (Current)</b> <b>(Scheduled to retire in June 2021)</b></p> <p>June 2019      <b>Director of RICOH LEASING COMPANY, LTD.</b> <b>(Current) (Scheduled to retire in June 2021)</b></p> <p>Apr. 2020      General Manager of Finance Division</p> <p>Apr. 2021      <b>General Manager of Financial and Accounting Center</b> <b>(Current) (Scheduled to retire in June 2021)</b></p> <p>[Status of concurrent positions as director or officer at listed companies, including the Company (planned)]</p> <table border="1"> <tr> <th>Number of positions held as executive director or officer</th><th>Number of positions held as non-executive director or officer</th></tr> <tr> <td>0</td><td>1</td></tr> </table> <p>*If this proposal is approved.</p>	Number of positions held as executive director or officer	Number of positions held as non-executive director or officer	0	1
Number of positions held as executive director or officer	Number of positions held as non-executive director or officer				
0	1				

Notes:

- There are no special interests between candidate Mr. Shinji Sato and the Company. The Company has business relations with MITSUI & CO., LTD., where candidate Mr. Shinji Sato had belonged to until November 2017, such as product sales, with the relevant transactional amounts totaling less than 1% of the consolidated net sales of the Company and MITSUI & CO., LTD., respectively, which is considered extremely insignificant. Thus, there are no special business relations that could affect him in executing his duties as Audit & Supervisory Board Member.
- The term of office of candidate Mr. Shinji Sato shall be up to the conclusion of the Ordinary General Meeting of Shareholders with respect to the final fiscal year that ends within four (4) years of his election in accordance with the Company's Articles of Incorporation.
- The Company has entered into a directors and officers liability insurance contract pursuant to Article 430-3, Paragraph 1 of the Companies Act with an insurance company, with all insurance premiums at the Company's expense. If his election is approved, candidate Mr. Shinji Sato will be insured under the insurance contract, which covers damages and litigation expenses arising from claims made to insured officers during the insurance period as a result of their actions in their capacity as an officer. However, certain damages are not covered by the insurance, including those arising from an action of the insured officer taken with the knowledge that it violates laws and regulations. The Company intends to renew the insurance contract on August 1, 2021, during the candidate's term of office.
- The numbers of the Company's shares held by the candidate Mr. Shinji Sato are as of March 31, 2021.

No.	Name (Date of birth)	Reasons for nomination as a candidate for Audit & Supervisory Board Member
2	Yo Ota (October 3, 1967)	Mr. Yo Ota has been a Partner of Nishimura & Asahi since January 2003, and has a track record of handling numerous cases of M&A as well as overall corporate legal affairs. In addition, since July 2014, he has served as Vice Chairman of Corporate Governance Committee of the Japan Association of Corporate Directors, working actively as an expert on corporate governance. At the Company, since assuming the office of Outside Audit & Supervisory Board Member in June 2017, he has actively and appropriately conducted audit activities from his perspective as an attorney-at-law and an expert on corporate governance, thereby contributing greatly to improving the corporate value and strengthening the corporate governance of the Company.
	Reappointment	Furthermore, following the Company’s transition to a business unit structure in FY2021, he is expected to provide appropriate advice and recommendations based on knowledge of the Company’s previous efforts on improving governance.
	Male	Based on the above, the Company’s Board of Directors has determined that he is an appropriate person to serve as an Audit & Supervisory Board Member, and, thus, nominates him again as a candidate for Outside Audit & Supervisory Board Member.
	Outside Audit & Supervisory Board Member	
	Independent Audit & Supervisory Board Member	[Message to our shareholders from the candidate for Audit & Supervisory Board Member]
	Number of the Company’s shares held 0	Since I was appointed as an Outside Audit & Supervisory Board Member in June 2017, the Ricoh Group has experienced a tumultuous four years, starting with the legal insolvency procedures of our subsidiary in India up to the significant fall in business performance caused by the COVID-19 pandemic that began last year.
	Years of service as Audit & Supervisory Board Member 4 years (at the conclusion of this Meeting)	Under such circumstances, as an attorney-at-law specialized in corporate governance and M&A, I have dedicated all my efforts as an Audit & Supervisory Board Member to strengthen corporate governance of the Ricoh Group. By working in collaboration with other Audit & Supervisory Board Members, I have been able to achieve a certain level of results, including preparation and disclosure of Notes on the Audit Performance intended to visualize the activities of the Audit & Supervisory Board, replacement of the Independent Auditor who had served a long tenure, recommendations on the establishment of the Investment Committee, and participation in the Nomination Committee as an observer.
	Attendance during fiscal year ended March 31, 2021	The Ricoh Group is currently in the process of transforming into a digital services company in the midst of social and economic digitalization, which is progressing rapidly with the COVID-19 pandemic as a turning point. To that end, we are undertaking unprecedented initiatives in terms of governance as well, such as the introduction of a business unit structure. In order to ensure that the Ricoh Group’s corporate governance functions significantly more effectively in the face of these great changes, I will work closely with other Audit & Supervisory Board Members, as well as our internal auditing division, the Independent Auditor, and Outside Directors. In doing so, I would like to contribute the best I can from the standpoint of an independent Outside Audit & Supervisory Board Member, making full use of the knowledge I have cultivated over many years as a practicing legal professional, as well as my experience earned as an outside director and audit & supervisory board member at other listed companies.
	Board of Directors meeting 12/12 (100%)	
	Audit & Supervisory Board meeting 14/14 (100%)	
Nomination Committee meeting* 6/6 (100%)		
*Attendance as an observer	[Brief personal profile, positions at the Company and significant concurrent positions] Apr. 2001      A member of staff of Civil Affairs Bureau of The Ministry of Justice (Japanese Commercial Code Group of Counsellor’s Office) Jan. 2003 <b>Partner of Nishimura &amp; Asahi (Current)</b> June 2005      Outside Auditor of Culture Convenience Club Co., Ltd. June 2005 <b>Outside Director of Denki Kogyo Co., Ltd. (Current)</b>	

		May 2012	<b>Director of the Japan Association of Corporate Directors (Current)</b>														
		Apr. 2013	Professor of Graduate Schools for Law and Politics of the University of Tokyo														
		June 2013	<b>Councilor of LOTTE Foundation (Current)</b>														
		July 2014	<b>Vice Chairman of Corporate Governance Committee of the Japan Association of Corporate Directors (Current)</b>														
		June 2016	<b>Outside Director of Nippon Kayaku Co., Ltd. (Current)</b>														
		June 2017	<b>Outside Audit &amp; Supervisory Board Member (Current)</b>														
		[Significant concurrent positions]															
		<table><tr><th>Company</th><th>Position</th></tr><tr><td>Nishimura &amp; Asahi</td><td>Partner</td></tr><tr><td>Denki Kogyo Co., Ltd.</td><td>Outside Director</td></tr><tr><td>Nippon Kayaku Co., Ltd.</td><td>Outside Director</td></tr><tr><td>The Japan Association of Corporate Directors</td><td>Director</td></tr><tr><td>Corporate Governance Committee of the Japan Association of Corporate Directors</td><td>Vice Chairman</td></tr><tr><td>LOTTE Foundation</td><td>Councilor</td></tr></table>		Company	Position	Nishimura & Asahi	Partner	Denki Kogyo Co., Ltd.	Outside Director	Nippon Kayaku Co., Ltd.	Outside Director	The Japan Association of Corporate Directors	Director	Corporate Governance Committee of the Japan Association of Corporate Directors	Vice Chairman	LOTTE Foundation	Councilor
Company	Position																
Nishimura & Asahi	Partner																
Denki Kogyo Co., Ltd.	Outside Director																
Nippon Kayaku Co., Ltd.	Outside Director																
The Japan Association of Corporate Directors	Director																
Corporate Governance Committee of the Japan Association of Corporate Directors	Vice Chairman																
LOTTE Foundation	Councilor																
		[Status of concurrent positions as director or officer at listed companies, including the Company (planned)]															
		<table><tr><th>Number of positions held as executive director or officer</th><th>Number of positions held as non-executive director or officer</th></tr><tr><td>0</td><td>3</td></tr></table>		Number of positions held as executive director or officer	Number of positions held as non-executive director or officer	0	3										
Number of positions held as executive director or officer	Number of positions held as non-executive director or officer																
0	3																
		*If this proposal is approved.															

Notes:

- There are no special interests between candidate Mr. Yo Ota and the Company.  
Candidate Mr. Yo Ota is an attorney-at-law and Partner at Nishimura & Asahi. Nishimura & Asahi is one of the law firms that the Company requests the handling of legal affairs on a case-by-case basis. Although the Company has transactions involving consignment of legal affairs, etc., with other attorneys-at-law at Nishimura & Asahi, the relevant transactional amount for the fiscal year under review accounts for less than 1% of the consolidated net sales of the Company and the annual transaction amount of Nishimura & Asahi, respectively, which is considered extremely insignificant. Thus, there are no special business relations that could affect him in executing his duties as Outside Audit & Supervisory Board Member. In addition, Mr. Yo Ota has never been involved in legal consultation for the Ricoh Group.  
In addition, Mr. Yo Ota serves as an Outside Director of Denki Kogyo Co., Ltd. and Nippon Kayaku Co., Ltd. The Company has business relations with each of these companies, such as product sales, with the relevant transactional amounts totaling less than 1% of the consolidated net sales of the Company and each of these companies, respectively, which is considered extremely insignificant. Thus, there are no special business relations that could affect him in executing his duties as Outside Audit & Supervisory Board Member.
- The term of office of candidate Mr. Yo Ota shall be up to the conclusion of the Ordinary General Meeting of Shareholders with respect to the final fiscal year that ends within four (4) years of his election in accordance with the Company's Articles of Incorporation.
- With the expectation that Outside Audit & Supervisory Board Members can fully fulfill the roles associated with their positions, the Company has executed a contract with Mr. Yo Ota to limit liability for damages as stipulated in Article 423, Paragraph 1 of the Companies Act, to the higher of ¥5 million or the minimum liability limit amount stipulated in Article 425, Paragraph 1 of the Companies Act. If approval is given for Mr. Yo Ota to be reelected as Outside Audit & Supervisory Board Member, the Company plans to continue the said liability limitation contract with him.
- The Company has entered into a directors and officers liability insurance contract pursuant to Article 430-3, Paragraph 1 of the Companies Act with an insurance company, with all insurance premiums at the Company's expense. Candidate Mr. Yo Ota is insured under the insurance contract, which covers damages and litigation expenses arising from claims made to insured officers during the insurance period as a result of their actions in their capacity as an officer. However, certain damages are not covered by the insurance, including those arising from an action of the insured officer taken with the knowledge that it violates laws and regulations. The Company intends to renew the insurance contract on August 1, 2021, during the candidate's term of office.
- Candidate Mr. Yo Ota has been registered as an Independent Audit & Supervisory Board Member as stipulated in Rule 436-2 of the Securities Listing Regulations of the Tokyo Stock Exchange, and if approval is given for him to be reelected as Outside Audit & Supervisory Board Member, he will remain registered as Independent Audit & Supervisory Board Member.
- The numbers of the Company's shares held by the candidate Mr. Yo Ota are as of March 31, 2021.

<Reference>

**Structure and Skill Matrix of Officers if Agendas 2 and 3 are Approved**

If Agendas 2 and 3 are approved, the composition of the Board of Directors and the Audit & Supervisory Board, as well as expertise of each Director and Audit & Supervisory Board Member will be as follows.

The table below represents skills possessed by each candidate for Director and Audit & Supervisory Board Member that are deemed exemplary, and does not represent all of their knowledge and experience.

			Years of service	Nomination Committee	Compensation Committee
Directors	Yoshinori Yamashita	Male	9	●	●
	Nobuo Inaba	Non-executive Male	11	●	●
	Hidetaka Matsuishi	Male	3		
	Seiji Sakata	Male	3		
	Akira Oyama	Male	—		
	Masami Iijima	Non-executive Male Outside Independent	5	● Chairperson	●
	Mutsuko Hatano	Non-executive Female Outside Independent	5	●	● Chairperson
	Kazuhiro Mori	Non-executive Male Outside Independent	3	●	●
	Keisuke Yokoo	Non-executive Male Outside Independent	1	●	●
	Sadafumi Tani	Non-executive Male Outside Independent	—		●
Audit & Supervisory Board Members	Kazuhiro Tsuji	Male	1		
	Shinji Sato	Male	—		
	Yo Ota	Male Outside Independent	4	Observer	
	Shoji Kobayashi	Male Outside Independent	1		Observer
	Yasunobu Furukawa	Male Outside Independent	1		

Note: The composition and chairperson of each of the advisory committees shown are the status after this Meeting (scheduled for election by the Board of Directors after the closing of this Meeting).

		Skills				Notable fields of expertise
		Corporate management and business operation	Governance and risk management	Finance and accounting	Technology and R&D	
Directors	Yoshinori Yamashita	●	●			SCM and marketing
	Nobuo Inaba		●	●		Economic /financial analysis
	Hidetaka Matsuishi	●		●		Sales and marketing
	Seiji Sakata	●			●	Technology development and product development
	Akira Oyama	●		●		Global marketing
	Masami Iijima	●	●			Global business
	Mutsuko Hatano	●			●	Cutting-edge technology research and education
	Kazuhiro Mori	●			●	Business development and marketing
	Keisuke Yokoo	●		●		Finance and investment management
	Sadafumi Tani	●				Information analysis/ distribution and communication
Audit & Supervisory Board Members	Kazuhiro Tsuji		●			Human resources and personnel development
	Shinji Sato		●	●		Finance and accounting
	Yo Ota		●	●		Corporate legal affairs
	Shoji Kobayashi	●			●	Technology /R&D
	Yasunobu Furukawa			●		Accounting audit

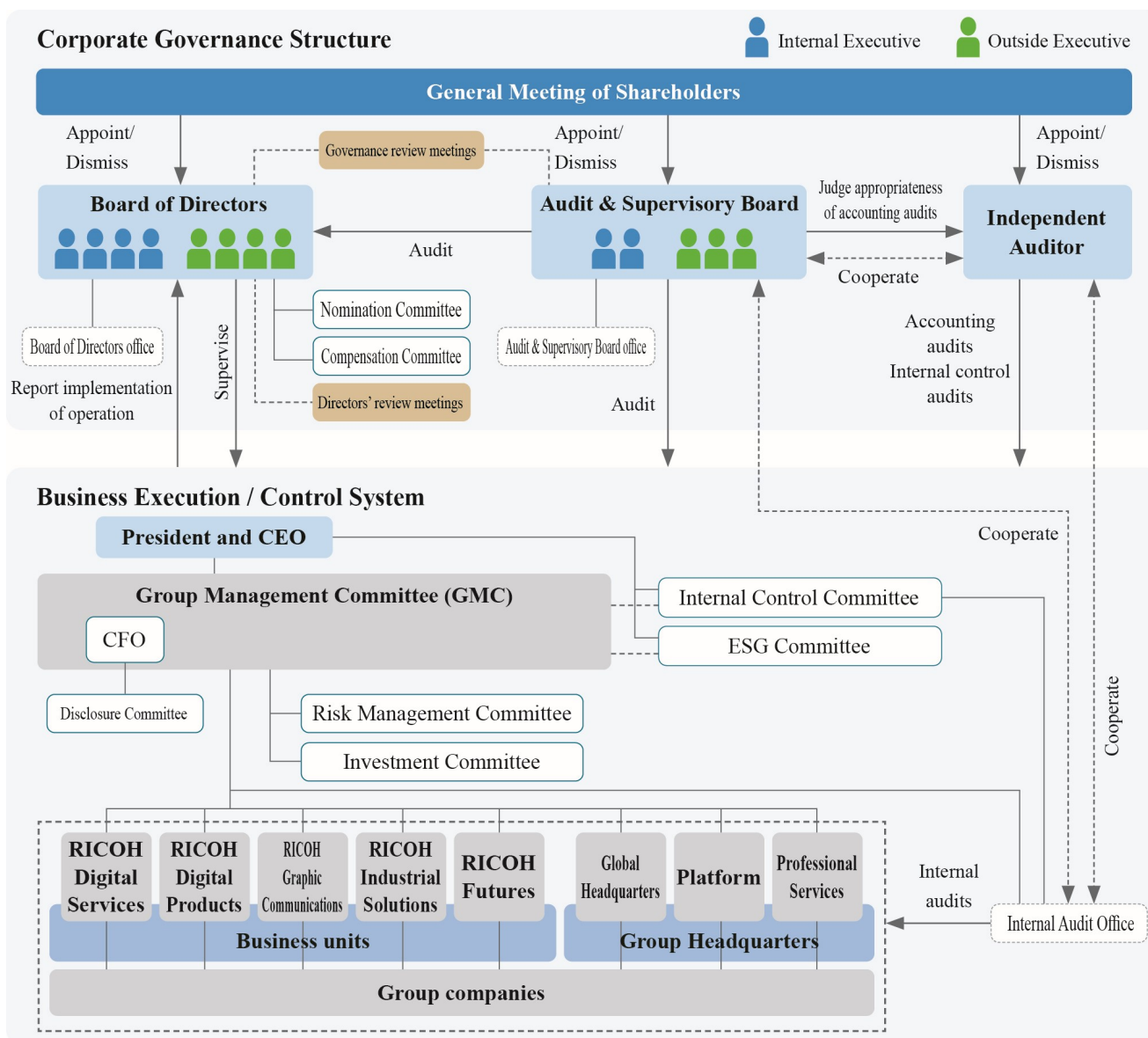
## <Reference> Initiatives for Corporate Governance

### Basic Policies for Corporate Governance

The Ricoh Group is working to enhance its governance system in accordance with social awareness and various stakeholders aimed at strengthening competitiveness and continuously improving the system while ensuring transparency based on corporate ethics and legal compliance. In this way, the Ricoh Group will achieve continuous growth, and improve corporate value and shareholder value.

The Ricoh Group established The Ricoh Way as a set of guiding principles and values that serve as the foundation for all our business activities. The Ricoh Way, which comprises our founding principles and Management Philosophy (Mission Statement, Vision Statement and Values Statement), is the foundation of Ricoh's management policy and strategy, and also is the basis of its autonomous corporate governance.

The Company has introduced a corporate audit system. In addition, the Company is making efforts to enhance oversight of executive management by the Board of Directors and enhance execution of operations by the executive officer system. Furthermore, by appointing Outside Directors, the Company is making efforts toward further improvement of corporate governance by decision-making and oversight of executive management through discussion from their independent perspectives.



The nomination of Directors and Executive Officers and their compensation are deliberated by the Nomination Committee and the Compensation Committee, advisory bodies that are comprised of a majority of Outside Directors. The results are reported to the Board of Directors.

### **Initiatives in shifting to a business unit structure**

On April 1, 2021, the Ricoh Group shifted to a business unit structure in order to transform its business structure into a digital services company and further improve returns on capital.

Each business unit operates its business autonomously. The Group headquarters focuses on medium- to long-term strategic planning, capital allocation to each business unit, and business management strictly based on the growth potential and return on capital of each business unit. Through this process, we will realize the improvement of the corporate value of the entire Group.

Based on this renewal of the organizational structure, we are proceeding with the following governance-related initiatives from the perspectives of oversight, execution, and audit:

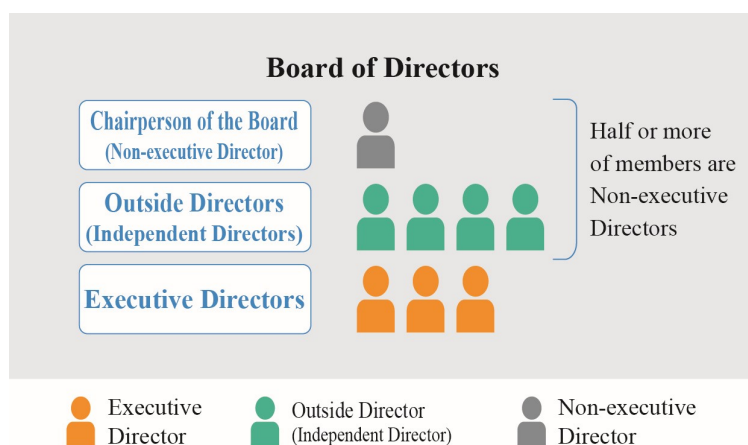
- 1) Oversight
  - a) From FY2021, the Board of Directors and the Nomination Committee will carry out performance evaluations of executive managers, including the head of each business unit, in addition to the existing evaluations of Directors including the CEO.
  - b) The Board of Directors regularly deliberates on the status of the business portfolio and the performance of each business unit to strengthen monitoring of the invested capital and return on capital.
  - c) We have strengthened monitoring by the Board of Directors to see if internal control and risk management are functioning appropriately for the new management system and its operations, such as delegating authority to business units and reviewing the management of affiliates.
- 2) Execution
  - a) We have set target figures (return on capital, etc.) for each business and regularly monitor the achievement status, by increasing the transparency in the scope of responsibility of each business through the shift to the business unit structure.
  - b) Profits earned by each business unit will be first consolidated as the entire Group, and then the resource reallocation policy will be decided at the portfolio management meeting, which is part of GMC.
  - c) Each business unit implements autonomous internal control and risk management regarding their own business operations, builds a collaborative system with the risk management department of the Group headquarters, and cooperates in sharing the control status within each business unit and in responding to priority risks for the Group as a whole.
- 3) Audit
  - a) The Audit & Supervisory Board recognizes that the issues to be monitored in FY2021 are “the internal control system and the subsidiary management at each business unit”, and “the effectiveness of governance by the Group headquarters” in conjunction with the transition to a business unit structure. The Audit & Supervisory Board will engage in auditing measures, including checking the status of initiatives from the perspectives of 1) Oversight and 2) Execution mentioned above.
  - b) Besides auditing by Audit & Supervisory Board Members, we will strengthen and utilize coordination with the internal audit division and the Independent Auditor to audit the effectiveness of governance and internal control after the transition to the business unit structure.

### **The Board of Directors**

The Board of Directors is responsible for management oversight and important decision-making for Group management. By appointing highly independent Outside Directors, the Group ensures greater transparency in its management and fair decision-making.

By leveraging the expertise and experience of each Outside Director, Non-executive Director, and Executive Director in holding serious discussion on important issues, the Company encourages initiatives in new areas of growth, creating a structure that allows for management oversight from the viewpoints of various stakeholders, including shareholders. As a rule, all Directors must attend at least 80% of meetings of the Board of Directors, and are required to provide an effective supervisory function for corporate management.

The Company's policy is for at least one-third of the members of the Company's Board of Directors to be Outside Directors (Independent Directors). In FY2020, four (4) of the Board's eight (8) Directors, or 50%, were Outside Directors (Independent Directors), and five (5), or more than 50%, were Non-executive Directors – part of its continued effort to incorporate various views and opinions and to eliminate arbitrary decision-making in management.



### Board of Directors structure

Maximum number of Directors: 15

Current number of Directors: 8

(including 4 Outside Directors)

Term: 1 year

(As of May 20, 2021)

### Audit & Supervisory Board

The Audit & Supervisory Board discusses and decides on audit policies and assignment of duties, audits the execution of duties by Directors, plays a supervisory function on management through cooperating with the Company's Independent Auditor and the internal audit division, and auditing internal departments and subsidiaries. Audit & Supervisory Board Members attend important meetings, including but not limited to the Board of Directors meetings, and exchange information regularly with Representative Directors.

The Company has five (5) Audit & Supervisory Board Members, comprising two (2) full-time members who are familiar with internal circumstances and three (3) outside members who meet the requirements for independent Audit & Supervisory Board Member set by the Company, and the majority of the members are independent Outside Audit & Supervisory Board Members. In addition, the Audit & Supervisory Board is required to secure necessary knowledge, experience, and specialized abilities in a well-balanced manner in forming the Audit & Supervisory Board. We have built a system that enables deep discussions from an independent and objective perspective, capitalizing on a wealth of experience and wide-ranging insight in the specialized fields of each Audit & Supervisory Board Member.

For details on the status of activities by Audit & Supervisory Board Members and the Audit & Supervisory Board, please refer to the Notes on the Audit Performance (pages 149 to 154).

### Audit & Supervisory Board structure

Maximum number of Audit & Supervisory Board Members: 5

Current number of Audit & Supervisory Board Members: 5 (including 3 Outside Audit & Supervisory Board Members)

Term: 4 years

(As of May 20, 2021)

### Coordination of the audit function

In order to ensure effective performance of duties by Audit & Supervisory Board Members, in addition to the activities reported in the Notes on the Audit Performance (please refer to pages 149 to 154), the Audit & Supervisory Board coordinates as appropriate with Audit & Supervisory Board Members, the Independent Auditor and Internal Audit Office to strengthen and enhance all aspects of the Company's audit function.

#### 1. Three-way audit coordination

Audit & Supervisory Board Members, the Independent Auditor and the Internal Audit Office (the Company's internal audit division), meet to discuss audit policies, plans and methods. In addition, basic information and risk information related to subsidiaries, which had previously been managed in various places across the Group, has been gathered into one place and reorganized into "integrated risk information database for the Ricoh Group," which can be shared and utilized effectively by each audit body. The Audit & Supervisory Board also holds monthly three-way audit meetings with the Independent Auditor and the Internal Audit Office, to exchange information on the details and results of audits, and exchange opinions regarding matters such as the status of internal control and risk assessment, with the aim of ensuring a shared awareness of issues.

#### 2. Individual coordination

##### (1) Coordination between Audit & Supervisory Board Members and the Internal Audit Office

Full-time Audit & Supervisory Board Members hold regular monthly meetings with the Internal Audit

Office and the corporate officer in charge of internal controls, to discuss the results of audits and ensure a shared awareness of issues. In addition, the Internal Audit Office reports quarterly to the Audit & Supervisory Board on the status of its activities, and engages in an exchange of opinions that includes the perspectives of Independent Outside Audit & Supervisory Board Members.

- (2) Coordination between Audit & Supervisory Board Members and the Independent Auditor  
The results of audits and other information are shared at the three-way audit meetings. Meetings are also held as appropriate on specific themes, facilitating prompt exchange of information and discussion.
- (3) Coordination between the Independent Auditor and the Internal Audit Office  
The Internal Audit Office shares the results of internal audits with the Independent Auditor and engages in the exchange of opinions.

### Training for Directors and Audit & Supervisory Board Members

Training for the Company's Directors and Audit & Supervisory Board Members has the objective of enabling constructive discussion that contributes to improving corporate value and shareholder value via the oversight functions of the Board of Directors. It is conducted by acquiring and updating knowledge specific to the duties and environment for each of the Company's Internal and Outside Directors and Audit & Supervisory Board Members. The goal of the training is to enable them to fulfill their roles and responsibilities fit for an executive that undertakes a position in the Company's important governing bodies.

Upon appointment of Internal Directors and Audit & Supervisory Board Members, training is provided to allow these persons to confirm their expected roles and duties, as well as acquire knowledge necessary to carry out duties, including knowledge regarding corporate governance, law, and finance. Even after appointment, training opportunities are provided via internal/external training and e-learning initiatives suited to each Director and Audit & Supervisory Board Member so they can update their knowledge.

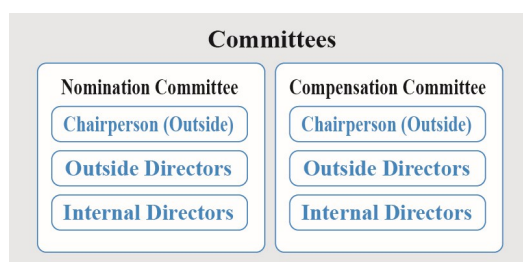
Outside Directors and Audit & Supervisory Board Members are appointed from among those who have adequate insight and experience necessary to carry out duties. Upon appointment, to enable them to deepen their understanding of the Company's current status, they are briefed on topics such as business strategy, financial conditions, and organizational structure as well as make site visits to key locations as required. In addition, even after appointment, efforts are made to ensure and improve the management oversight function of the Board of Directors and the effectiveness of audits by Audit & Supervisory Board Members, through the regular provision and sharing of information on the status of the Company, the management environment, risks in business operations, etc., as well as the provision of an opportunity to grasp the actual situation of the company, such as participation as an observer in the management meeting (Group Management Committee) and site inspections.

To confirm that the above measures are being conducted appropriately, their results are reported to the Board of Directors.

### Nomination Committee / Compensation Committee

The decision on the nomination of the CEO and other senior managers, and their compensation, etc. is regarded as one of the most important matters for management oversight by the Board of Directors. The Company secures transparency and objectivity of appointment and dismissal, and compensation of Directors and Executive Officers, etc. by establishing the "Nomination Committee," which is chaired by a Non-executive Director, with Non-executive Directors making up the majority, and more than half the members comprising Outside Directors; and the "Compensation Committee," which is chaired by an Outside Director, with Non-executive Directors making up the majority and more than half the members comprising Outside Directors. In addition, one Outside Audit & Supervisory Board Member attends the deliberations of the Nomination Committee and Compensation Committee as an observer each time.

For FY2020, the Nomination Committee was comprised of three Outside Directors, one Internal Non-executive Director, and one Internal Executive Director; and the Compensation Committee was comprised of four Outside Directors, one Internal Non-executive Director, and one Internal Executive Director, and both committees are comprised of a majority of Outside Directors and are chaired by an Outside Director.



Non-executive Directors account for a majority of the members of each Committee, and more than half of them are Outside Directors.

As of May 20, 2021

## Nomination Committee

FY2020 Ratio of Outside Directors: 60%

Outside	Internal	
	Non-executive	Executive
★Iijima	Inaba	Yamashita
Mori		
Yokoo		

★Chairperson

(As of May 20, 2021)

FY2021 Ratio of Outside Directors: 66%

Outside	Internal	
	Non-executive	Executive
★Iijima	Inaba	Yamashita
Mori		
Yokoo		
Hatano		

★Chairperson

(Plan for June 24, 2021 onward)

## Compensation Committee

FY2020 Ratio of Outside Directors: 66%

Outside	Internal	
	Non-executive	Executive
★Hatano	Inaba	Yamashita
Iijima		
Mori		
Yokoo		

★Chairperson

(As of May 20, 2021)

FY2021 Ratio of Outside Directors: 71%

Outside	Internal	
	Non-executive	Executive
★Hatano	Inaba	Yamashita
Iijima		
Mori		
Yokoo		
Tani		

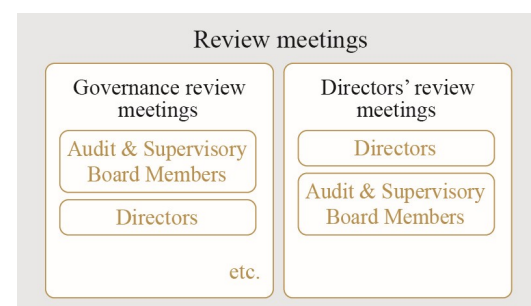
★Chairperson

(Plan for June 24, 2021 onward)

## Governance Review Meeting / Directors' Review Meeting

Governance review meetings are held to provide a forum for comprehensive discussions on Ricoh's direction of governance and related issues by Directors, Audit & Supervisory Board Members and other relevant parties. The outline of the review meetings held is disclosed in the Corporate Governance Report and other documents.

Directors' review meetings are held to provide an opportunity and sufficient time for prior discussions by Directors and Audit & Supervisory Board Members to resolve on important company themes (such as the mid-term management plan) at Board of Directors meetings.



## Group Management Committee

The Group Management Committee (GMC), chaired by the President and Chief Executive Officer and consisting of executive officers who fulfill certain conditions, has been established as a decision-making body empowered by the Board of Directors. The GMC facilitates deliberations and renders decisions on the Group's overall management from the perspective of total optimization. Items requiring a resolution of the Board of Directors are stipulated in the Board of Directors Regulations, and matters for approval or important items related to business execution that do not satisfy these criteria are decided by the GMC. The following items regarding the execution of duties by the GMC are reported to the Board of Directors at least once every three months.

- Important management indicators and the implementation status of important measures in terms of business strategy
- Items resolved by the GMC and the results of the resolution

## Disclosure Committee

The Disclosure Committee performs appropriate disclosure of information which may influence the decisions of investors in addition to promoting dialogue with shareholders and capital markets by proactively disclosing corporate information that contributes to investment decisions, and thereby seeks to develop relationships of trust with shareholders and capital markets as well as to achieve an appropriate recognition of the Ricoh Group.

This committee is composed of representatives from the disclosure management division, accounting division, legal division, information-generating and acknowledging departments, the principal administrative divisions managing affiliates, the internal control division, and the CFO, who is responsible for information disclosure.

In FY2020, we reviewed the existing roles and standards of holding of the Disclosure Committee meetings.

We added to its role the deliberation on active disclosure and monitoring disclosing procedures regarding company information that contributes to investors' investment decisions, including surveys that have a significant impact on branding, along with the judgment on the appropriateness and accuracy of annual report documents and timely disclosure documents, and judgment on the necessity of information disclosure in disclosure procedures. Furthermore, the internal control division regularly evaluates the timeliness of information disclosure, the accuracy and validity of disclosure statements, and the validity of disclosure decisions, etc., and reports its findings to the Internal Control Committee and the Board of Directors.

### **Internal Control Committee**

The Internal Control Committee is an organization established under the President of the Company to deliberate and make decisions on internal control of the entire Ricoh Group.

The committee is composed of executive officers who fulfill certain requirements. As a rule, it meets once every quarter, but extraordinary or emergency meetings may be held at other times.

The committee deliberates on the following matters.

1. Assessment of the design and operation of internal controls, and their rectification
  - Assessment of the design and operation of internal control as a whole
  - Assessment of the effectiveness of internal controls related to financial reporting
  - Assessment of the effectiveness of internal controls related to information disclosure
  - Rectification of internal controls
2. Determination of policies for internal control activities
  - Determination of basic policies for internal controls related to financial reporting
  - Determination of internal audit plans for each fiscal year
3. Response to defects in internal control
  - Decisions on response in the case of serious incidents
4. Presentation of proposals to the Board of Directors for the amendment of internal control principles
  - Presentation of proposals to the Board of Directors for the amendment of internal control principles, in consideration of environmental changes

Specifically, in the case of serious incidents that may impact the entire Ricoh Group, the Internal Control Committee confirms details including the background, cause, and measures to prevent recurrence. Where doubts remain regarding the validity of measures to prevent recurrence, or doubts remain regarding the possibility of recurrence of that incident in the Group, the committee promptly determines the necessary countermeasures, and ensures that these are implemented from a top-down approach.

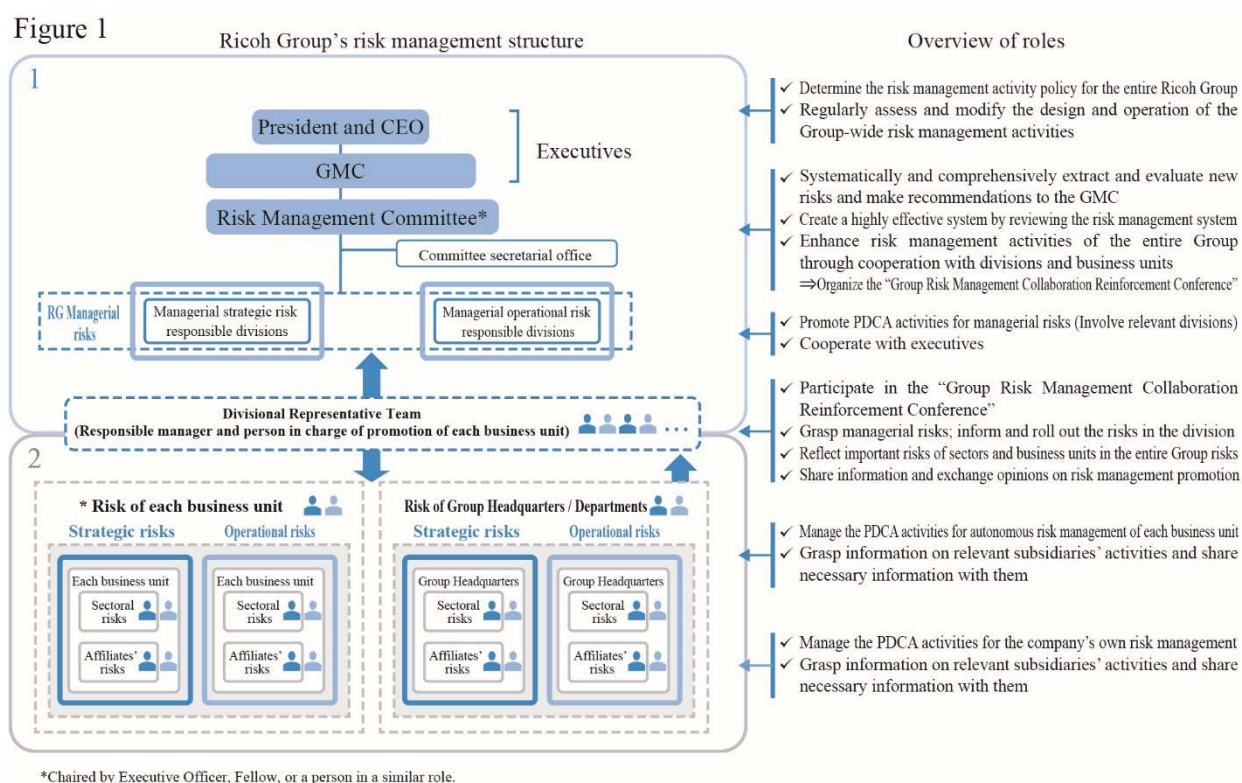
## Risk Management Systems and the Risk Management Committee

The Ricoh Group's risk management systems can be divided into two main levels, as shown in Figure 1 below.

1. Managerial risks, which are selected and managed autonomously by the GMC for management items of particular importance, within the management of the Ricoh Group
2. Division risks and Business unit risks that each business organization is responsible for managing its own business

These two levels exist for the purpose of clarifying bodies responsible for risk management so as to facilitate agile decision-making and swift action in response to each level of risk, and together form an integrated risk management system. The management of some risks may be transferred from one level to the other, due to changes in the level of impact caused by environmental changes.

The role of each risk management body is shown on the right-hand side of Figure 1.



The Risk Management Committee was established as an advisory body to the GMC, for the purpose of strengthening risk management processes across the entire Ricoh Group. The committee is chaired by the corporate officer in charge of risk management and has experts from each organization as members to ensure comprehensive coverage of risks and substantial discussions, and to propose to GMC specific risks requiring response or focus in terms of the management of the Ricoh Group. Furthermore, the Company will review and restructure the risk management system in Figures 1 and 2 as necessary, in order to strengthen the effectiveness of risk management across the Ricoh Group.

In FY2020, the committee was held twice in November. We had an intensive discussion about new risks which various changes will bring about, such as changes in work styles due to the spread of COVID-19, changes in the internal environment (transition to a business unit structure, conversion to a digital services company), and the ever-changing international situation. In March 2021, we reconfirmed whether any important risks remain toward shifting to the new structure, but the possibility of unexpected events and management blind spots is not zero. Therefore, from FY2021, we will strengthen monitoring by increasing the frequency of meetings of the Risk Management Committee, identify and address risks at an early stage, and review managerial risks appropriately to flexibly deal with risks.

Management coordinates with each business execution division, selecting a person responsible for risk management from each division (as a rule the manager), as well as a person responsible for the promotion of

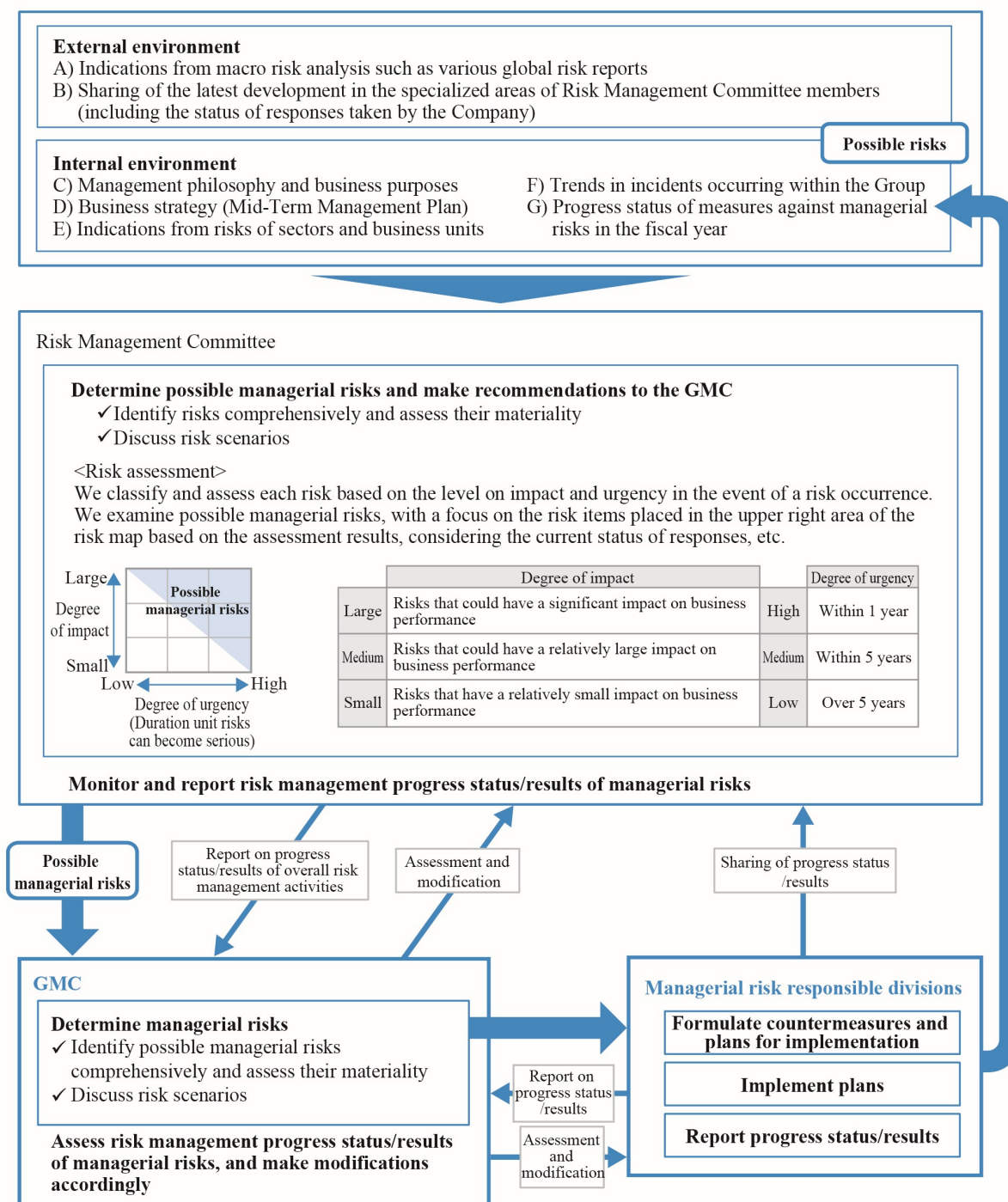
risk management (in a position to communicate with the manager on a daily basis), in order to further enhance the effectiveness and comprehensiveness of risk management systems. In addition, we are fostering a corporate culture resilient to risks by holding meetings to strengthen coordination for persons in charge of promoting risk management, sharing good examples of risk management activities at each organization, disseminating managerial risks, and holding study sessions and workshops organized by outside professionals for strengthening risk management.

### **Process of determining managerial risks**

The GMC and Risk Management Committee determine managerial risks based on a comprehensive recognition of risks that exert a significant impact on management, including impact on interested parties, in light of the Company's management philosophy and business purpose, and are actively involved in countering these risks. (Figure 2: Process of determining managerial risks)

- Managerial risks are classified and managed as “strategic risks” and “operational risks” based on their characteristics. Strategic risks cover a wide range of risks that affect management, from risks related to the accomplishment of short-term business plans to emerging risks in the medium- to long-term.
- As an advisory body to the GMC, the Risk Management Committee utilizes the specialized knowledge and experience of each of its members, engaging in substantial discussions before recognizing and assessing each risk, in order to more accurately propose possible managerial risks.

Figure 2: Process of determining managerial risks



## Business Risks

Class	Item	Description	Countermeasure	Impact	Urgency
Business environment	COVID-19	For the impact of COVID-19 on the Ricoh Group and the response by the Group, please refer to pages 69–79 in “Business Report – 1. Business Condition of the Ricoh Group – (2) Business Situation.”	Regarding the impact of global spread of COVID-19 on financial results, the situation in each region is different and it is difficult to see the whole situation accurately, although there are bright signs such as the development and roll-out of vaccinations.	Large	High
	Economic situation in major markets	<ul style="list-style-type: none"> <li>Recognition of geopolitical risks such as the US-China trade conflict as major risks other than the impact of COVID-19 above</li> <li>Recognition that there is a potential risk of rapid deterioration of the economic situation in major countries due to unexpected events, etc.</li> </ul>	<ul style="list-style-type: none"> <li>Construction of supply systems to ensure response to demand</li> <li>Transfer of production bases supplying the US</li> <li>Materials and product inventory adjustments in response to risks</li> <li>Continuous monitoring of market conditions, economic trends, security-related trends, etc. in major countries and areas, etc.</li> </ul>		
	More competitive markets	<ul style="list-style-type: none"> <li>New product launches by competitors</li> <li>Increase in price competition; demand shift</li> <li>Changes in the modality of competition and situation of competition due to COVID-19, etc.</li> </ul>	<ul style="list-style-type: none"> <li>Provision of high quality, high value-added products and services that can become part of improving customers' workflows, and price management</li> <li>Proposals and stronger product development to support changes in working styles and behavior due to COVID-19, etc.</li> <li>Introducing a new business unit structure <ul style="list-style-type: none"> <li>Under the delegated leader, each business unit makes swift decisions closer to the customer and the field, and strengthens business competitiveness.</li> <li>The Group headquarters constantly observes the competitive environment, market environment and trends, and optimize management resource allocation to each business, etc.</li> </ul> </li> </ul>		
	Fluctuations in price of parts, materials and/or foreign currency exchange rates	<ul style="list-style-type: none"> <li>Movements in materials markets</li> <li>Impact of movements in exchange rates on the business results of foreign subsidiaries recorded in local currency</li> <li>Impact of movements in exchange rates on the value of assets and liabilities recorded in local currency, etc.</li> </ul>	<ul style="list-style-type: none"> <li>Consideration of substitute materials, diversification of materials purchasing, adjustment of selling price</li> <li>Hedging of foreign exchange risk and thorough compliance with rules</li> <li>Offsetting of rights and obligations, currency matching of the assets and liabilities of foreign subsidiaries, etc.</li> </ul>	Medium	High

Class	Item	Description	Countermeasure	Impact	Urgency
	<b>Alliances with other entities, strategic investment</b>	<ul style="list-style-type: none"> <li>• Cancellation of alliances due to a discrepancy in interests</li> <li>• Difference in aims due to lack of information for consideration</li> <li>• Difficulty in integrating businesses, technologies, products, personnel, etc.</li> </ul>	<ul style="list-style-type: none"> <li>• Prior screening from the perspective of finance, strategy and risk by specialized members (Investment Committee), and presentation of opinion to the GMC</li> <li>• Monitoring of the progress of matters for approval by the Investment Committee, and sharing information with the GMC, etc.</li> </ul>	Large	Medium
	<b>Responding to technological changes</b>	<ul style="list-style-type: none"> <li>• Information collection and prediction on technological changes</li> <li>• Establishment of domains for focused strengthening of technologies in response to changes, and appropriate resource allocation</li> <li>• Stronger technological capabilities in new domains</li> <li>• The introduction of a business unit structure will result in individual optimization, which may have an impact on the appropriate placement of engineers, etc.</li> </ul>	<ul style="list-style-type: none"> <li>• Cooperation between global research and development bases and the promotion of open innovation</li> <li>• Activities specialized in the research and development area required for a digital services company by the Advanced Technology R&amp;D Center and Digital Strategy Department, which were newly added to the functions of the Group headquarters, and the strengthening of cooperation among business units</li> <li>• Select focus areas for company-wide R&amp;D and technology development by appointing CTO and CDIO, and allocate resources in line with management strategy. Strengthen discussions and collaboration at intra-group collaboration meetings hosted by CTO / CDIO.</li> <li>• Promotion of collaboration of engineers across the Group, strengthening of technical capabilities, and allocation of human resources with consideration for overall optimization, etc.</li> </ul>	Large	Medium
	<b>Securing personnel</b>	<ul style="list-style-type: none"> <li>• Securing and developing personnel necessary for sustainable growth</li> <li>• Cases where hiring does not proceed according to plan</li> <li>• Cases where human resource development does not proceed well</li> <li>• Loss of skilled personnel, etc.</li> </ul>	<ul style="list-style-type: none"> <li>• Recruitment tailored to specializations and careers through job-matching recruitment</li> <li>• Strengthening mid-career recruitment of specialized personnel</li> <li>• Enhancement of various systems to support work-life management</li> <li>• Strengthening processes to secure and develop candidates for management personnel and next generation managerial human resources</li> <li>• Internal shifts, training and recruitment of digital human resources, etc.</li> <li>• Strategic development centered on the human resources division of the Group headquarters, etc.</li> </ul>	Medium	Medium

Class	Item	Description	Countermeasure	Impact	Urgency
	<b>Finance business</b>	<ul style="list-style-type: none"> <li>Recovery rate of credit extended</li> <li>Delay in recovery period of operating receivables</li> <li>Interest rate mismatch between fixed-rate long-term operating receivables executed with customers and some floating-rate short-term borrowings by the Ricoh Group</li> <li>Significant revisions to legal, taxation or accounting systems, etc.</li> </ul>	<ul style="list-style-type: none"> <li>Regular assessment of customer creditworthiness and credit limits, and adjustment of the amount of credit extended</li> <li>Partial review of contracts with customers, such as adjustment of collection time and period</li> <li>Review of expected credit losses through reassessment of credit risk as necessary due to sudden changes in the external environment</li> <li>Procurement of funds at fixed interest rates to hedge interest rate fluctuation risk on long-term fixed receivables, etc.</li> </ul>	Medium	High
<b>Business operation</b>	<b>Information security</b>	<p>For the Ricoh Group:</p> <ul style="list-style-type: none"> <li>Cyber attacks and other risks related to corporate security</li> <li>Product security risk inherent in products, goods, services, etc.</li> </ul>	<ul style="list-style-type: none"> <li>Construction and enhancement of comprehensive management systems based on international information security standards (ISO/IEC<sup>*1</sup>, NIST<sup>*2</sup>, etc.)</li> <li>Stronger quality management related to information security from the development stage of proprietary products, goods, services, etc.</li> </ul>	Medium	High
	<b>Product liability</b>	<p>For Ricoh Group products and goods:</p> <ul style="list-style-type: none"> <li>Serious safety problems (fire damage, casualties)</li> <li>Legal issues related to safety or the environment</li> <li>Prolonged quality issues, etc.</li> </ul>	<ul style="list-style-type: none"> <li>Better prevention through analysis of the mechanism of breakdowns and accidents, and its application to the development process</li> <li>Enhancement of market response systems in preparation for the occurrence of a problem</li> <li>Thorough compliance (with safety and environmental laws in each country) through the establishment and regular review of standards and guides, etc.</li> </ul>	Medium	High
	<b>Long-term delay/suspension in supply of products</b>	<p>Risk of losing business opportunities resulting from:</p> <ul style="list-style-type: none"> <li>Delay or suspension in the supply of parts</li> <li>Suspension of manufacturing by factories</li> <li>Suspension of operations by distributing agents</li> <li>Suspension of supply to sales companies due to unpredictable circumstances such as major earthquakes / tsunamis, political changes / turmoil, floods, a pandemic, and suspension of supply, etc.</li> </ul>	<ul style="list-style-type: none"> <li>Establishment of BCP inventories, and implementation of multi-route sourcing of important parts</li> <li>Improvement of the environment to prepare for emergencies by expanding the scope of risk areas from localized to larger areas and changing the recovery period from short-term to long, based on the experience of rapid global spread of COVID-19, etc.</li> </ul>	Medium	High

Class	Item	Description	Countermeasure	Impact	Urgency
	<b>Protection of intellectual property rights</b>	<ul style="list-style-type: none"> <li>Failure to obtain intellectual property rights related to our products and services, and to protect our business</li> <li>Attacks, litigation and license fee payments due to the intellectual property rights held by third parties</li> <li>Contractual issues relating to intellectual property rights caused by increased collaboration with other companies in new businesses, and joint research and development, etc.</li> </ul>	<ul style="list-style-type: none"> <li>Thorough prior-art search at the time of filing, understanding of laws, examination processes and criteria related to intellectual property in each country</li> <li>Thorough clearance of the intellectual property rights of third parties</li> <li>Assessment using explicit knowledge of past contractual issues, and reliable response to extracted risks, etc.</li> </ul>	Small	Medium
	<b>Government regulations (import/export management)</b>	Impact on production and sales from administrative sanctions such as export suspensions due to violations of laws related to import and export, loss of business opportunities due to the loss of social trust, fines and criminal penalties, etc.	<ul style="list-style-type: none"> <li>Understanding of ever-changing international situation and implementation of active risk avoidance measures</li> <li>Provision of employee education and the thorough dissemination of important export restriction-related information in the Ricoh Group</li> <li>Implementation of regular management and process audits related to import and export, etc.</li> </ul>	Medium	High
	<b>Government regulations (legal)</b>	Subjection to fines (administrative dispositions), criminal penalties, suspension of business with government agencies, and loss of social trust, etc., due to violation of anti-monopoly and competition laws, etc.	Strengthening of compliance with competition laws in each country, educational activities and response in the case of violations, led by the legal division in each region, etc.	Medium	High
	<b>Government regulations (personnel)</b>	Loss of social trust due to compliance violations related to personnel (harassment, employment- or human-rights-related issues, etc.), etc.	<ul style="list-style-type: none"> <li>Thorough dissemination of the Ricoh Group Code of Conduct</li> <li>Swift response to any changes in laws and regulations related to personnel, and education of employees; establishment of response systems and rules in the event of issues occurring</li> <li>Revision and thorough dissemination of the Ricoh Group's Human Rights Policy</li> <li>Participation in the Responsible Business Alliance (RBA), an industry alliance dedicated to corporate social responsibility in supply chains. Deploy to suppliers the Ricoh Group Supplier Code of Conduct established in accordance with the RBA Code of Conduct. Conducted human rights and labor risk assessments using RBA tools for Ricoh Group production bases and suppliers. Response to the UK Modern Slavery Act, etc.</li> </ul>	Medium	High
	<b>Government regulations (environment)</b>	Subjection to administrative dispositions, fines, criminal penalties and loss of social trust, etc., due to violation of environmental laws, etc.	Construct environmental management systems, ensure thorough compliance with environmental laws through regular assessments, grasp and respond promptly to changes in regulation, etc.	Medium	High

Class	Item	Description	Countermeasure	Impact	Urgency
Accounting system	Impairment of goodwill and fixed assets	Impairment of goodwill, property, plant and equipment and intangible assets for businesses arising from corporate acquisitions, etc.	Strengthen the processes described in “Alliances with other entities, strategic investment” Page 48, etc.	Medium	Medium
	Defined benefit plan obligations	Unexpected and unforeseen movements in the equity and debt markets related to plan assets held to provide for defined benefit plan obligations and retirement plans (causing a decline in revenue from plan assets), etc.	Consider and implement reviews of plans as appropriate, in view of government regulations, personnel strategy and personnel systems, etc.	Medium	Medium
Environment, disasters	Climate change-related effects	<ul style="list-style-type: none"> <li>· Increase in costs and decline in market competitiveness due to late response to the transition to a decarbonized society</li> <li>· Increases in the price of raw materials or interruption of the supply chain due to natural disasters (torrential rains, flooding, forest fires) and the impact of infectious diseases, etc.</li> </ul>	<ul style="list-style-type: none"> <li>· Establishment and implementation of high environmental goals aimed at realizing zero-carbon operations (Science Based Targets Initiative has approved Ricoh’s environmental goals which align with their 1.5°C criteria)</li> <li>· Enhancement of business continuity capabilities across the entire supply chain, to reduce the impact of natural disasters on the Company’s businesses, etc.</li> </ul>	Medium	High
	Effects of disasters and other unpredictable events	Damage to people (including families) and property in the Ricoh Group due to the occurrence of natural disasters, emergencies and accidents, etc.	<ul style="list-style-type: none"> <li>· Clear documentation of initial response, reporting procedure, establishment and roles of each response division in the event of an emergency</li> <li>· Implementation of regular facilities inspections and disaster prevention training, etc.</li> <li>· Preparation of a BCP (business continuity plan) tailored to each region and business</li> <li>· Implementation of a flood risk survey at 19 major domestic bases</li> <li>Construction work for disaster prevention (scheduled in FY2021) at the three bases that are considered to be at high risk, etc.</li> </ul>	Medium	High

\*1 ISO/IEC: International Organization of Standardization/International Electrotechnical Commission

\*2 NIST: National Institute of Standards and Technology

## Investment Committee

The Investment Committee is positioned as an advisory committee to the GMC, and verifies investment plans based on the validity of financial aspects including capital costs, and strategic aspects such as profitability and growth risks, etc. Members with expertise perform prior reviews and discussion on diversifying investment projects to external entities in order to ensure consistency with management strategies and raise the efficacy of the investment while improving the speed and accuracy of investment decisions.

The committee mainly discusses investments from the aspects of strategies, finance, and risks. Its members include a chairperson appointed by the CEO, representatives from the business planning, accounting, legal, and internal control functions as specialists on each aspect, as well as various experts depending on the project. The committee receives prior inquiries from planning departments to provide evaluations and advice after performing comprehensive discussion on the investment value of a project. Although the committee is not authorized to approve or disapprove of any investment projects, it assists the decision-maker in making objective decisions by clearly presenting the results of the committee’s deliberations on each project.

In order to improve the accuracy of decisions made in the entire Group to invest in external entities, the committee, which is an advisory body to the GMC, also deliberates on projects below the minimum investment amount set out by the GMC. The committee strengthens the investment decision-making capabilities of the planning department and also makes recommendations, where necessary, to the GMC including change of the minimum investment amount.

### <Initiatives to develop M&A experts>

Since FY2019, we have systematically developed human resources who can lead M&A and PMI\* to success. By raising the level of planning divisions, we are improving the quality of investment projects and enhancing discussions and deliberations at the Investment Committee.

The training program offers Ricoh's original program (20 courses with the duration of 6 months) based on our past cases. So far, 70 people have obtained a completion certificate. In FY2021, we plan to hold the program with an increased number of participants.

In addition, even after the completion of this training program, we will hold courses for corporate value evaluation and financial analysis, as well as specialized courses for different functions, such as human resources, environment, and IT, to provide continuous support to program attendees and help them further improve their abilities.

These efforts have increased the speed and eligibility of investment reviews in the planning department.

\* PMI (Post Merger Integration): It refers to the integration process to maximize the integration effect that was initially expected after the M&A. The scope of integration covers all processes related to integration, such as management, business, and awareness.

### ESG Committee

The ESG Committee aims to respond promptly and appropriately to the expectations and needs of stakeholders by continuously discussing environmental, social, and governance issues faced by the Ricoh Group at a management-level and leading the discussions to the quality enhancement of the entire Group. The ESG Committee plays the following specific roles:

1. Formulate the Ricoh Group Sustainability Strategy to resolve social issues through business, such as initiatives toward achieving SDGs, into the foundation of the Company's management
2. Identify medium- to long-term sustainability risks and opportunities as well as material issues faced by the entire Group (including those regarding investment decisions on risks and opportunities related to climate change recommended by the TCFD\*)
3. Supervise and advise on sustainability strategies, material issues, and progress in KPIs for each business division throughout the entire Group
4. Identify sustainability issues to be submitted for discussion at the Board of Directors and report them to the Board of Directors

The committee is chaired by the CEO and consists of GMC members, Audit & Supervisory Board Members and an Executive Officer in charge of ESG. The committee, which meets quarterly, invites representatives of the relevant business divisions according to the theme to be discussed, and has an established system to examine and discuss sustainability issues across the Company.

In FY2020, ESG Committee meetings were held four times to discuss the following.

	Agenda
First Meeting	<ul style="list-style-type: none"><li>• Status of response to ESG evaluation / improvement</li><li>• Climate change risks and opportunities (TCFD compliant)</li></ul>
Second Meeting	<ul style="list-style-type: none"><li>• Climate change risks and opportunities (TCFD compliant)</li><li>• Progress of decarbonization activities and pollution prevention measures</li><li>• About the FY2020 integrated report</li></ul>
Third Meeting	<ul style="list-style-type: none"><li>• Reports of various ESG evaluation results</li><li>• Revision of ESG goals</li><li>• Report of RBA audit status</li><li>• Formulation of Ricoh Group's Human Rights Policy</li><li>• Strengthen renewable energy measures to accelerate decarbonization activities</li></ul>
Fourth Meeting	<ul style="list-style-type: none"><li>• Responses and efforts for ESG evaluation</li><li>• Strengthen RBA efforts</li><li>• Formulation of Ricoh Group's Human Rights Policy</li><li>• Revision of ESG goals and environmental goals</li></ul>

\* TCFD (Task Force on Climate-related Financial Disclosures)

Established by the Financial Stability Board (FSB), the TCFD provides stability to financial markets by promoting information disclosure of climate-related risks and opportunities by companies, and facilitating a smooth transition to a low-carbon society.

**Policy for constructive engagement with shareholders**

- The Company engages dynamically and constructively with shareholders. We maintain a cycle in which we reflect feedback from shareholders in our activities to cultivate trust through mutual understanding. In operating based on that cycle, we endeavor to innovate and deliver value that is useful for everyone, everywhere, helping to enhance their lives and create social sustainability while increasing medium- and long-term corporate value.
- The President and CEO is the person responsible for engagement with shareholders, and an executive in charge may be appointed as required.
- The Investor Relations Department is responsible for promotion engagement with shareholders, and takes charge of liaising with related departments.
- In general, engagement with shareholders is conducted by Investor Relations Department. However, when a request is made individually, the President and CEO or the executive in charge shall conduct engagement activities where appropriate.
- In addition to engagement activities with shareholders, we hold presentations on mid-term management plans, financial results briefings, IR days, business briefings, etc., as well as appropriately consider holding small meetings and participating in externally sponsored IR events and conferences.
- Opinions obtained through engagement with shareholders are passed on to the management team on a quarterly basis.
- The Company strictly complies with its internal regulations concerning handling of insider information. No insider information is disclosed to shareholders during individual engagement. To prevent the leak of insider information and ensure fairness in information disclosure, the Company observes a quiet period from the day following the final day of each fiscal year to the day of the annual financial results announcement.

## **Approach to Election of Directors**

### **Election Criteria for Directors**

#### **<Management capabilities>**

Superior insight and judgment necessary for management functions

1. Knowledge of a wide range of businesses and functions, and has the ability to think and make decisions appropriately from a company-wide and long-term perspective
2. Insight into the essence of issues
3. Vision to make best decisions on a global level
4. Judgment and insight based on extensive experience, as well as excellent track record leading to significant improvements in corporate value and competitive strength
5. Ability to think and make decisions appropriately from the perspective of various stakeholders including shareholders and customers based on a firm awareness of corporate governance

#### **<Character and personality>**

Positive trust relationships between Directors and management team for smooth performance of the oversight function

1. Integrity (honesty, moral values and ethics); exemplifies fair and honest decisions and actions based on a high sense of morality and ethics in addition to the strict observance of laws, regulations, and internal rules.
2. Interacts with others with respect and trust based on a spirit of respect for humanity and sets an example for decisions and actions that respect the personality and individuality of others based on a deep understanding and acceptance of diverse values and ideas.

### **Election criteria for Outside Directors**

In addition to the same election criteria as for Internal Directors stated above, the election criteria for Outside Directors include having excellence in areas such as expertise in different fields, problem discovery and solving capabilities, insight, strategic thinking capabilities, risk management capabilities, and leadership.

### **Diversity Policy**

We believe that the Board of Directors of the Company should be composed of directors with management ability and rich sense of humanity in addition to various viewpoints and backgrounds, on top of multilateral sophisticated skills.

When considering diversity in the selection of candidates, our policy is to ensure diversity in terms of their expertise and experience in fields related to management, in addition to ensuring diversity by selecting these candidates based on their personalities and insight, respecting race, ethnicity, gender, country of origin, nationality, etc.

### **Election Process and Evaluation Process for Directors**

The Company is making ongoing efforts to strengthen and enhance corporate governance for the Company's sustainable growth and improvement of corporate value and shareholder value.

#### **<Nomination Committee>**

To secure objectivity, transparency, and timeliness for procedures to appoint, dismiss, and evaluate Directors, the CEO, and other members of the management team, the Board of Directors has established the Nomination Committee, which is an advisory body to the Board of Directors.

To increase objectivity and independence, the Nomination Committee is comprised of a majority of non-executive Directors with at least half of the members being Outside Directors, and is chaired by a non-executive Director. In addition, one Outside Audit & Supervisory Board Member attends meetings of the committee so as to ensure transparency in deliberation.

(During FY2020, the committee was chaired by an Outside Director with three Outside Directors, one internal non-executive Director, one internal executive Director, and a majority of Outside Directors.)

The Nomination Committee deliberates on the following matters and reports on the deliberation and conclusions to the Board of Directors.

(Inquiry items from the Board of Directors)

- 1) Nomination of candidates for CEO and Directors
- 2) Evaluation of the soundness of the CEO and Directors to continue in their duties
- 3) Evaluation of achievements of the CEO and Directors
- 4) Confirmation of status of CEO succession plans and development of future CEO candidates
- 5) Confirmation of appointment/dismissal proposals and reasons thereof for Corporate Vice Presidents,

Group Executive Officers, Advisors, and Fellows

- 6) Approval or disapproval on the formulation, revision or abolishment of appointment/dismissal systems for Directors, Executive Officers, and Group Executive Officers
  - 7) Other matters individually consulted by the Board of Directors
- (Other agenda items)
- 1) Confirmation of reasons for selecting candidates for Audit & Supervisory Board Member based on requests from the Audit & Supervisory Board
  - 2) Confirmation of performance evaluation of Executive Officers
  - 3) Other matters consulted by the CEO

#### <Election process>

In order to maintain a Board of Directors structure that enables appropriate and effective management decision-making and supervision of business execution, the Nomination Committee undertakes ongoing deliberation on the composition of the Board and the specializations, experience (skills and career matrix), etc. required of Directors, based on the issues recognized at the meeting held to evaluate the effectiveness of the Board of Directors, before nominating candidates for Director.

Candidate nominations for Director are deliberated by the Nomination Committee over several sessions, and undergo a strict screening process. The Nomination Committee engages in multifaceted assessment of the qualities, experience, skills, diversity, etc. required of the Company's Directors, in accordance with the management environment, strategic direction, challenges, etc., against the basic criteria of management ability, character and personality necessary to fulfill the role and responsibilities of Director, and reports to the Board of Directors after clarifying the basis for nomination. Based on the reporting from the Nomination Committee, the Board of Directors deliberates from a shareholder perspective, and then determines which candidates for Director are to be submitted to the General Meeting of Shareholders.

A skills and career matrix that maps out personnel, roles, skills, career experience, etc. is also used when determining the Company's executive structure, with the aim of building a structure to facilitate swift and accurate decision-making by the GMC, as well as appointing and developing appropriate human resources in terms of the management succession plan. The CEO reports to the Nomination Committee on the selection and training policy of management candidates.

#### <Evaluation process>

Directors are evaluated annually in two steps by the Nomination Committee, upon consultation by the Board of Directors. In the first evaluation, careful and appropriate deliberations are made on the soundness of Directors to continue in their duties, ensuring timeliness of appointment and dismissal. In the second evaluation, Directors' achievements are evaluated with a multifaceted approach, and their issues are clarified through feedback in an effort to improve the quality of management. The Nomination Committee's deliberations and conclusions on the evaluation of Directors are reported to the Board of Directors to thoroughly oversee whether the Director is sound to continue in their duties.

Furthermore, evaluations are based on such standards as "Management oversight status as a Director," "Financial aspects including key management indicators regarding business results, return on capital, etc.," and "Contribution to shareholders and evaluation by capital markets."

#### **Evaluation of CEO and CEO Succession Plan**

The CEO succession plan is an important initiative for improving shareholder value and corporate value of the Ricoh Group in a continuous manner over the medium to long-term and continuously fulfilling the social responsibilities of the Group as a member of society.

From the viewpoint of strengthening corporate governance, the Group works to establish a CEO succession plan with procedures that are objective, timely, and transparent.

##### 1) CEO Evaluation

The CEO is evaluated annually in two steps by the Nomination Committee, upon consultation by the Board of Directors. In the first evaluation, careful and appropriate deliberations are made on the soundness of the CEO to continue in his/her duties, ensuring timeliness of appointment and dismissal. In the second evaluation, the CEO's achievements are evaluated with a multifaceted approach, and his/her issues are clarified through feedback in an effort to improve the quality of management. The Nomination Committee's deliberations and conclusions on the evaluation of the CEO are reported to the Board of Directors to effectively oversee the CEO.

<Key items for the CEO evaluation>

(1) Financial viewpoint

- Progress of the Mid-term Management Plan and business plans, return on capital and other key performance indicators

(2) Shareholder and capital market viewpoint

- Stock-related indicators including TSR, analyst evaluations, etc.

(3) Non-financial viewpoint

- ESG measures, customer and employee satisfaction, safety and product quality, etc.

2) Selection, development and evaluation of CEO candidates

Once a year (in around September), the CEO prepares a list of potential future CEO candidates together with a development plan for them and elaborates on the proposals at the Nomination Committee in early November. The Nomination Committee deliberates on the validity of the CEO candidate list and development plans, provides advice to the CEO on candidate development, and reports the findings to the Board of Directors. The Board of Directors confirms the validity of the candidate selection and development plans upon reporting from the Nomination Committee and is actively involved in the selection and development of CEO candidates.

<Selection of candidates>

CEO candidates are selected by terms as follows according to the timing of the change. The backup candidate in case of accident in the table below is determined via resolution of the Board of Directors at the same time the CEO is selected.

Terms	Number of persons selected
Backup candidate in case of accident	One
First candidate in line	Several
Second candidate in line	Several

<Development of candidates>

The Nomination Committee deliberates on the development plan for future CEO candidates and gives guidance to the CEO, who, in the next fiscal year, provides growth opportunities suited to each candidate according to their individual targets, allowing the candidates to accumulate experience. The CEO also gives direct guidance to promote the candidate's development based on individual assessment.

<Evaluation of candidates>

CEO candidates are evaluated annually, and the CEO reports on the achievements and growth of each candidate during the development period (April to March next year) to the Nomination Committee in early November (the evaluation period is from April to October, which is the month before the Nomination Committee meets). The Nomination Committee reviews the selection of CEO candidates, and reports the results to the Board of Directors. Upon reporting from the Nomination Committee, the Board of Directors evaluates the CEO candidates and confirms the validity of deliberations on which candidates are to remain, and is actively involved in the process.

## **Matters Concerning Compensation for Directors and Audit & Supervisory Board Members, etc.**

### **1. How to determine the policy regarding the decision on the content of individual compensation, etc.**

The policy is decided by the Board of Directors considering the deliberation and recommendation by the Compensation Committee, which is an advisory body to the Board of Directors.

### **2. Compensation policy**

Executive compensation is used as an effective incentive to achieve sustainable increases in corporate earnings for the medium- to long-term, in the pursuit of increased shareholder value of the Ricoh Group. In addition, from the viewpoint of strengthening corporate governance, measures to secure objectivity, transparency, and validity are taken in setting up compensation levels and determining individual compensation. The Company determines executive compensation based on the following basic policies:

- 1) Executive compensation is composed of three elements: i) basic compensation that reflects expected roles and responsibilities, ii) bonuses that reflect business results (performance-linked compensation), and iii) compensation that reflects medium- to long-term increase in shareholder value. Compensation for Outside Directors is only basic compensation to ensure independence from business execution, and compensation for internal Non-executive Directors is comprised only of basic compensation and bonuses in light of their role of overseeing business execution with extensive knowledge of the actual situation of the Company serving full-time. Compensation for Audit & Supervisory Board Members consists only of basic compensation for their role of appropriately performing audits.
- 2) When compensation levels are set up and individual compensation are determined, objectivity, transparency and validity must be secured through proper external benchmarks and deliberation by the Compensation Committee.

### **3. Policy regarding the decision on the content of individual compensation, etc., and matters related to performance-linked compensation, non-monetary compensation, etc. for FY2020**

#### **1) Process for determining compensation**

The Company has established a voluntary Compensation Committee to build a more objective and transparent compensation review process that helps increase profits, enhance corporate value, and strengthen corporate governance through incentives. The Compensation Committee decides on compensation plans for each of the basic compensation, bonuses, compensation for acquiring stock, and stock-based compensation with stock price conditions through multiple deliberations, based on the compensation standards and performance of the Directors, and makes recommendations to the Board of Directors. The Board of Directors deliberates and decides on each compensation plan recommended by the Compensation Committee, and decides on the necessity to propose the payment of Directors' bonus to the general meeting of shareholders.

#### **2) Policy for determining compensation level**

From the perspective of ensuring appropriate linkage with corporate performance, we determine whether the compensation level of each compensation category secures its target level for our performance. Basic compensation refers to the compensation level of officers of the benchmark company group\* based on survey results of external specialized agencies. Short-term and medium- to long-term incentives are set to the level that is at a higher level among the benchmark company group if our operating profit level is higher than the performance of the benchmark company group, and at a lower level among the benchmark company group if our operating profit level is lower. The Compensation Committee confirms every fiscal year whether the target level is secured, and decides on the necessity to adjust levels after examining the trend for three years instead of a single year.

\* Approximately 20 companies are selected from a group of domestic peer companies with employees of 30,000 to 200,000 and sales of 500 billion yen to less than 3 trillion yen.

### 3) Compensation for Directors

#### [Breakdown of Director Compensation]

Fixed		Short-term		Medium to long-term
i) Basic compensation (reflects roles and responsibilities)	+	ii) Bonuses * <sup>1</sup>  *1 Excludes Outside Directors	+	iii) - Compensation for acquiring stock* <sup>2</sup> - Stock-based compensation with stock price conditions* <sup>3</sup>  *2 Excludes Outside Directors and non-executive Directors *3 Excludes Outside Directors and non-executive Directors

Please refer to page 60 for ratio of each type of compensation

#### i) Basic compensation

Basic compensation is monetary compensation paid monthly during the term of office as a compensation that reflects the roles and responsibilities expected of Directors.

The amount of compensation is decided within the range of the total amount of compensation determined at the general meeting of shareholders, and the total amount of compensation paid for FY2020 was 253.32 million yen.

#### (Internal Director)

Basic compensation for internal Directors consists of compensation pertaining to management oversight and compensation reflecting the importance of individual roles and management responsibilities. In addition, compensation based on positions is additionally provided for the Representative Director, Chairperson of the Board of Directors, Chairperson of the Nomination Committee and the Compensation Committee, etc. The importance of individual roles and management responsibilities of Directors who concurrently serve as Executive Officer are determined with reference to the job grade framework of external specialized agencies.

In addition, compensation for Non-executive Directors is determined in light of their role of overseeing business execution with their extensive knowledge of the actual situation of the Company serving full-time.

#### (Outside Director)

Basic compensation for Outside Directors consists of compensation pertaining to management oversight, compensation pertaining to advice to management, and compensation based on positions, such as Chairperson of the Nomination Committee and Chairperson of the Compensation Committee. The amount of compensation is set with reference to objective data from external specialized agencies.

#### ii) Bonuses (short-term incentive)

Bonuses are monetary compensation paid after the end of a fiscal year as compensation that reflects the Company's performance and shareholder value improvements in the target fiscal year, and operating profit is used as the basis for calculating the amount of payment. Operating profit, which correlates with market capitalization, is set as an important indicator to clarify that Directors are responsible for improving performance of the Company as a whole and shareholder value. In addition, in order to clarify that Directors are responsible for achieving the targets set for important indicators, we have established an indicator that uses ROE results for each fiscal year as an incentive to enhance return on capital, and another indicator, the annual DJSI\* Rating, which we are pursuing as an incentive to improve ESG on a Company-wide basis. Furthermore, the Compensation Committee, regardless of the results calculated by the formula below, deliberates whether or not to pay bonuses, reflecting also the status of governance and non-financial factors, and makes recommendations to the Board of Directors. Based on these recommendations, the Board of Directors decides whether or not to submit a proposal of paying Directors' bonuses to the general meeting of shareholders.

Regarding bonuses for Directors in FY2020, the Board of Directors decided at its meeting on May 7, 2021 not to pay bonuses for Directors in light of the recording of an operating loss of 45.4 billion yen for the full year, following the deliberation by the Compensation Committee accordingly. Therefore, there is no disclosure item regarding the bonus calculation method and performance indicator results for FY2020.

In addition, the formula for FY2021 will be reviewed as necessary after evaluating the achievements and expected effects of introducing the business unit structure.

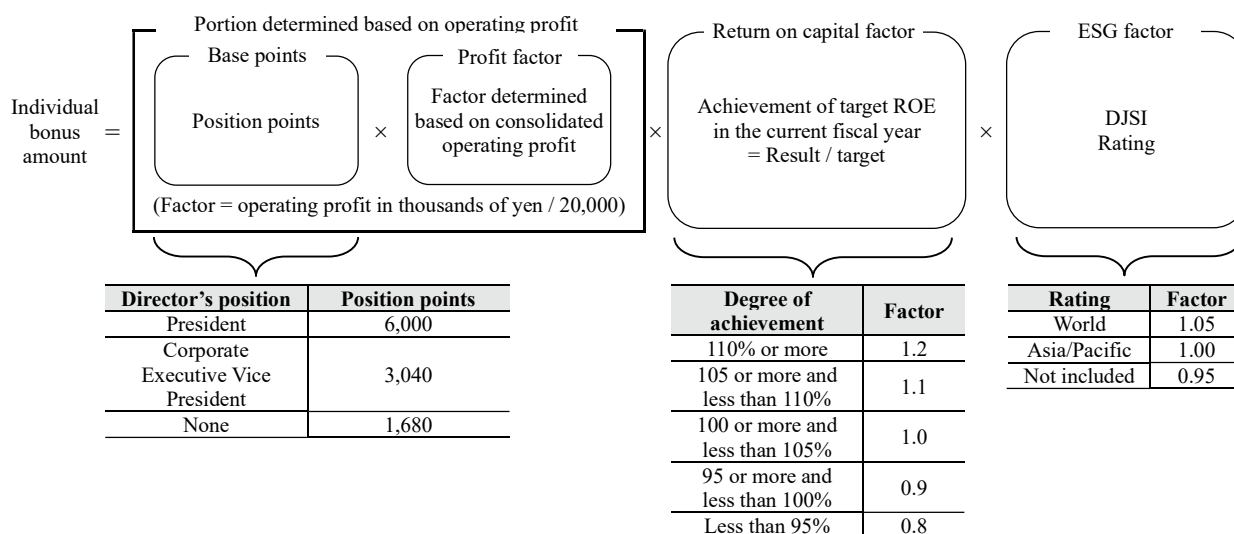
\* Dow Jones Sustainability Index (DJSI):

A share index jointly developed by Dow Jones in the US and S&P Global, a company specializing in research on sustainable investment, the Dow Jones Sustainability Index measures the sustainability of major companies around the world from the three perspectives of economy, environment and society.

(Reference)

The calculation method for the amount of bonuses paid in FY2020 is as follows.

Formula for calculating Directors' bonuses



- iii) Compensation that reflects the improvement of shareholder value (medium- to long-term incentive)  
 Compensation that reflects the stock price consists of the following “compensation for acquiring stock,” and “stock-based compensation with stock price conditions” for the purpose of further strengthening Directors' commitment to improving the Company's corporate value over the medium- to long-term.

(Compensation for acquiring stock)

Compensation for acquiring stock is paid monthly as fixed salary during the term of office with the aim of steadily increasing the number of shares held by Directors and as an incentive for increasing shareholder value over the medium- to long-term. The entire amount paid is used for the acquisition of stock by the Ricoh Executive Stock Ownerships Plan. The fixed salary is set for each position within the range of the total compensation decided at the general meeting of shareholders, and the total compensation paid for FY2020 was 9.84 million yen.

(Stock-based compensation with stock price conditions)

Stock-based compensation with stock price conditions aims to raise awareness of contributions to improving medium- to long-term corporate value and shareholder value by clarifying the link between Directors' compensation and the value of the Company's stock, and by making Directors share benefits and risks of fluctuations in stock prices with shareholders.

Under the system of the stock-based compensation with stock price conditions, the Company contributes up to 100 million yen per fiscal year to the Board Incentive Plan trust (hereinafter referred to as “Trust”) established by the Company, with a trust period of approximately 3 years. The Trust uses contributed funds to acquire shares of the Company from the stock market, and the number of the Company's shares equivalent to the number of points granted to each Director by the Company is delivered to each Director through the Trust.

In principle, a Director receives delivery of the shares of the Company at retirement.

The number of points granted to each Director by the Company corresponds to the position of each Director in accordance with the Share Grant Regulations determined by the resolution of the Board of Directors. As the system is intended for the Directors to share benefits and risks of stock price fluctuations with shareholders, the final number of shares to be delivered will in principle be determined by multiplying the points granted by a rate (0 to 200%) obtained from the results of comparison of the growth rate of the Company's stock price during the term of office with the growth rate of TOPIX. In addition, the malus-clawback clause has been established to request the return of stock-based compensation in the event of serious misconduct that causes damage to the Company during the Director's term of office. (See page 61)

The amount recorded as expenses based on the points granted for the stock-based compensation with stock price conditions in FY2020 is 11.87 million yen. As no Directors retired in FY2020, there is no disclosure item regarding the actual growth rate of the Company's stock price.

1	Directors who are eligible for this system	Directors of the Company (excluding Outside Directors and Non-executive Directors)
2	Period	Three fiscal years from the fiscal year ended March 31, 2020 to the fiscal year ending March 31, 2022
3	Maximum amount of money that the Company will contribute as funds for the acquisition of the Company's shares required to be delivered to the eligible Directors during the period.	300 million yen in total (100 million yen per fiscal year)
4	How to acquire the Company's shares	Acquisition from the stock market (including off-floor trading)
5	Maximum number of points awarded to eligible Directors	300,000 points in total (100,000 points per fiscal year) * 1 point is 1 share of the Company
6	Standard for granting points	Points are granted in a number corresponding to the position of the eligible Director, adjusted by the comparison results between the growth rate of the Company's stock price and the growth rate of TOPIX (Tokyo Stock Price Index)
7	When to deliver the Company's shares to the eligible Directors	Upon retirement, in principle

(Reference)

The retirement benefit plan was abolished as of the date of the 107th Ordinary General Meeting of Shareholders held on June 27, 2007.

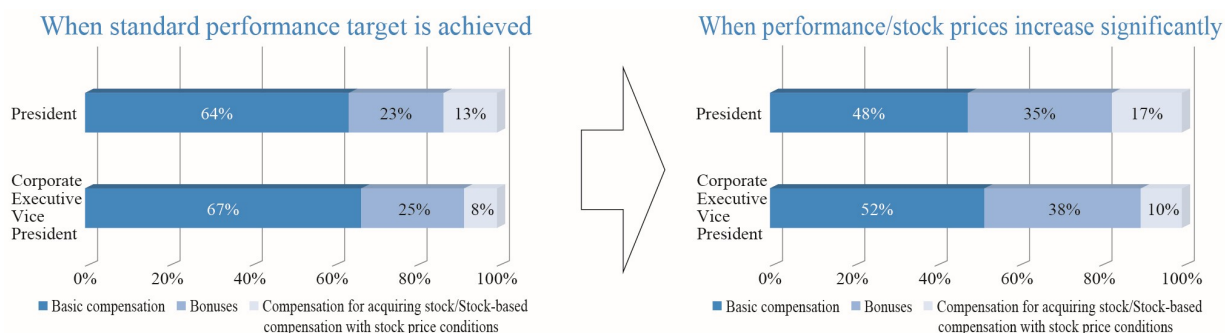
#### 4) Compensation for Audit & Supervisory Board Members

Compensation for Audit & Supervisory Board Members consists only of basic compensation for their role of appropriately performing audits.

#### 4. Policy on determining the ratio of fixed and variable compensation

In order to clarify the responsibility of each position to business performance, the ratio of variable compensation (bonuses, compensation for acquiring stock and stock-based compensation with stock price conditions) is designed to increase for officers of a higher position with higher management responsibility, compared to the ratio of fixed compensation (basic compensation). For the President who is at the highest position, the fixed / variable ratio is about 6: 4 when the standard performance target is achieved, and the variable compensation exceeds the fixed compensation when business performance and stock price rise sharply.

We will continue to deliberate on the appropriate amount of compensation for each compensation category, with a policy of increasing the ratio of performance-linked compensation, with an emphasis on improving corporate value and shareholder value over the medium- to long-term.



## **5. Other important matters regarding decisions on individual compensation, etc.**

### **1) Return of stock-based compensation (malus-clawback clause)**

Regarding stock-based compensation with stock price conditions, the malus clause and the clawback clause are stipulated in the Share Grant Regulations determined by the Board of Directors of the Company. For a person who was dismissed or resigned from the position of Director due to serious misconduct that causes damage to the Company, all or part of the points granted up to that time will expire by a resolution of the Board of Directors. At the same time, no further points will be granted. The persons subject to the system will not be eligible for beneficiary rights related to the expired points.

Furthermore, the Company can request those who have already received the delivery of the Company's shares and the delivery of money in lieu of the Company's shares to return the amount obtained by multiplying the total number of share delivery points by the closing price of the Company's shares on the Tokyo Stock Exchange on the date such request is made.

### **2) Prohibition of stock trading for a certain period**

Regarding stock-based compensation with stock price conditions, as a response to insider trading regulations, even after the delivery of the Company's shares, the shares shall not be bought or sold until one year has elapsed from the date following the recipient's retirement.

### **3) Handling of compensation amid significant environmental changes, etc.**

In the event of a significant change in the business environment, sudden deterioration of business performance, and quality issues that may damage corporate value, serious accidents, scandals, etc., the compensation for Directors may be temporarily reduced or suspended by a resolution of the Board of Directors.

## **6. Reasons why the Board of Directors has determined that the content of individual compensation, etc. for Directors is in line with the policy for determining compensation**

In determining the content of individual compensation for Directors in FY2020, the Compensation Committee conducted a multifaceted examination including consistency with the above policy for determining compensation, and the Board of Directors deliberated and made decisions, basically respecting the recommendation made by the Compensation Committee. Therefore, we have determined that the content of individual compensation for Directors in FY2020 was in line with the above policy for determining compensation.

## **7. Matters concerning resolutions at the general meeting of shareholders regarding compensation of officers, etc.**

### **1) Monetary compensation for Directors**

The amount of basic compensation for Directors of the Company (including the monetary portion of the compensation for acquiring stock) was resolved to be 46 million yen or less per month at the 116th Ordinary General Meeting of Shareholders held on June 17, 2016 (including 7 million yen or less per month for Outside Directors). At the time of the resolution, the number of Directors who were subject to the resolution was 11 (including four Outside Directors).

### **2) Stock-based compensation with stock price conditions for Directors**

The amount of contributions for the stock-based compensation with stock price conditions and the number of points awarded to the Directors were resolved to be 300 million yen or less (100 million yen per fiscal year) and a total of 300,000 points or less (100,000 points per fiscal year) at the 119th Ordinary General Meeting of Shareholders held on June 21, 2019. At the time of the resolution, the number of Directors who were subject to the resolution was three.

### **3) Basic compensation for Audit & Supervisory Board Members**

The amount of basic compensation for Audit & Supervisory Board Members of the Company was resolved to be 9 million yen or less per month at the 84th Ordinary General Meeting of Shareholders held on June 29, 1984. At the time of the resolution, the number of Audit & Supervisory Board Members who were subject to the resolution was four.

## **Results Summary of the Evaluation of Effectiveness of the Board of Directors Held During FY2020**

On May 7, 2021, the Company evaluated the effectiveness of the Board of Directors held during FY2020 (from April 2020 to March 2021), and discloses the results as outlined below.

### **I. Outline of Evaluation: Effectiveness of the Board of Directors Held During FY2020**

The evaluation continued to include how the voluntary Nomination Committee and Compensation Committee as well as the response of the business executives to Board of Directors, along with the effectiveness of the Board of Directors. In addition, a third-party evaluation was also implemented, in order to ensure objectivity.

#### **[Evaluation process]**

The evaluation was carried out at a discussion attended by all Directors and Audit & Supervisory Board Members, after sharing written evaluations by the Directors and the Audit & Supervisory Board Members, as well as the results of questionnaires' analysis by the third-party survey in an anonymous manner. Through the discussions, participants reviewed and evaluated the performance of the Board of Directors during FY2020, in terms of the basic policies on the operation of the Board of Directors and the three action items outlined below, which were set forth by the Company's Board of Directors in the last evaluation of the effectiveness.

#### **<Basic policies for FY2020>**

- 1) Engage in monitoring and support to ensure the renewal and execution of timely and appropriate response to the management environment, and strategy for the future.
- 2) Engage in appropriate monitoring and more thorough discussion from a medium- to long-term perspective, to accomplish both the enhancement of return on capital and strengthening of management capital.

#### **<Action items for FY2020>**

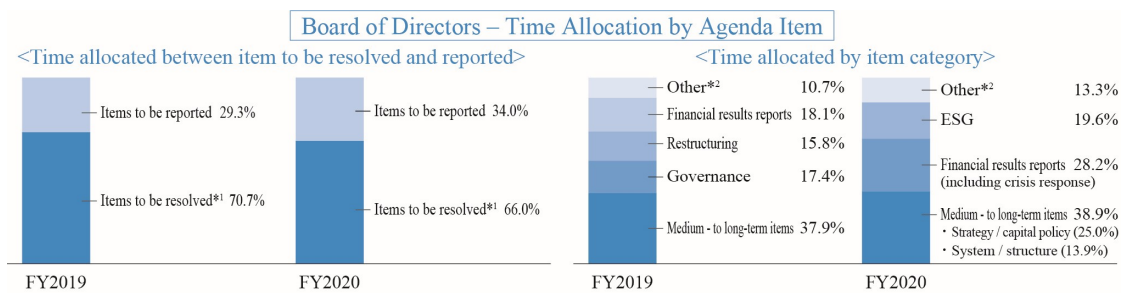
- i) Encourage accurate response to the impact of the spread of COVID-19, from both an urgent perspective, and a medium- to long-term perspective.
- ii) Accelerate execution through appropriate deliberations and support, to renew strategies in line with the management environment.
- iii) Monitor business expansion from the perspective of return on capital, and engage in discussions and support aimed at strengthening the management capital such as human resources, technology, and funds to achieve sustainable growth.

### **II. Results summary of the "Evaluation of Effectiveness of the Board of Directors" for FY2020**

#### **II-1. Results of operation of the Board of Directors**

In FY2020, we steadily oversaw and supported emergency responses to address the spread of COVID-19. At the same time, we enhanced deliberations from a medium- to long-term perspective and endeavored to manage the Board of Directors in order to properly oversee and make decisions on important agenda items, such as the formulation of the 20th Mid-term Management Plan, introduction of a business unit structure, and capital policy. Specifically, the Board of Directors took the initiative in deciding on priority themes from both an urgent perspective and a medium- to long-term perspective, and enhanced reporting and deliberation based on the annual schedule. At the same time, we have enhanced information sharing by adopting advance explanations and written reports, and strengthening support to Outside Directors and Outside Audit & Supervisory Board Members.

The allocation of time to agenda items at meetings of the Company's Board of Directors in FY2020 is disclosed as follows, for the purpose of ensuring the transparency in the status of deliberations of the Board of Directors.



\*1 Items to be resolved: in addition to agenda items for resolution by the Board of Directors, these include Director's review meetings and governance review meetings held for deliberations in preparation for making a resolution.

\*2 Other: resolutions, etc. in accordance with the provisions of the Companies Act.

## II-2 Summary

The following is a summary of the results of discussions among the members of the Board of Directors regarding written evaluations by the Directors and the Audit & Supervisory Board Members, as well as third-party evaluations.

- ◎ The Company's Board of Directors reached the unanimous conclusion that the composition of the Board of Directors is appropriate, that the functions of the Board of Directors are being enhanced according to the business environment, and that the effectiveness of the Board of Directors is ensured and being continuously improved.
- ◎ In addition, as the Board of Directors amid an emergency (the COVID-19 pandemic), timely and appropriate reports have been made by the executive side, and the Board of Directors deliberated on efforts for tackling the emergency and gearing up for the future, and it was evaluated to have fulfilled its roles and functions of both decision-making and supervision.
- ◎ The Nomination Committee and Compensation Committee, which are chaired by an Outside Director, composed of a majority of Outside Directors and attended by an Audit & Supervisory Member, worked on enhancing the evaluation of the CEO and other executives and improving the deliberation on major themes such as the compensation design. Furthermore, the committees appropriately assessed and reviewed the organizational design and composition of the Board of Directors in line with the change made to the company structure, and were evaluated to be functioning effectively as advisory bodies to the Board of Directors.
- ◎ Meanwhile, there were remarks pointing out the importance of continuous efforts to improve corporate governance, such as inspecting the Board of Directors for an optimal composition suited to the business environment and management issues and evaluating the oversight and execution system based on the business unit structure.

<Action items for FY2020 i) and ii)>

- ◎ Regarding the impact of the spread of COVID-19, liquidity was ensured as an emergency response measure and crisis response was monitored while focusing on grasping the situation based on detailed data of each region.
- ◎ The Board of Directors, in addition to strengthening its oversight as an emergency response, furthered its discussions on the mid-term management plan, capital policy, company structure, business plans, etc., and was evaluated positively that an effective plan and system that will serve as a foothold for transforming the Company to a digital services company was decided.
- ◎ Meanwhile, there were remarks pointing out that, in the years ahead, the most important issues will be the execution and achievement of goals of the 20th Mid-term Management Plan and the Business Plan for FY2021, and that it is necessary to further materialize the execution plan, management system, and operations in order to achieve both the realization of speedy management and appropriate monitoring and support by the Board of Directors.

<Action item for FY2020 iii)>

- ◎ The Board of Directors was evaluated to have had enhanced deliberations on various forms of capital (human resources, technologies, intellectual properties, liquidity base, etc.) that compose the management base with a view to medium- to long-term growth, and reflected the results of deliberations in the 20th Mid-term Management Plan, while also deepening discussions on the capital policy, including shareholder returns, to set out a path for improving corporate value.
- ◎ Meanwhile, there were remarks pointing out that, in order to transform into a digital services company, it is necessary for the Board of Directors to continue to deepen medium- to long-term themes such as DX strategy, human resources, technologies and intellectual properties, growth investments, and ESG, which form the management foundations.

- ◎ There were also remarks pointing to the importance of vigorous ROIC-driven business and portfolio management, as well as finer-tuned follow-up of growth investments under the business unit structure, in order to improve return on capital while transforming the business structure.

### III. Efforts to improve the effectiveness of the Board of Directors in FY2021

As stated in the above evaluation, we recognize that it is an important issue for us to continuously improve corporate value by developing measures for the 20th Mid-term Management Plan and accomplishing the Business Plan for FY2021. Therefore, the Board of Directors of the Company will operate based on the following <Basic Policy> and will work to improve its effectiveness centering on the three specific <Action Items>.

#### <Basic policies for FY2021>

- 1) Monitor and support steady implementation of the 20th Mid-term Management Plan and the accomplishment of the Business Plan for FY2021
- 2) Enhance discussions on the management base and strategies to accelerate sustained growth after an emergency (the COVID-19 pandemic)

#### <Action items for FY2021>

- i) In order to increase the certainty of accomplishing the Business Plan for FY2021, monitor business performance (including non-financial targets) and progress of measures' development, and encourage appropriate response
- ii) Enhance supervision and deliberation to realize the medium- to long-term goals of transforming the business structure and improving return on capital, and optimize resource allocation, systems, and business operation
- iii) Deepen discussions on the management base such as human capital, technological capital, intellectual capital, growth strategy and DX strategy, etc. in view of a new business environment (after the spread of COVID-19 is brought under control)

## Approach to Election of Audit & Supervisory Board Members

### Election Criteria for Audit & Supervisory Board Members

Candidates for Audit & Supervisory Board Member are selected for their appropriateness as personnel able to contribute, through the performance of duties as an Audit & Supervisory Board Member, to sound and sustained growth of the Company and the medium- to long-term enhancement of its corporate value, taking into consideration the balance of knowledge, experience and specialized abilities required of the Audit & Supervisory Board.

The following criteria (requirement definitions) have been established by the Audit & Supervisory Board in order to select candidates for Audit & Supervisory Board Member based on objective assessment of their suitability.

[Audit ability]

1. Appropriate experience, ability, and the necessary knowledge regarding finance, accounting and law
2. Professional skepticism and the ability to investigate facts properly, with an earnest attitude, and exercise objective judgement
3. Sense of duty and courage founded on personal beliefs, and the ability to make active and forthright suggestions and proposals to Directors and employees
4. The ability to see matters from a shareholders' perspective, act on this perspective, and engage in audits based on an attitude of learning from actual front lines, actual things and actual facts

[Knowledge background and temperament]

1. Healthy in mind and body, and able to serve for a full four-year tenure as Audit & Supervisory Board Member
2. Always aspires to improve him/herself, with a desire to learn new things
3. Able to manage local staff and communicate in English

### Election Criteria for Outside Audit & Supervisory Board Members

In addition to the criteria above, Outside Audit & Supervisory Board Members are elected based on their high degree of specialist insight in the fields of corporate management, finance, accounting and law, and their extensive experience. The absence of any issues of independence regarding their relationships with the Company, its Representative Director, other Directors and important employees, with reference to the Company's Standards for Independence of Outside Directors and Outside Audit & Supervisory Board Members, is an additional criterion.

### Diversity

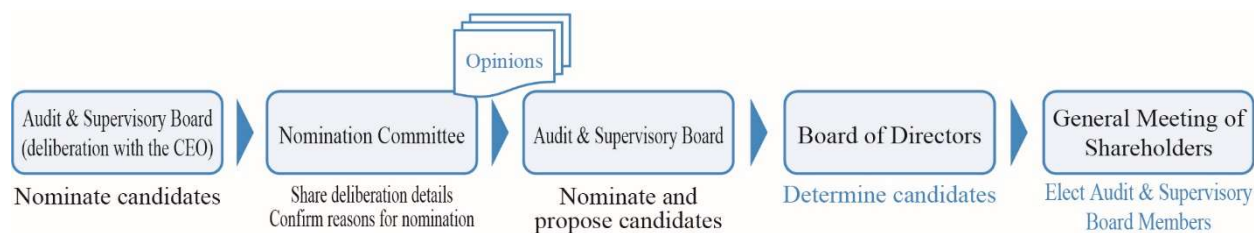
When considering diversity in the appointment of Audit & Supervisory Board Members, no distinction is made on the basis of race, ethnicity, gender, nationality or similar attributes, and candidates are selected based on their character and knowledge, thus ensuring diversity in such attributes.

### Election Process for Audit & Supervisory Board Members

"Recommendation of candidates" and "nomination of candidates" for Audit & Supervisory Board Member is conducted primarily by the Audit & Supervisory Board, in accordance with the process shown below, with an emphasis on ensuring the independence of Audit & Supervisory Board Members.

The Audit & Supervisory Board recommends candidates based on the election criteria for Audit & Supervisory Board Members and after deliberation with the CEO. These candidates are nominated and proposed after confirmation by the Nomination Committee.

The Board of Directors respects the judgment of the Audit & Supervisory Board in resolving the nomination of candidates for Audit & Supervisory Board Member.



## **Standards for Independence of Outside Directors and Outside Audit & Supervisory Board Members**

1. In principle, Outside Directors and Outside Audit & Supervisory Board Members of the Company should be independent from the Company and should satisfy all of the items set out below. The Ricoh Group refers to the corporate group that comprises the Company and its subsidiaries.
  - (1) A person who is not a shareholder holding 10% or more of the total voting rights of the Company (a “major shareholder”), or a person who is not a director, audit and supervisory board member, accounting advisor, executive officer, executive director, corporate officer, manager or any other employee of the major shareholder of the Company.
  - (2) A person who is not a director, audit and supervisory board member, accounting advisor, executive officer, executive director, corporate officer, manager or any other employee of a company of which the Ricoh Group is a major shareholder.
  - (3) A person who is not a director, audit and supervisory board member, accounting advisor, executive officer, executive director, corporate officer, manager or any other employee of the Ricoh Group, or a person who was not a director, audit and supervisory board member, accounting advisor, executive officer, executive director, corporate officer, manager or any other employee of the Ricoh Group within 10 years preceding the assumption of the office of Outside Director.
  - (4) A person of which the Ricoh Group was not a major business partner (whose sales to the Ricoh Group accounted for 2% or more of its consolidated net sales) in the immediately preceding fiscal year or any of the three fiscal years prior to such fiscal year, or a person who is not a director (excluding outside directors who are independent), audit and supervisory board member, accounting advisor, executive officer, executive director, corporate officer, manager or any other employee thereof (including its parent company and subsidiaries).
  - (5) A person who was not a major business partner of the Ricoh Group (to which sales of the Ricoh Group accounted for 2% or more of consolidated net sales of the Ricoh Group) in the immediately preceding fiscal year or any of the three fiscal years prior to such fiscal year, or a person who is not a director (excluding outside directors who are independent), audit and supervisory board member, accounting advisor, executive officer, executive director, corporate officer, manager or any other employee thereof (including its parent company and subsidiaries).
  - (6) A person who is not a consultant, certified public accountant, certified tax accountant, lawyer or any other professional who received money or other property other than executive compensation, either directly or indirectly, from the Ricoh Group in an amount of ¥10 million or more in the immediately preceding fiscal year or per year in average over the past three fiscal years.
  - (7) A person who does not belong to an organization, such as a law firm, auditing firm, tax accounting firm, consulting firm or any other professional advisory firm, that received money or other property, either directly or indirectly, from the Ricoh Group in an amount equivalent to 2% or more of its total revenue in the immediately preceding fiscal year or per year in average over the past three fiscal years.
  - (8) A person who is not a spouse, a relative within the second degree of kinship or a relative who lives in the same household of a person who falls under the items (1) through (7).
  - (9) A person who is not a director, audit and supervisory board member, accounting advisor, executive officer, executive director, corporate officer, manager or any other important employee of a company, its parent company or subsidiary that has directors dispatched from the Ricoh Group.
  - (10) A person who is unlikely to cause a substantial conflict of interests with the Company.
2. The Company may appoint a person as Outside Director or Outside Audit and Supervisory Board Member if it determines that the person is qualified for the post, even though he/she fails to satisfy any of the above items (1) and (4) through (9) in the preceding paragraph, provided that the Company explains to external parties the reason for its determination that the person qualifies for the post.

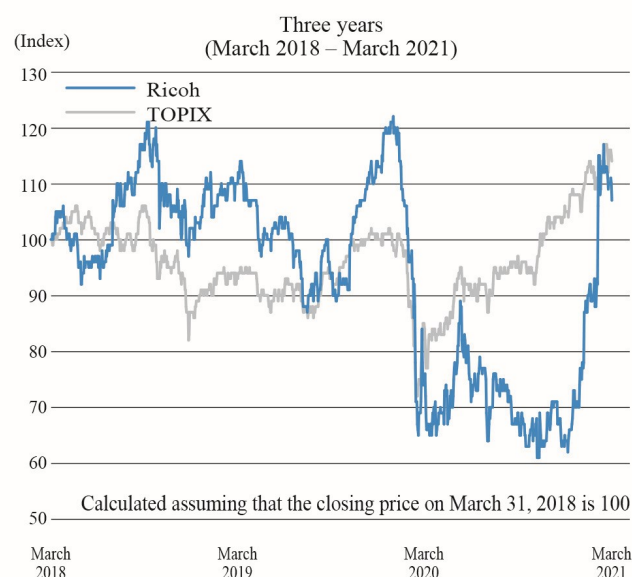
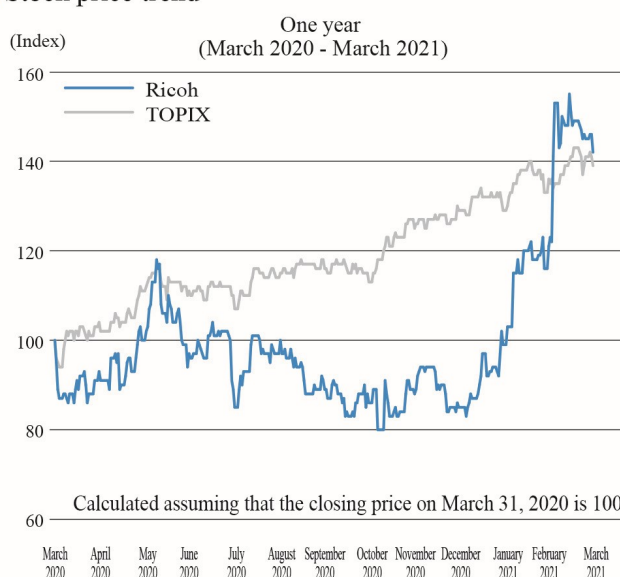
## Stock price and TSR trends

Due to the spread of COVID-19 from the beginning of 2020 and accompanying increases in the number of companies putting self-imposed restraints on their corporate activities as well as employees working from home, a decline was expected in the output volumes from printers and multifunctional printers, which comprise the Company's current revenue base, and concerns have spread regarding the future performance of the office equipment industry, of which the Company is a part. Under these circumstances, the Company has positioned FY2020 as a year for tackling the emergency and accelerating change, and has promoted the Company's transition to a digital services company and taken measures to strengthen its management structure.

Although a gradual recovery from the impact of COVID-19 was expected at the beginning of the fiscal year after hitting the bottom in the first quarter, the number of infections continued to rise in some areas, mainly in the United States and the United Kingdom. The Company announced its forecast of full-year operating loss for FY2020 in the second quarter financial results owing to the expansion of the adverse impact of COVID-19 on its business. As a result, concerns about the Company's business performance were not allayed, and its share price continued to stagnate during 2020. However, the Company's share price trended up after the Company announced in its third quarter financial results showing a significant increase in net operating profit after deducting impairment losses, thanks to the faster-than expected progress in measures for tackling the emergency and accelerating change and the solid profit generated by expanding its Office Services business. Furthermore, capital markets responded favorably to the 20th Mid-Term Management Plan announced in March 2021, which showed the Company's growth strategy geared toward the conversion to a digital services company and the capital policy for improving return on capital, and the Company's share price rose sharply towards the end of the fiscal year.

As a result, the Company's share price in FY2020 outperformed TOPIX, and returned to the level before the impact of COVID-19.

### Stock price trend



\*The stock price is based on that in the First Section of the Tokyo Stock Exchange.

## TSR\*1 and comparative indicators for the last five years

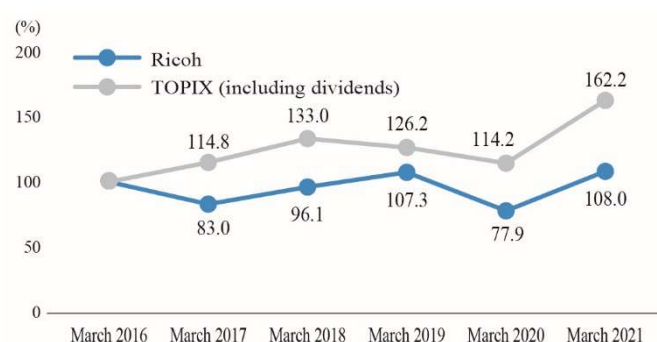
\*1 TSR (Total Shareholder Return) is the sum of capital gains and dividends, showing the comprehensive yield on investment for shareholders.

	RICOH	TOPIX
Mar. 2016	100.0%	100.0%
Mar. 2017	83.0%	114.8%
Mar. 2018	96.1%	133.0%
Mar. 2019	107.3%	126.2%
Mar. 2020	77.9%	114.2%
Mar. 2021	108.0%	162.2%

\*March 31, 2021 is the record date for TSR

\*Stock prices at the beginning and end of each fiscal year are used for calculating TSR

\* In calculating comparative indicators, the record date of dividend-included TOPIX is set at the end of March 2016 to match the record date of the Company's TSR.



To evaluate the CEO and directors, as listed on pages 54 to 56, we adopt TSR as one of the standards to define the level of their contribution to shareholders and evaluation of capital markets. However, to avoid the impact of sudden fluctuations in stock prices, we use TSR incorporating the average stock price (see table below).

Holding period	1 year	3 years	5 years	10 years
RICOH	75.8%	82.3%	73.0%	86.9%
TOPIX	107.3%	106.6%	122.7%	235.3%

## Business Report

(April 1, 2020 - March 31, 2021)

*(The following is an unofficial English translation of the Reports for FY2020 of the Company. The Company provides this translation for reference and convenience only and without any guarantee as to its accuracy or otherwise.)*

You can watch an overview of  
the business in video.  
<https://v.srdb.jp/7752/report2021/>

### 1. Business Condition of the Ricoh Group

#### (1) Status of assets and profit/loss

##### ■ Assets and Profit/Loss of the Consolidated Ricoh Group

	Fiscal year ended March 31, 2017	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Sales (billions of yen)	2,028.8	2,063.3	2,013.2	2,008.5	1,682.0
Operating profit (loss) (billions of yen)	33.8	(115.6)	86.8	79.0	(45.4)
Profit (loss) before income tax expenses (billions of yen)	29.9	(124.1)	83.9	75.8	(41.0)
Profit (loss) attributable to owners of the parent (billions of yen)	3.4	(135.3)	49.5	39.5	(32.7)
Earnings (loss) per share attributable to owners of the parent (yen)	4.81	(186.75)	68.32	54.58	(45.20)
Total assets (billions of yen)	2,759.2	2,641.0	2,725.1	2,867.6	1,887.8
Equity attributable to owners of the parent (billions of yen)	1,042.1	909.5	932.5	920.3	920.2

Note: The consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRS).

#### (2) Business Situation in Year under Review

##### Operating Progress and Results

##### Overall Conditions

##### Economic Climate

The COVID-19 pandemic hampered the global economy in fiscal 2020.

In the Ricoh Group's mainstay office equipment market, printing demand declined significantly because office attendance rates plunged amid government-imposed lockdowns and regulatory and other constraints on economic activity. Prolonged U.S.-China trade friction and geopolitical risks in various regions added to uncertainty about the future. Logistics bottlenecks in the United States and concerns about semiconductor shortages were among factors that increased global supply chain risks.

The yen's average exchange rate strengthened against the U.S. dollar from a year earlier. The yen depreciated against the euro.

Against this economic backdrop, the pandemic continued to affect the Group's MFP and other mainstay office equipment businesses throughout the year, significantly reducing demand in advanced and developing nations. Notwithstanding signs of a recovery in the third quarter, new infection waves caused corporate demand for consumables to decline.

At the same time, teleworking and new work practices fast became well established in office, educational, healthcare, and other settings. Ricoh will accordingly continue to support the ever-changing world of work among customers by assisting with digital transformations, for which demand is surging in office and other workplaces.

## Results for the Year

We positioned fiscal 2020, when the pandemic began, as one for responding to the emergency and for gearing up for the future. We thus endeavored to (1) secure sufficient liquidity to cover performance fluctuations, (2) enhance financial stability, and (3) accelerate our post-pandemic evolution.

Consolidated sales for the term decreased 16.3% from a year earlier, to ¥1,682.0 billion. In the Office Printing segment, hardware sales were down owing to lockdowns and other constraints that hampered sales activities. Non-hardware sales also dropped amid declining office attendance rates among customers, primarily in Europe and the Americas. Those effects peaked in April and May 2020, leading to a gradual recovery from June, notwithstanding some fluctuations in pandemic conditions. Consolidated subsidiary Ricoh Leasing Co., Ltd. (hereinafter, Ricoh Leasing), became an equity method affiliate after a transfer of shares, leading to a sales drop.

While demand for digitalizing processes rose in Japan on companies pushing ahead with teleworking, the IT equipment demand experienced in the previous term ran its course. Hardware sales were down amid fewer sales opportunities from companies exercising restraints on their activity. Non-hardware sales fell owing to declining office printing demand. Domestic sales in Japan thus dropped 13.7% from a year earlier.

In the Americas, sales were off 27.6%, primarily in Office Printing and Commercial Printing. Key factors were stagnating sales and deliveries from lockdowns and restrictions on activity, as well as falling print volumes from customers closing offices. In Europe, the Middle East, and Africa, sales were down 9.9%. This was despite Office Services sales rising on IT services expansion from more robust sales and service systems, including from acquisitions in the previous fiscal year, and reflected Office Printing sales decreasing for the same reasons as in the Americas.

Sales in other regions decreased 10.0%, largely because of Office Printing declines. It was against that backdrop that recoveries from the pandemic occurred, particularly in China, with Industrial Printing sales rising from a year earlier.

Overseas sales therefore dropped 18.2% from a year earlier.

Gross profit was down 20.7%, to ¥572.3 billion. Factors in Office Printing sales included fewer units sold amid declining business deal opportunities as a result of the pandemic and decreases in consumable and other non-hardware sales. In the Other segment, earnings were down owing to the adoption of equity method accounting for Ricoh Leasing and that company's deconsolidation.

Selling, general and administrative expenses decreased 5.9%, to ¥619.7 billion. This stemmed from emergency cost-cutting measures in response to the pandemic and lower sales-linked expenditure. These factors offset a ¥24.8 billion impairment loss on property, plant and equipment and intangible assets in the Commercial Printing and other businesses. We booked a ¥3.7 billion goodwill impairment loss for the Commercial Printing and other businesses.

As part of measures to overcome the emergency and gear up for the future, Ricoh reviewed cost policies and development priorities in line with work practice reforms, digitized headquarters business processes, developed service businesses that match regional characteristics, and rolled out products and services that cater to new work practices. We were thus able to generate ¥99.1 billion\* in earnings.

Ricoh accordingly posted an operating loss of ¥45.4 billion, declining by ¥124.4 billion compared to a year earlier. This reflected the significant business impact of the pandemic and offset better than anticipated gains from measures to respond to the emergency and gear up for the future. After excluding such special factors as structural reform related costs, production reorganization costs, impairment losses, and government grants, the effective operating loss for fiscal 2020 was ¥10.8 billion. This figure represented a turnaround from an operating loss of ¥31.5 billion in the first half of the year to an operating profit of ¥20.7 billion in the second half on a recovery from the pandemic and efforts to reinforce the business corporate structure and expand in the Office Services area.

Net financial expenses were lower than a year earlier, owing mainly to higher foreign exchange gains. Share of profit of investments accounted for using the equity method increased from a year earlier owing to the

deconsolidation of Ricoh Leasing.

Despite an increase in non-operating income, we posted a ¥41.0 billion loss before income tax expenses, declining by ¥116.9 billion from a year earlier.

Income tax expenses were down ¥39.8 billion from a year earlier, owing to the decrease of profit (loss) before income tax expenses.

We thus posted a ¥32.7 loss attributable to owners of the parent, declining by ¥72.2 billion from the previous year.

\* Including cost reductions from government grants.

## Financial Position

Total assets decreased ¥979.7 billion from the end of fiscal 2019, to ¥1,887.8 billion. The deconsolidation of Ricoh Leasing reduced assets by around ¥1 trillion.

In March 2020, we agreed to transfer some shares of common stock in consolidated subsidiary Ricoh Leasing to Mizuho Leasing Company, Limited. In accordance with IFRS 5 (Non-current Assets Held for Sale and Discontinued Operations) of the International Financial Reporting Standards Foundation, in the previous fiscal year Ricoh reclassified the assets and liabilities of Ricoh Leasing and that company's subsidiaries as Assets classified as held for sale and Liabilities directly related to assets held for sale. This transfer was on April 23, 2020, and reduced our stake to 33.7%, with Ricoh Leasing becoming an equity-method affiliate. Assets classified as held for sale thereby decreased, while investments accounted for using the equity method rose from posting remaining investments.

Total liabilities were down ¥895.1 billion from the end of fiscal 2019, to ¥964.0 billion. This was despite bonds and borrowings increasing to prepare for a deteriorating business climate owing to the pandemic, and reflected a decline in liabilities directly related to assets held for sale from the partial transfer of shares in Ricoh Leasing. The deconsolidation of Ricoh Leasing effectively lowered interest-bearing debt\* by around ¥870.0 billion.

Total shareholders' equity at the end of the term was down ¥84.6 billion from a year earlier, at ¥923.8 billion. This reflected a repurchase of treasury stock following a resolution of the Board of Directors on March 3, 2021, and a drop in noncontrolling interests from Ricoh Leasing becoming an equity-method affiliate.

As a result of these factors, total equity attributable to owners of the parent decreased ¥0.1 billion, to ¥920.2 billion. The equity ratio was again stable at 48.7%.

We aim to create new growth businesses by strengthening profitability and investing extensively while pursuing returns that exceed capital costs to sustainably enhance corporate value.

Management remained aware of the need for capital profitability in this fiscal year. We reduced assets by deconsolidating Ricoh Leasing, thereby lifting the total asset turnover rate, and boosted the equity ratio by cutting interest-bearing debt. In view of uncertainties stemming from the pandemic, we gave top priority to business continuity and secured sufficient liquidity to address unexpected developments. We then undertook measures to address the emergency and gear up for the future. In the second half of the year, we achieved a business recovery and responded to business growth, particularly in Office Services. In March 2021, we formulated the 20th Mid-Term Management Plan, which encompasses capital policies, to guide medium-term growth. In keeping with that initiative, we set about repurchasing shares under a policy announced in March 2020 of generating ¥100 billion in additional shareholder returns, optimizing capital to boost capital profitability.

\*Encompassing bonds and borrowings.

## Cash Flows

Net cash provided by operating activities was ¥126.9 billion in fiscal 2020, up ¥10.2 billion from a year earlier. This was despite a loss for the term owing to the pandemic and reflected a decrease in trade and other receivables

from an improvement in working capital and a decrease in lease receivables owing to the deconsolidation of Ricoh Leasing.

Net cash used in investing activities declined ¥101.0 billion, to ¥63.5 billion. In the previous year, outflows increased owing to the acquisition of DocuWare GmbH to expand in digital businesses. Cash inflows for the term included a one-time injection from the partial transfer of Ricoh Leasing shares and a drop in capital expenditures from that company becoming an equity-method affiliate. Overall, net cash used in investing activities was down significantly.

As a result of the above factors, we posted a free cash flow (net cash provided by operating activities plus net cash used in investing activities) of ¥63.4 billion, with an increase of ¥111.2 billion in cash inflows compared to a year earlier. This turnaround was due largely to the deconsolidation of Ricoh Leasing.

Net cash used in financing activities was ¥4.0 billion, with cash inflows declining by ¥79.8 billion compared to a year earlier. In the previous year, procurements by related subsidiaries rose in keeping with finance business expansion. In the year under review, expenditures increased largely because of treasury stock repurchases pursuant to a Board of Directors resolution on March 3, 2021.

As a result of the above factors, cash and cash equivalents at the end of fiscal 2020 were ¥330.3 billion, up ¥66.6 billion from a year earlier.

We seek to transform our business structure and grow over the medium- to long-term by reinforcing the profitability of core businesses to generate cash while investing in new cash-producing businesses. We aim to generate a cumulative operating cash flow of ¥600.0 billion to ¥700.0 billion\* over five years through fiscal 2025, which is announced in the 20<sup>th</sup> Mid-Term Management Plan presentation.

\* The 20<sup>th</sup> Mid-Term Management Plan covers fiscal 2021 and 2022. To show the long-term outlook the target through fiscal 2025 is also set.

■ Consolidated Sales and Operating Profit/Loss by Category

Segment	Product/Services
Office Printing	Multifunctional printers, copiers, printers, digital duplicators, wide format printers, facsimile machines, scanners, related supplies, customer service, support and software, etc.
Office Services	Personal computers, PC servers, network equipment, related customer service, support and software, document related services and solutions, etc.
Commercial Printing	Cut sheet printer, production printer, continuous feed printer, related supplies, customer service, support and software, etc.
Industrial Printing	Inkjet heads, inkjet modules, industrial printers, etc.
Thermal Media	Thermal paper and thermal media, etc.
Other area	Industrial optical components, modules, electronic components, precision device components, digital cameras, 3D printing, environment, healthcare and financial services, etc.

		FY2020 (billions of yen)	YoY change (%)
Office Printing	Sales	815.8	(19.5)
	Operating profit (loss)	6.7	(91.8)
Office Services	Sales	532.3	(4.5)
	Operating profit (loss)	35.4	8.3
Office segment	Sales	1,348.2	(14.1)
	Operating profit (loss)	42.1	(63.4)
Commercial Printing	Sales	134.6	(24.5)
	Operating profit (loss)	(14.6)	-
Industrial Printing	Sales	24.6	7.3
	Operating profit (loss)	(1.6)	-
Thermal Media	Sales	56.8	(8.1)
	Operating profit (loss)	2.6	(12.3)
Other*	Sales	117.6	(32.8)
	Operating profit (loss)	(22.4)	-
Corporate and eliminations	Operating profit (loss)	(51.4)	-
Total	Sales	1,682.0	(16.3)
	Operating profit (loss)	(45.4)	-

\*Sales consists only of those to external customers, and operating profit/loss includes those from external customers as well as intersegment transactions.

(Note) From FY2020, some businesses in the Office Services segment have been reclassified into the Office Printing and the Other segment. In addition, some headquarter expenses have been allocated to the relevant segment. These changes have been applied retroactively to the previous fiscal year.

## Office Printing

Sales down 19.5% year on year to ¥815.8 billion, comprising 48.5% of total.

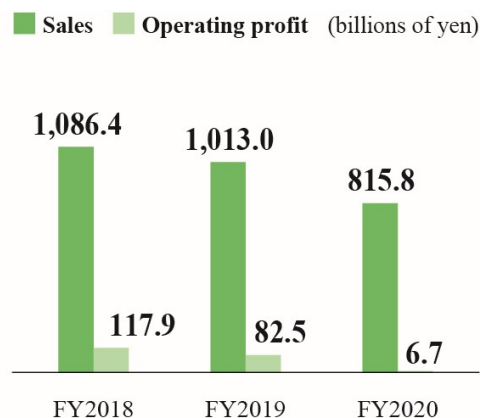
Operating profit down 91.8% year on year to ¥6.7 billion

### Business Outline

In Office Printing segment, as our core business, we supply multifunctional printers for use in offices, for which we have the top market share worldwide, as well as imaging devices such as printers and related services.

### Products and Services

Multifunctional printers, copiers, printers, digital duplicators, wide format, facsimile machines, scanners, related supplies, customer service, support and software, etc.



\* Changes in business domain categories made in fiscal 2020 have been applied retrospectively to figures for fiscal 2019.

Here, we shifted focus from sales to profitability starting fiscal 2017. We have endeavored to bolster earnings by creating new value while optimizing our business structure.

In the year under review, management took a range of steps in view of the operating climate likely remaining negative owing to the pandemic. These efforts included reviewing development focus, reinforcing digital manufacturing, notably by optimizing production sites, and streamlining the value chain by enhancing productivity in sales and services operations. In particular, we have significantly reduced downtimes. We launched new offerings in the RICOH IM series of fast, advanced digital MFPs that improve service efficiency by slashing downtimes. In May 2020, we rolled out RICOH IM C8000/C6500 full-color models. In January 2021, we brought out the monochrome RICOH IM 9000/8000/7000, basically rounding out key offerings in our advanced MFP lineup. We will further improve service efficiency by boosting machine infield numbers.

We sourced all of the electricity we consumed in manufacturing these new models from renewables, enabling us to expand our business while shrinking our environmental footprint. We are creating new customer value by packaging MFPs with applications and cloud services that cater to specific industries and operations.

Office Printing sales were down 19.5%, to ¥815.8 billion in fiscal 2020. Sales of hardware and related consumables were off owing to the pandemic, with lockdowns and other movement restrictions causing sales and deliveries to slump, while print volumes were down amid declining office attendance rates, particularly in Europe and the United States. Operating profit plunged from ¥82.5 billion a year earlier, to ¥6.7 billion. This was despite progress in streamlining operations to lower costs. Key downside factors were a drop in gross profit from reduced sales and expenditure on measures for permanent structural reform. Another factor was the absence of one-time gains posted in the previous year. We were profitable for the year after experiencing a loss in the first half amid plunging sales and gradually recovering in the second half.

## Office Services

Sales down 4.5% year on year to ¥532.3 billion, comprising 31.6% of total.

Operating profit up 8.3% year on year to ¥35.4 billion

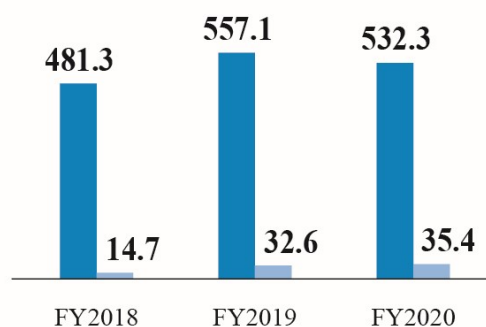
### Business Outline

The Office Services segment provides products and services that support new workstyles, and contributes to solving customer issues in offices through total solutions that combine building of IT environment, operation support of network environment, user support, and more.

### Products and Services

Personal computers, PC servers, network equipment, related customer service, support and software, document related services and solutions, etc.

■ Sales ■ Operating profit (billions of yen)



\* Changes in business domain categories made in fiscal 2020 have been applied retrospectively to figures for fiscal 2019.

Here, we pursue business growth by providing digital services to resolve a range of customer business issues, such as solutions for work practice reforms that leverage our global customer base.

In Japan, we expanded sales of Scrum package solutions during the term that integrate IT equipment, software, and services to digitize workflows, including for telework, for customer industries and businesses. The focus was on small and medium-sized businesses. In Europe, we acquired five information and communications technology firms to strengthen and expand our IT services sales and units in priority countries. We started full-fledged sales of solutions packages, mainly for telework, driving a significant sales increase. We also greatly boosted sales of document workflow management applications from DocuWare, which we acquired in the previous term. In North America, we progressed in digitizing business processes, partially offsetting the impact of lower core business process outsourcing sales owing to customer site closures as a result of the pandemic.

Office Services sales decreased 4.5%, to ¥532.3 billion. Although sales were up for IT services and applications, including packaged solutions, sales were down for IT hardware in the absence of the previous year's demand associated with transitions to Windows 10. Operating profit was ¥35.4 billion, up from ¥32.6 billion a year earlier. This stemmed from progress in improving profitability by expanding sales of solutions packages. The operating margin rose from 5.9% to 6.7% as we made progress steadily in transforming from being primarily an office equipment manufacturer into a digital services company.

## Commercial Printing

Sales down 24.5% year on year to ¥134.6 billion, comprising 8.0% of total.

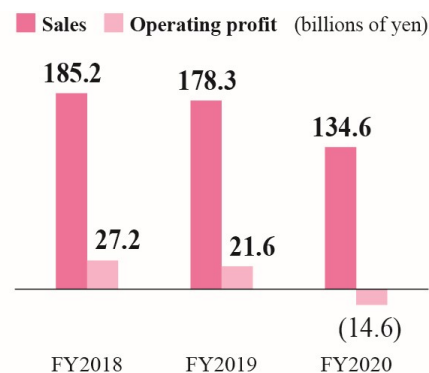
Operating loss of ¥14.6 billion

### Business Outline

The Commercial Printing segment provides customers in the printing industry with digital printing related products and services capable of high-mix, low-volume printing.

### Products and Services

Cut sheet printer, continuous feed printer, related supplies, customer service, support and software, etc.



\* Changes in business domain categories made in fiscal 2020 have been applied retrospectively to figures for fiscal 2019.

We expect this market to grow on the strength of the high image quality and productivity and broad paper support of our offerings and a rising need for systems that can deliver high-value-added printed materials that open doors to new opportunities. Another driver is market potential from the pandemic increasing the need for digital output that flexibly matches demand fluctuations. We aim to expand our business by catering to the needs of customers while helping them to develop their operations.

In May 2020, we launched the RICOH Pro C5310S/C5300S color production for commercial printing customers. In January 2021, we brought out the RICOH Pro VC40000 high-speed inkjet printing system for transaction market customers. The RICOH ProC5310S/C5300S enables the efficient production of diverse printed materials, broadening horizons for print-on-demand businesses in the printing sector. The RICOH Pro VC40000 has enhanced productivity, paper handling, and the system configuration flexibility needed for transaction printing.

Commercial Printing sales fell 24.5%, to ¥134.6 billion. This was due largely to declining hardware sales in the key European and Americas markets, which suffered from business deal postponements owing to sales activity restrictions and from lower customer investment appetites because of the pandemic. Another downside factor was reduced commercial print volumes owing to declining economic activity. From the second quarter, sales of consumables and other offerings gradually recovered on an upturn in print demand for customer events and resumptions of business activities. The operating loss was ¥14.6 billion, down from ¥21.6 billion a year earlier. This loss reflected a gross profit downturn from lower sales of transaction printer-related consumables and other products and an impairment loss on development and other fixed assets. After excluding the impairment loss, operating profit would have been ¥11.8 billion.

The impairment loss included a third-quarter charge in light of a future earnings forecast review in light of the impact of the performance impact of the pandemic. It also encompassed a fourth-quarter charge from a future earnings review to reflect a change in related expense allocations that stemmed from reorganizing the production structure in keeping with the transition to a business unit setup.

## Industrial Printing

Sales up 7.3% year on year to ¥24.6 billion, comprising 1.5% of total.

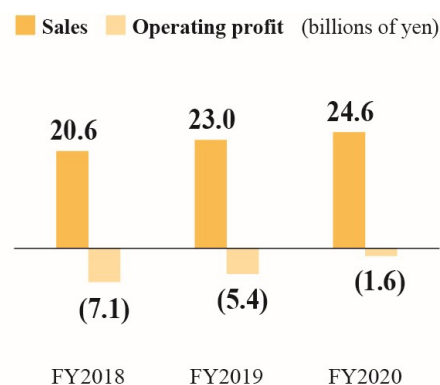
Operating loss of ¥1.6 billion

### Business Outline

The Industrial Printing segment manufactures and sells industrial inkjet heads, inkjet ink, industrial printers, etc., which enables a wide range of printing, including furniture, wallpaper, automobile exteriors, and furnishing fabric.

### Products and Services

Inkjet heads, inkjet modules and industrial printers, etc.



\* Changes in business domain categories made in fiscal 2020 have been applied retrospectively to figures for fiscal 2019.

We aim in this segment to capture new markets and customers based on our strong position in inkjet heads that offer superior durability and are compatible with an array of inks. Digitalizing industrial printing through inkjet processes should greatly lower the environmental impact of analog textile printing, which has been an issue in the textiles industry, owing to wastewater pollution and inventory destruction from mass production.

In fiscal 2020, we endeavored to expand sales of inkjet printheads launched in the previous term. In March 2021, we launched two new models for the sign and display market and augmented our industrial printer range to expand our business. One new offering was the RICOH Pro TF6251, a large-format flatbed printer employing photo-curable ink that broadens the potential of inkjet printing to encompass building materials, furniture, and other interior design where original design is essential. We also introduced the RICOH Pro L5160e/L5130e, a large-format inkjet printer that can use latex ink. This model is for products and services that meet the high-mix, low-volume, quick delivery needs of the indoor and outdoor signage display and wallpaper markets.

Industrial Printing sales increased 7.3%, to ¥24.6 billion. Sales of inkjet printheads to customers in Europe and the Americas were down owing to the pandemic. Offsetting that impact were a recovery in sales of inkjet printheads in the key Chinese market and higher U.S. sales of industrial printers. We incurred an operating loss of ¥1.6 billion for the year because of increased product development spending to drive business. This loss was lower than the ¥3.7 billion recorded in the previous term, reflecting a return to profitability in the fourth quarter.

## Thermal Media

Sales down 8.1% year on year to ¥56.8 billion, comprising 3.4% of total.

Operating profit down 12.3% year on year to ¥2.6 billion

### Business Outline

The Thermal Media segment manufactures and sells thermal paper used in POS labels for food products, barcode labels, delivery labels, etc., and thermal transfer ribbon used to print clothing price tags, brand tags, tickets, and the like.

### Products and Services

Thermal paper and thermal media, etc.

Demand has risen solidly in this area on growth in e-commerce, which has driven demand expansion worldwide for shipping labels. It is against this backdrop that we have drawn on the materials technologies that we amassed over the years to steadily expand our business. This is notably by supplying thermal paper, ribbons, and other products that ensure outstanding resistance to heat and abrasion resistance and deliver superior print definition and storage capabilities. We have also endeavored to broaden new value through such offerings as our proprietary rewritable contactless laser system.

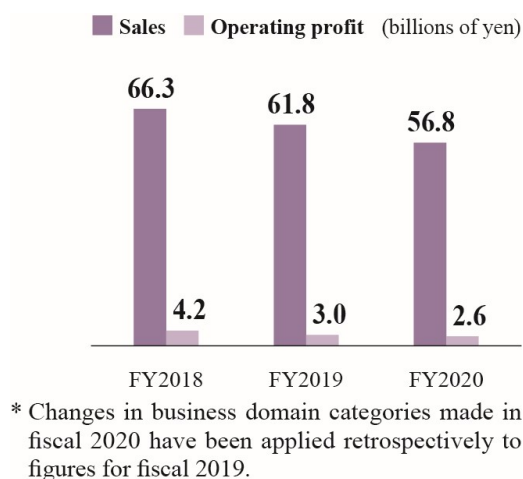
In the year under review, we strove to expand product supply and cut costs to overcome intensifying competition in the Chinese market and cater to changing customer needs, one being for smaller labels. We also cultivated new customers and applications, one example being the provision of eco-friendly, release paper-free label seals. In August 2020, we developed a powerful laser marker\*1 that offers the world's fastest\*2 variable image printing. This breakthrough makes it possible to print different individual images at the speed of mass production lines, and will likely see service on a variety of lines.

Thermal Media sales for the year under review decreased 8.1% from a year earlier, to ¥56.8 billion. This reflected lackluster demand for event and transportation tickets following lockdowns and other movement constraints amid the pandemic and because of smaller labels despite rising e-commerce demand.

Operating profit was ¥2.6 billion, from ¥3.0 billion a year earlier, with efforts to reduce raw materials costs by stabilizing supplies and enhancing processes to lower cost ratios partially offsetting the impact of the pandemic.

\*1. Source: Ricoh research as of August 19, 2020

\*2. The 2,000-watt laser is the world's most powerful for a laser marker, with a (source: Ricoh research as of August 19, 2020)



## Other

Sales down 32.8% year on year to ¥117.6 billion, comprising 7.0% of total.

Operating loss of ¥22.4 billion

### Business Outline

The Other segment comprises of Industrial Products, Smart Vision, and Other, which includes other business segments. We use the technical strengths of the Ricoh Group to provide a wide range of products and services in everything from the commercial to the consumer sectors.

**Industrial Products:** We provide precision device components that utilize optical technologies and image processing technologies.

**Smart Vision:** We manufacture and sell unique and compelling products such as 360° cameras, DSLR cameras for professional use, and action cameras with exceptional waterproof, dustproof, and impact resistance properties.

**Other:** We create new business opportunities such as providing solutions that encompass everything from the introduction to operation of 3D printers, medical imaging (health care) business, focusing primarily on magnetoencephalography business, and creating environmental technologies and environmental business. This segment also includes businesses being expanded by individual affiliate companies.

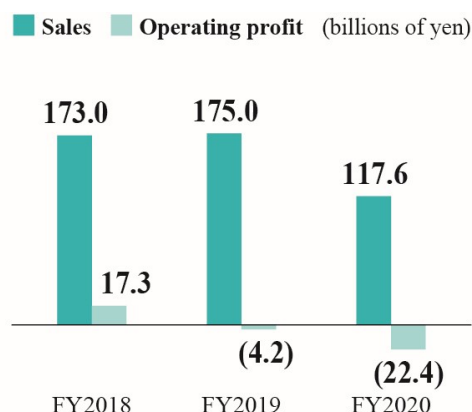
### Products and Services

Industrial optical components, modules, electronic components, precision device components, digital cameras, 3D printing, environment, healthcare and financial services, etc.

In Industrial Products, we are striving to expand our customer base by providing optical devices to the automotive sector, where safe driving support systems are increasingly widespread. The Smart Vision business has earned a solid following for drawing on our proven image capture and processing technologies to provide 360° cameras and applications for virtual property tours for the real estate industry.

During the year, the Industrial Products business expanded sales of products for automated driving and advanced driving support, primarily for the automotive sector. In Smart Vision, we launched the THETA 360.biz official partner program. We released the AI Staging beta version, which leverages artificial intelligence to automatically arrange computer graphics of furniture in 360° panorama. This offering makes properties more appealing by enhancing living space views to prospective property buyers and renters.

Segment sales for the term decreased 32.8%, to ¥117.6 billion. We posted an operating loss of ¥22.4 billion. This owed largely to Ricoh Leasing becoming an equity-method affiliate following a share transfer. After excluding the deconsolidation impact, earnings were basically unchanged.



\* Changes in business domain categories made in fiscal 2020 have been applied retrospectively to figures for fiscal 2019.

### (3) Our Challenges

#### Unchanging Commitments amid Change

The pandemic has transformed the world. It prevented many from going to offices and forced them to adopt new work practices, accelerating a move to working anytime, anywhere. The situation will not return to normal even after the pandemic has been contained. The Office Services that we have cultivated over many years are helping customers change how they work.

Two commitments will remain unchanged in this new environment.

The first is that we will stay close to our customers. Since coining the term “office automation” in 1977, we have done much to help improve the efficiency and productivity of offices. As the value of work shifts away from enhancing efficiency toward harnessing the creativity that only people can deliver, we will keep collaborating with customers to help them attain fulfillment through work.

Our second commitment is to the Spirit of Three Loves. These founding principles; “Love your neighbor, Love your country, Love your work” are in keeping with a central promise of the Sustainable Development Goals\* of the United Nations, that nobody should be left behind. We aim to address the seven material issues; transform work, improve the quality of life, decarbonize the economy, materialize a circular economy, engage with stakeholders, pursue open innovation, and promote diversity and inclusion (see pages 87 and 88).

\*Sustainable Development Goals

In September 2015, the United Nations Summit adopted 17 Sustainable Development Goals and 169 targets as part of a universal agenda to ensure that nobody is left behind in such the drive to free humanity from poverty and hunger and improve the human condition in areas as health, sanitation, economic development, and the environment by 2030.



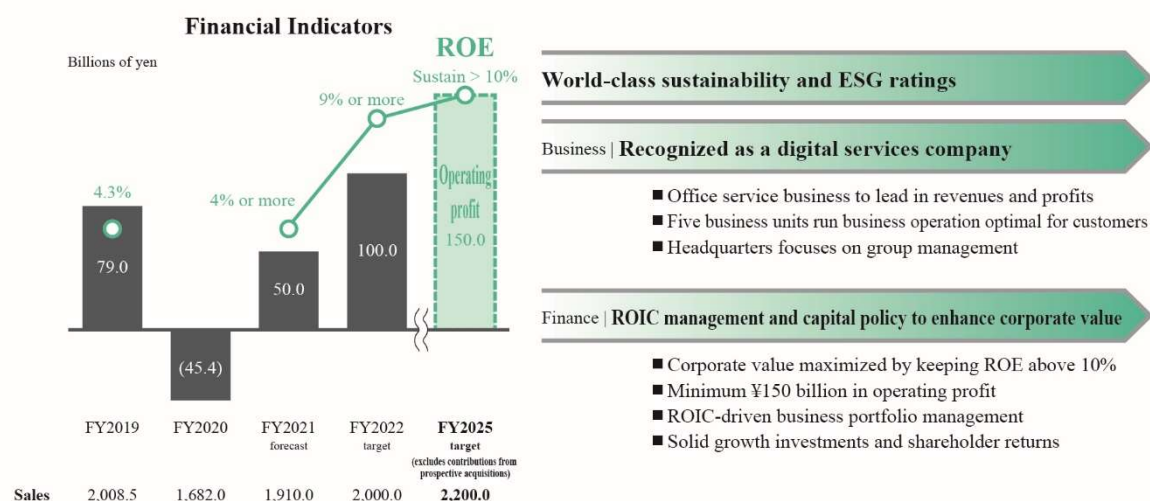
## Medium-Term Direction

We positioned fiscal 2020 as a year for overcoming challenges by tackling an emergency and gearing up for the future. In addition to the 20th Mid-Term Management Plan that covers two years from fiscal 2021, we set our direction through fiscal 2025 to show the longer term outlook.

Then we look to become a digital services company that connects workplaces and supports worker creativity. From a future financial (environmental, social, and governance (ESG)) perspective, we will undertake initiatives across the value chain to serve the growing ESG requirements of customers and investors in keeping with a commitment to maintaining a top worldwide reputation for sustainability and ESG. On the financial front, we look for the Office Services business to continue to grow and drive our overall performance, maintaining an operational structure that can deliver a return on equity that exceeds 9% by fiscal 2022, the final year of our 20th Mid-Term Management Plan, and surpasses 10% by fiscal 2025.

## Medium- to Long-term Target for 2025

Ideals: Be a digital service company that supports creativity of workers and connects their workplaces



## Future Financial (ESG) Perspectives

We have positioned ESG initiatives as essential for generating future finances. We are undertaking activities after setting future financial targets (ESG targets) linked to our seven material issues. We are setting companywide goals from the perspectives of digital transformation, decarbonizing the economy, addressing human rights issues, and other global perspectives. At the same time, we are improving our ability to implement management strategies and break them down for each business unit. We will endeavor to secure enough talented people to help become a digital services company, and will strive to improve the quality of related patents. We will contribute to economic decarbonization by accelerating the use of renewable energy in regions other than Europe and China, where we have already taken a lead, steadily reducing our greenhouse gas emissions based on our roadmap. We will collaborate with business partners to address human rights issues in keeping with a new policy that we introduced to drive progress in that regard.

## **Financial Perspectives**

We will reach our goals by (1) adopting a business unit structure, (2) managing our business portfolio, (3) strengthening our management underpinnings, and (4) reinforcing our capital policies.

### **(1) Adopting a Business Unit Structure**

The Ricoh Group has started a business unit structure in April 2021. Prime goals of this new setup are to streamline capital management by better overseeing our business portfolio while accelerating decision-making by delegating authority. We now have five business units and a Group headquarters.

The presidents of Ricoh Digital Services, Ricoh Digital Products, Ricoh Graphic Communications, Ricoh Industrial Solutions, and Ricoh Futures take responsibilities of the entire value chain of their business units. They pursue business growth and capital-efficient management by making swift decisions so we can expand digital services.

The Group Headquarters performs three roles to support Group growth. First, its global headquarters function is to formulate and foster management strategies and manage the business portfolio, overhauling businesses and allocating operating resources. Second, it serves as a platform for developing a digital infrastructure and researching advanced technologies. Third, it provides professional services support to business units.

### **(2) Managing Our Business Portfolio**

The rigorous portfolio management of the global headquarters will enable us to rely less on Office Printing and accelerate our transformation into a digital services company. Running each business to achieve growth potential and returns on invested capital should lead to optimal operational resource allocations based on rational assessments and decision-making.

In Office Services, we will invest and expand depending on the strategy in the regions. In Japan and Europe, for example, we will invest to broaden our capabilities, products, and services. In the United States, we will refrain from investing strategically during the 20th Mid-Term Management Plan, focusing instead on boosting value for existing managed service customers.

In Office Printing, we will pursue operational excellence to ensure profitability while selling to external companies.

In Commercial Printing, we will capitalize on rising demand for digital printing to grow by launching new products and expanding digital services.

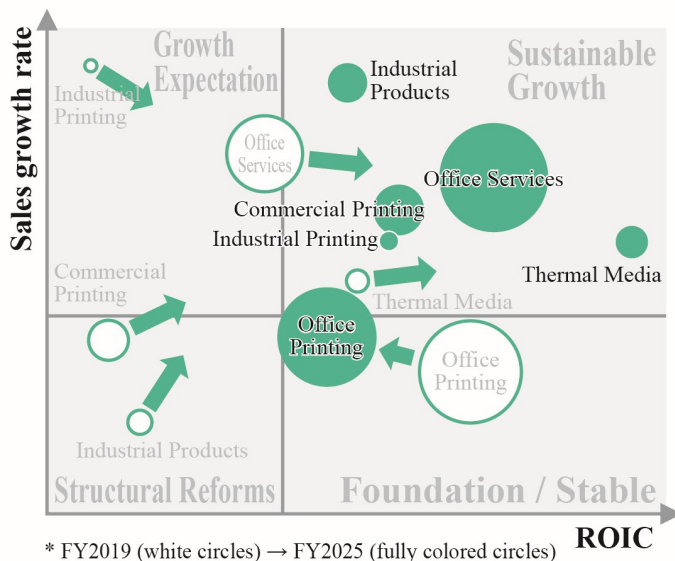
In Industrial Printing, we will focus investments on reinforcing our position in inkjet printheads, a Ricoh strength.

In the Thermal Media business, we will roll out products in new fields that fully harness laser technology to deliver growth and enhance capital efficiency.

In Industrial Products, we will invest in industrial machinery to drive growth.

## Business Portfolio Management for 2025

Manage the business portfolio on two axes of growth and capital efficiency. Optimize allocation of management resources.



\* FY2019 (white circles) → FY2025 (fully colored circles)

\* The size of circle indicates sales volume

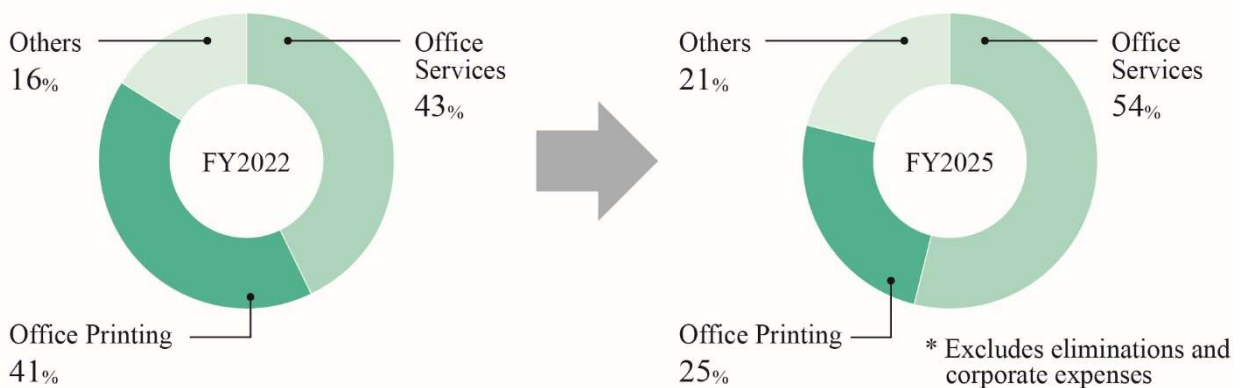
New segments for disclosure	Existing segments for disclosure
Digital Services	Office Services
Digital Products	Office Printing
Graphic Communications	Commercial Printing
	Industrial Printing
Industrial Solutions	Thermal Media
	Industrial Products

These efforts should enable Office Services, as a new core business for the Ricoh Group, to take the lead from the Office Printing business in terms of operating profit in fiscal 2022 and in sales in fiscal 2023. Office Services should account for the bulk of operating profit in fiscal 2025.

## Accelerate growth of Office Services

Office Services drive transformation into a digital services company

Operating profit composition by segment\*



### (3) Strengthening Our Management Underpinnings

We are paring headquarters functions while reinforcing our corporate culture, human resources, infrastructure, R&D, and other components of our business foundations to become a digital services company.

We embarked on an effort in fiscal 2017 to change the corporate culture and programs, and have thus steadily enhanced employee engagement. We plan further evaluation and personnel system reforms from fiscal 2021. As a digital services company, we are developing digital professionals who can assist customers.

In April 2021, we assessed the digital capabilities of 30,000 employees in Japan and began helping them cultivate their skills. The effort to become a digital services company will also entail overhauling many business systems, including for manufacturing, development, human resources, and accounting.

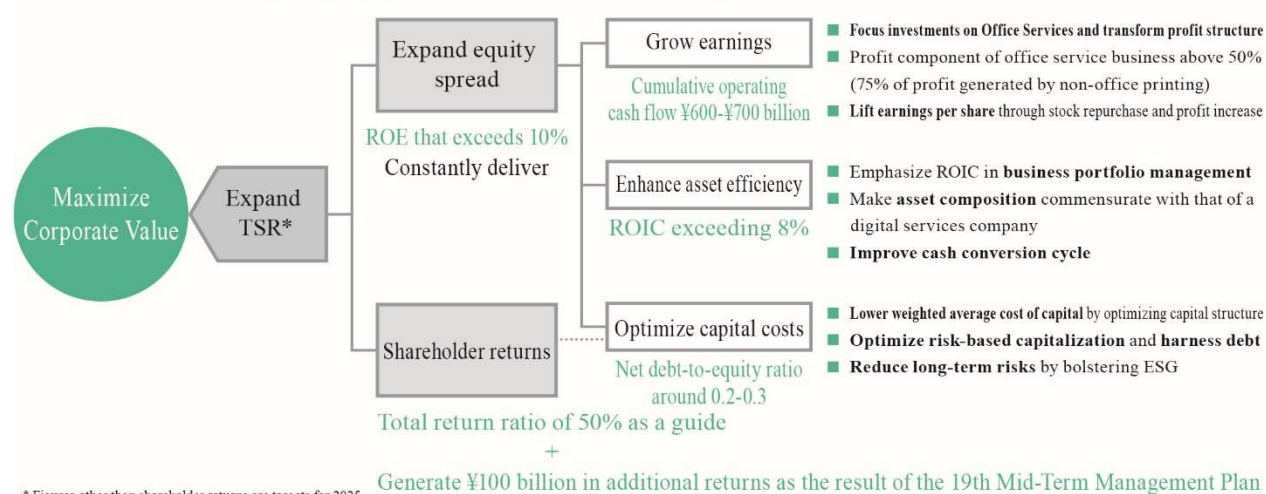
In R&D, we have turned our attention to two advanced areas. One is to pursue product development that connects fulfillment through work to data sets of the five basic senses of humans. The second is to use inkjet technology to create digital manufacturing processes.

#### (4) Reinforcing Our Capital Policies

We aim to maximize corporate and shareholder value while satisfying stakeholder expectations. We accordingly seek to realize returns that exceed capital costs.

### Toward FY2025: Maximize Corporate Value

Steadily deploy measures to enhance corporate and shareholder value



From a balance sheet management perspective, the equity ratio increased owing to the deconsolidation of Ricoh Leasing in April 2020. To become a digital services company, we will target an appropriate capital structure based on risk assessments and borrow to fund investments, carefully balancing debt and equity in our operations. We will use debt in such stable businesses as Office Printing while primarily allocating capital to growth businesses that pose relatively high risks.

We will thus systematically use operating cash flows from business investments to fund further growth and shareholder returns. We look to invest around ¥500 billion in growth areas in the drive to become a digital services company. We will also draw strategically on interest-bearing debt to fund investments.

#### Breakdown of ¥500 billion growth investment

M&A investment for growth	Approx. ¥300 billion	M&A in Office Services: Approx. ¥200 billion M&A in frontlines* arena: Approx. ¥100 billion
Strengthen management foundation	Approx. ¥100 billion	(Nurture and acquire digital experts / renewing enterprise system / internal digital revolution, etc.)
Investment for new business domains	Approx. ¥100 billion	(Develop cutting-edge technologies in focused areas, create new businesses to resolve social challenges)

\* Frontlines such as printing, manufacturing, logistics industries, which will be covered by Ricoh Graphic Communications and Ricoh Industrial Solutions.

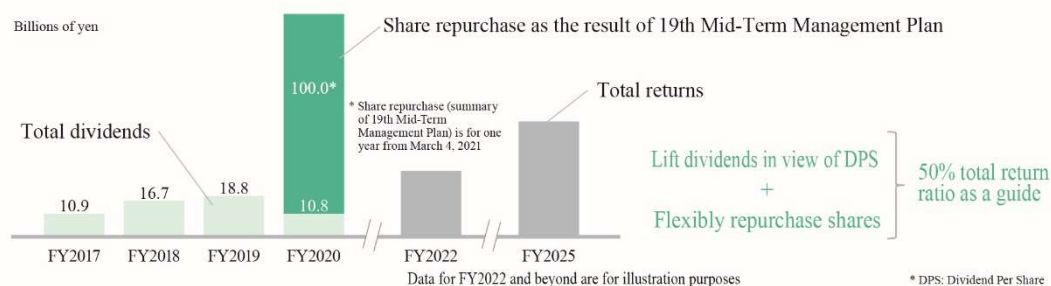
Our shareholder return policy is to attain a total return ratio of 50% as a guide by ensuring stable

dividends and by flexibly repurchasing shares. We look to steadily lift dividends per share in line with annual profit growth from the fiscal 2021 level. We will buy back shares within the total payout ratio scope, factoring in the business environment and progress with growth investments to lift earnings per share.

## Shareholder Returns Policy

Target total return ratio of 50% as a guide, ensuring stable dividends while flexibly repurchasing shares

Policy	: <u>Total return ratio of 50% as a guide</u>
Dividends	: Factor in dividends per share in <u>stabilizing and continuously increasing dividends</u>
Stock Repurchase	: Repurchase shares within scope of total return ratio, taking business climate and growth investment situation into account and <u>increase EPS</u>



## 20th Mid-Term Management Plan

The 20th Mid-Term Management Plan is a roadmap for achieving our vision through fiscal 2025. Under the two years of this plan, we aim to become a digital services company that is a work productivity innovator. We seek a return on equity of at least 9%. Financial targets to reach that goal include generating ¥100 billion in operating profit and sales of around ¥2 trillion.

It remains unclear when the COVID-19 pandemic will abate. It is against that backdrop that under our new business unit structure we will pursue growth in Office Services by distinguishing investments in high priority regions from those in other regions. In Office Printing, we will reinforce our business structure to overcome a print volume downturn through operational excellence. We aim to generate ¥100 billion in operating profit by steadily reinforcing our business foundations, primarily at Group headquarters.

For future financial goals (ESG targets), which are as important as financial benchmarks, we have set 17 goals for our seven material issues and will do our utmost to reach them.

## The 20th Mid-Term Management Plan Goals

Transform to a digital services company that innovates workplace productivity

**FY2022: ROE > 9%**

Driven by business growth and capital profitability improvements

### Financial targets for realizing the goal

Financial Indicators	FY2022 Targets
Operating profit / margin	¥100 billion / 5%
Sales	¥2,000 billion
ROIC	More than 6.5%
Office Services business operating profit*	8%

\* Based on the current segment





### Future financial targets (ESG)




Targets by stake holder (from 17 ESG targets)		FY2022 Targets
Customers	Top score rate in customer surveys	30% or more
Society	GHG scope1, 2 reduction rate (from FY2015)	30%
	GHG Scope 3 reduction rate (from FY2015)	20%
	Renewable energy utilization rate	30%
	Virgin material usage rate	<85%
Employees	Employee Engagement Score	50 percentile or more in each region
Partners	Evaluation scores given by each partner	Set by partners / region
Shareholders	ROE	9% or more

### Fiscal 2021 Outlook

We anticipate a rapid turnaround in fiscal 2021. We target sales of ¥1,910 billion, an operating profit of ¥50 billion yen, and a return on equity of at least 4%. We look for our Office Printing and Commercial Printing businesses to recover from the pandemic. We will reinforce our operations by optimizing our development, production, and services structures. We will expand decisively by reaching our 20th Mid-Term Management Plan targets and generate growth in digital services, particularly in Office Services. In addition, we will further strengthen our business structure by optimizing our development, production, and service systems.

## Seven Material Issues - Ricoh's Approach to Seven Material Issues and ESG Targets

Resolving social issues through business				
Materiality (Material issues)	2030 targets	Resolution of social issues and business strategies	ESG targets	
			KPIs	FY2022 Targets
<b>Creativity from Work</b> 	Contribute to "Creativity from Work" of all customers to whom we deliver value	<u>Social issues</u> For sustainable development, companies need to reform employees' work styles, boost productivity by using IT and increase employees' work satisfaction. <u>Business strategies</u> We will help customers achieve "Creativity from Work" by providing them with digital technologies and services. <u>Major business areas</u> • Office printing/Office services	Top score rate <sup>*1</sup> in customer surveys	30% or more
			Fulfilling value proposition for customers	20% <sup>*2</sup>
			Digital specialist development	IPA ITSS L3 <sup>*3</sup> 1.5 times
<b>QOL Enhancement</b> 	Contribute to the enhancement of social infrastructure for 30 million people	<u>Social issues</u> It is necessary to eliminate disparities in medical, educational and regional services between developed and developing countries and between urban and rural areas. <u>Business strategies</u> We will help improve medical, educational and regional services by utilizing the digital technologies and know-how that we have accumulated for office solutions. <u>Major business areas</u> • Healthcare • Smart social infrastructure <sup>*4</sup>	Number of people to whom we have contributed by improving social infrastructure	10 million people
<b>Zero-carbon Society</b> 	Reduce GHG emissions by 63% for scope 1 and 2, and 40% for scope 3  Switch to 50% renewable electricity	<u>Social issues</u> As the impact of climate change is becoming more severe, it is necessary to enhance and speed up countermeasures. <u>Business strategies</u> Upholding the Science Based Target (SBT) of "1.5°C," we will work to reduce GHG emissions substantially and supply products and solutions that contribute to the decarbonization of society as a whole <u>Major business areas</u> • Office printing/Office services • Environment	GHG scope1, 2 reduction rate (vs. FY2015)	30%
			GHG scope 3 reduction rate (vs FY2015)	20%
			Renewable energy utilization rate	30%
<b>Circular Economy</b> 	Ensure efficient use of resources throughout the entire value chain and achieve 60% or less of virgin material usage rate	<u>Social issues</u> For sustainable use of natural resources, it is necessary to foster the recycling of resources and reduce the use of new resources. <u>Business strategies</u> We will further enhance our 3Rs measures and reduce the use and foster the substitution of plastic materials and provide on-demand printing service, thereby helping customers make efficient use of resources. <u>Major business areas</u> • Office printing/Office services • Commercial printing/Industrial printing • Thermal media	Virgin material usage rate	85% or less

Robust management infrastructure			
Materiality (Material issues)	Demand from society and management strategies	ESG targets	
		KPIs	FY2022 Targets
<div>Stakeholder Engagement</div> 	<u>Demand from society</u> For the sustainable development of society, companies are required to enhance the sustainability of their entire global value chains. <u>Management strategies</u> We will strengthen collaboration with our business partners and build Win-Win-Win relationships between our company, business partners and society.	Production sites with RBA <sup>*5</sup> certified	6 sites
		Suppliers signing on RICOH Group Supplier Code of Conduct	100% signed
		International security standard	Bolstered security based on ISO/IEC <sup>*6</sup> NIST <sup>*7</sup>
		Evaluation scores given by each partner <sup>*8</sup> (suppliers, distributors/dealers, development partners)	
		Attain top levels for primary ESG external evaluations	DJSI, CDP <sup>*9</sup> etc.
		Selected in Digital Transformation stock (by Ministry of Economy, Trade and Industry)	Selected
<div>Open Innovation</div> 	<u>Demand from society</u> For sustainable development, innovation needs to be promoted across a range of industrial sectors. <u>Management strategies</u> We will attribute importance to open innovation with universities, research institutes, other companies and business partners, and foster collaboration with these partners to solve social issues through efficient research and technological development as well as to create new value.	Increase rate of patent ETR <sup>*10</sup> score (vs FY2020)	20%
<div>Diversity and Inclusion</div> 	<u>Demand from society</u> For sustainable development and innovation, it is necessary to promote decent work, which gives satisfaction and is humane, and respect diversity in society. <u>Management strategies</u> We will respect the diversity of employees, upholding the empowerment of self-motivated employees in our management policy and strive to create workplaces where employees can work with vigor.	Ricoh Family Group engagement score	50 percentile or more in each region
		Female-held managerial position rate	Global: 16.5% or more (Japan: 7.0% or more)

\*1 Top score ratio: Highest score selecting ratio

\*2 Scrum-package customers ratio

\*3 IPA: Information-technology Promotion Agency. ITSS: IT Skill Standard set by IPA (level 0-6)\*4 Smart social infrastructure: Social infrastructure-related business by digital technology.

\*5 RBA: Responsible Business Alliance

\*6 ISO/IEC: International Organization of Standardization/International Electrotechnical Commission

\*7 NIST: National Institute of Standards and Technology

\*8 Evaluation score: Evaluation results from each partner for Ricoh.

\*9 CDP: Evaluation by an international NGO working in climate change and other environmental issues.

\*10 ETR (External Technology Relevance): Score indicating the number of patents cited by other companies.

**Reference Actions on Climate Change: Disclosure Based on the TCFD (Task Force on Climate-related Financial Disclosures) Framework**

Climate change poses one of the most pressing challenges to global society.

In order to support the Paris Agreement, the Ricoh Group has set long-term environmental goals to achieve practically zero GHG<sup>\*1</sup> emissions across the entire value chain by 2050. We have also set a high level GHG emission reduction target of 63% reduction in 2030 (compared to 2015 levels), which has been validated by SBTi<sup>\*2</sup> an international climate change initiative, as a 1.5°C level.

To achieve this target, Ricoh has established a GHG reduction roadmap for 2030 and is promoting thorough energy-saving activities and active use of renewable energy sources. Therefore, we participated in the international initiative RE100 aiming for 100% conversion to renewable energy as Japan's first member company.

Since actions on climate change is one of the important management issue, from 2020, we have positioned GHG emission reduction targets as one of the ESG Targets based on our management strategy, and we are promoting an effective climate change initiative by linking it to the remuneration of officers and senior management.

Under the supervision of the ESG Committee, chaired by our CEO, we have identified the risks and opportunities related to climate change and are working to mitigate and adapt to climate change. In particular, we will strive to reduce risk by formulating and implementing a risk management plan and a business continuity plan (BCP) in response to natural disasters, which are becoming more and more severe. In addition, we will contribute to the creation of a decarbonized society throughout the entire value chain by improving the energy efficiency of our products and collaborating with our business partners and customers.

\*1 GHG: Greenhouse Gas

\*2 SBTi: Science Based Targets initiatives

International initiatives to certify that GHG reduction targets of a company are consistent with scientific evidence

**<Governance - the organization's governance around climate-related risks and opportunities ->**

Action	<ul style="list-style-type: none"> <li>- The CEO-chaired ESG Committee established to ensure management-level supervision for climate change-related activities</li> <li>- The ESG Committee discusses proposals for decarbonization roadmaps, confirms progress toward environmental goals, and decides on investments in decarbonization-related projects</li> <li>- The Group's climate change action plans approved by the ESG Committee and implemented under the leadership of the Sustainability Management Division</li> </ul>
Progress in FY2020	<ul style="list-style-type: none"> <li>- Deliberation and decision on climate change-related matters by the ESG Committee (held four times) [see page 52] <ul style="list-style-type: none"> <li>- Climate change risks and opportunities in line with TCFD</li> <li>- Progress on decarbonization activities</li> <li>- Enhancement of renewable energy measures to accelerate decarbonization activities</li> </ul> </li> <li>- Introduction of an ESG-linked executive remuneration system that varies depending on the degree of achievement of the "GHG reduction target" for executives and the management.</li> </ul>

<Strategy - the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning ->

Action	<ul style="list-style-type: none"> <li>- Contribution to SDGs given priority in formulating a Mid-Term Management Plan</li> <li>- "Zero-carbon Society" included in material issues</li> <li>- Risks and opportunities identified through scenario analysis and confirmed by ESG Committee</li> </ul>
Progress in FY2020	<ul style="list-style-type: none"> <li>- Conducted a cross-sectoral workshop to consider risks and countermeasures related to natural disasters</li> <li>- Progress in activities for decarbonization and customer appeal</li> <li>- Concluded an agreement of "Sustainability Linked Loans" with MUFG Bank, Ltd. to promote decarbonization activities</li> </ul>

Scenario analysis: <https://www.rioh.com/sustainability/environment/management/tcfd/scenario>

<Risk Management - how the organization identifies, assesses, and manages climate-related risks ->

Action	The Risk Management Committee established to manage major focus managerial risks, which are risks that can significantly affect business performance categorized into two groups: strategic risks and operational risks
Progress in FY2020	<ul style="list-style-type: none"> <li>- Documentation of initial response, reporting procedure, establishment and roles of each response division in the event of an emergency</li> <li>- Implementation of regular facilities inspections and disaster prevention training, etc.</li> <li>- Preparation of a BCP (business continuity plan) for each region and business, etc.</li> <li>- Flooding risk investigation for 19 key domestic sites</li> </ul>

Reference: Risk Management System and Risk Management Committee (see pages 44 to 51)

Identified climate change risks and actions against them

Impact on Ricoh's business		Financial impact	Urgency	Ricoh's action
Carbon taxes and emissions trading systems applied to suppliers	<ul style="list-style-type: none"> <li>- Carbon pricing (carbon tax/emissions trading) will be applied mainly to material suppliers with high GHG emissions, and the price will be passed on to raw materials, and procurement costs will increase.</li> </ul>	Medium	Low	<ul style="list-style-type: none"> <li>- Reducing new resource inputs by utilization of recycled materials</li> <li>- Actively supporting suppliers' decarbonization activities</li> </ul>
Response to accelerated transition to decarbonized society by consumers and investors	<ul style="list-style-type: none"> <li>- Due to demand for achieving ahead of schedule the target of 1.5°C and achieving RE100, additional costs for implementing measures such as energy saving/renewable energy facility investment and switching to renewable energy are incurred.</li> </ul>	Small	Medium	<ul style="list-style-type: none"> <li>- Active promotion of energy-savings and renewable energy initiatives</li> <li>- Financing by sustainability linked loans</li> </ul>
Rapid increase of natural disasters	<ul style="list-style-type: none"> <li>- Due to climate change, extreme weather has become more severe, causing production stops and sales opportunity losses due to disruption of the supply chain, etc.</li> </ul>	Medium	High	<ul style="list-style-type: none"> <li>- Disaster countermeasures at production sites</li> <li>- Formulation of business continuity plans for procurement/distribution systems</li> </ul>
Regional epidemics of infectious diseases	<ul style="list-style-type: none"> <li>- Impact on production plans due to parts supply disruption</li> <li>- Insufficient inventory due to lower operating rates at production sites</li> <li>- Decrease in sales opportunities due to difficulty of face-to-face business</li> </ul>	Medium	Low	<ul style="list-style-type: none"> <li>- IT-based operation and negotiation</li> <li>- Decentralization of production bases/Automation of processes</li> <li>- Additional stock of parts and products</li> </ul>
Declining forest resources	<ul style="list-style-type: none"> <li>- Forest damage such as caused by forest fires and increase of pests due to global warming results in deterioration of stable supply of paper raw materials and leads to a rise in paper procurement costs.</li> </ul>	Small	Low	<ul style="list-style-type: none"> <li>- Using certified paper based on managed forest materials</li> <li>- Reducing base paper usage by silicone-top linerless labels and rewritable paper</li> </ul>

## Opportunities for climate change

For Ricoh, which has practiced environmental management for many years, we recognize that climate change leads not only to business risks, but also to opportunities to increase corporate value as well as the product and service values we provide. These opportunities are providing products and solutions that support customers' decarbonization and creating new businesses. At this point, they have already grown into businesses worth ¥1 trillion. We will continue to provide services and solutions that contribute to solving social and customer issues.

Effect on Ricoh Group	Financial impact in FY2019
Expanding sales of services and solutions to support customers' decarbonization efforts (Mitigation)	Sales of products contributing to society's decarbonization: approx. ¥1,100 billion Sales of major business deal with ESG aspects: approx. ¥12 billion
Expanding sales of solutions for infections (new normal) (Adaptation)	Sales of solution packages for infectious disease reduction and decarbonization: approx. ¥30 billion
Expanding environment and energy businesses (energy creation / storage / conservation)	Sales in the products and parts recycling business: approx. ¥36 billion Sales in energy creation and energy saving businesses: approx. ¥30 billion
Creating and developing new businesses - Development and sales of alternative plastic materials - Development and sales of dye-sensitized solar cells etc.	<Future prospect> Through our environmental energy business, we will provide the services and solutions that help solve the problems faced by society and our customers

<Metrics and Targets -the metrics and targets used to assess and manage relevant climate-related risks and opportunities->

Action	<ul style="list-style-type: none"> <li>- Set Medium - to long-term environmental goals</li> <li>- Join the RE100 initiative; set targets for introducing renewable energy</li> </ul>
Progress in FY2020	<ul style="list-style-type: none"> <li>- Set the new mid - to long-term Environmental Goals approved to align with the SBT 1.5-degree criteria</li> <li>- Set and disclosed GHG emission reduction targets for 2022 as ESG targets in line with management strategy (Reference: Results in FY2019) *Results in FY2020 to be disclosed in the end of June</li> <li>- Direct emissions (GHG Scope 1) and Indirect emissions (GHG Scope 2): 338 thousand tons (9.8% reduction from FY2018, 23.4% reduction from FY2015)</li> <li>- Emissions in supply chain (GHG Scope 3): 1,463 thousand tons (9.9% reduction from FY2018, 18.4% reduction from FY2015)</li> <li>- Renewable electricity: 12.9% (3.5 point increase from FY2018)</li> </ul>

Environmental goals: <https://www.ricoh.com/sustainability/environment/strategy/target/>

#### **(4) Status of plant and equipment investment and fund procurement**

##### **(i) Plant and equipment investment**

In the fiscal period under review, the Ricoh Group invested a total of ¥42.1 billion (including investments of ¥11.9 billion by the Company) in plant and equipment, mainly comprising the following.

(a) Major equipment and facility expansions completed during the fiscal year:

New production plant for office printing equipment (Dongguan, Guangdong Province, China)

(b) Major equipment and facility expansions in progress in the fiscal year:

Production facility for equipment-related supplies (Numazu Plant)

##### **(ii) R&D activities**

The Ricoh Group is committed to providing excellence to improve the quality of living and to drive sustainability as our basic management philosophy.

In its R&D activities, the Company focused on transforming from an office appliance manufacturer into a digital services company as part of its efforts to accelerate transformation with an eye on post-COVID-19 economy.

With the adoption of IFRSs, part of the development costs incurred by the Company have been capitalized and reported as intangible assets. Consolidated R&D expenditures were ¥90.3 billion, including the development costs which were treated as intangible assets (¥11.1 billion).

##### **(iii) Fund procurement**

None applicable.

## (5) Major subsidiaries

### ■ Major subsidiaries (as of March 31, 2021)

Name	Paid-in capital	Investment ratio (%)	Principle business
RICOH INDUSTRY CO., LTD.	100 million JPY	100.0	Production of digital service devices
RICOH JAPAN CORPORATION	2,517 million JPY	100.0	Provision of digital services combining devices, applications and maintenance
RICOH USA INC. (Note)	885 million USD	100.0	Provision of digital services combining devices, applications and maintenance
RICOH EUROPE HOLDINGS PLC	1.9 million GBP	100.0	Holding company of sales in the European region
RICOH ASIA PACIFIC PTE LTD.	31 million SGD	100.0	Holding company of sales in the Asia Pacific region
RICOH ASIA INDUSTRY LTD.	180 million HKD	100.0	Provision of digital service devices for sales bases
RICOH MANUFACTURING (CHINA) LTD. (Note)	31 million USD	100.0	Production of digital service devices

Note: The percentage of total investment ratio for RICOH USA INC., RICOH MANUFACTURING (CHINA) LTD. include voting rights of those shares held by subsidiaries.

## (6) Principal offices and plants (as of March 31, 2021)

### ■ Major domestic offices and plants

The Company (location)	Subsidiaries (location)
Headquarters (Tokyo)	RICOH INDUSTRIAL SOLUTIONS INC. (Kanagawa Pref.)
Shin-Yokohama Office (Kanagawa Pref.)	RICOH INDUSTRY CO., LTD. (Kanagawa Pref.)
Ricoh Technology Center (Kanagawa Pref.)	RICOH ELEMEX CORPORATION (Aichi Pref.)
Yokohama Nakamachidai Office (Kanagawa Pref.)	RICOH JAPAN CORPORATION (Tokyo)
Atsugi Plant (Kanagawa Pref.)	
Numazu Plant (Shizuoka Pref.)	
Fukui Plant (Fukui Pref.)	

### ■ Major overseas offices and plants

Subsidiaries (location)	Subsidiaries (location)
RICOH ELECTRONICS, INC. (U.S.A.)	RICOH MANUFACTURING (CHINA) LTD. (China)
RICOH USA INC. (U.S.A.)	SHANGHAI RICOH DIGITAL EQUIPMENT CO., LTD. (China)
RICOH INDUSTRIE FRANCE S.A.S. (France)	RICOH ASIA PACIFIC PTE LTD. (Singapore)
RICOH EUROPE HOLDINGS PLC (U.K.)	RICOH MANUFACTURING (THAILAND) LTD. (Thailand)
RICOH UK PRODUCTS LTD. (U.K.)	

## (7) Status of employees (as of March 31, 2021)

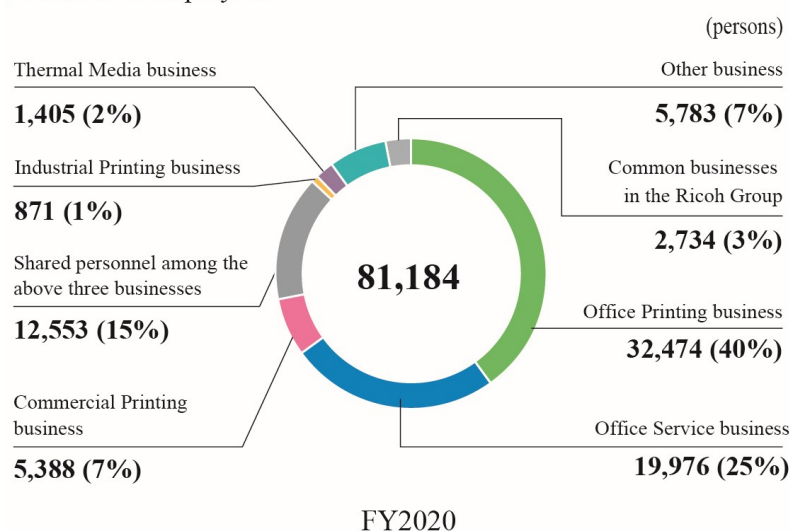
### (i) Employees of the Ricoh Group

Categories	Number of employees
Office Printing business	32,474
Office Services business	19,976
Commercial Printing business	5,388
Shared personnel among the above three businesses	12,553
Industrial Printing business	871
Thermal Media business	1,405
Other business	5,783
Common businesses in the Ricoh Group	2,734
Total	81,184
YoY change	8,957 (decrease)

### (ii) Employees of the Company

Categories	
Number of employees	8,022
Change from the end of the previous fiscal year	194 (decrease)
Average age	45.2
Average length of service	20.0 years

### Number of employees



## (8) Main creditors (as of March 31, 2021)

Creditors	Amounts borrowed (millions of yen)
MUFG Bank, Ltd.	46,651
Syndicated loans	40,000
Mizuho Bank, Ltd.	32,980

Note: Syndicated loans are cofinanced by MUFG Bank, Ltd.

## 2. Shareholders' Equity (as of March 31, 2021)

(1) Total number of shares authorized to be issued: 1,500,000,000

(2) Total number of shares issued: 744,912,078

(3) Number of shareholders: 58,699

### (4) Major shareholders:

Name	The shareholders' stake in the Company	
	Thousands of shares	Percentage of ownership (%)
The Masters Trust Bank of Japan, Ltd. (Trust Account)	72,811	10.13
GOLDMAN SACHS INTERNATIONAL	56,572	7.87
Custody Bank of Japan, Ltd. (Trust Account)	44,316	6.17
Nippon Life Insurance Company	29,441	4.10
Shinsei Trust & Banking Co., Ltd. ECM MF Trust Account 8299004	21,000	2.92
ECM MF	18,999	2.64
Ichimura Foundation for New Technology	15,839	2.20
J.P. MORGAN SECURITIES PLC FOR AND ON BEHALF OF ITS CLIENTS JPMSP RE CLI	15,032	2.09
MLI FOR CLIENT GENERAL OMNI NON COLLATERAL NON TREATY-PB	13,984	1.95
Barclays Securities Japan Limited	12,853	1.79

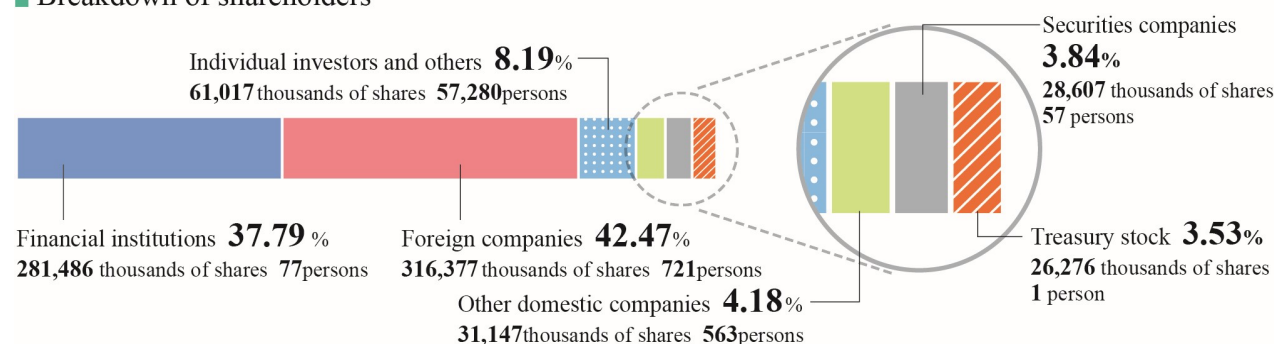
Notes:

- The number of treasury stocks (26,276 thousand shares) is not included in the chart above. Treasury stocks do not include shares of the Company (415 thousand shares) held by the Board Incentive Plan trust in which beneficiaries include Directors and Executive Officers.
- The percentage of ownership is calculated after deducting treasury stock.

### (5) Other important matters related to shares:

Based on the resolution of the Board of Directors meeting held on March 3, 2021, the Company acquired 6,213,000 shares of treasury stock during the fiscal year under review.

#### ■ Breakdown of shareholders



### Policy Regarding Cross-Shareholdings

From the viewpoint of streamlining and strengthening of business alliance and development of collaborative businesses, the Company shall be able to hold shares of the relating partners only when such holding of shares is deemed necessary and effective for the future development of Ricoh Group, while taking into consideration of the returns such as dividends.

Specifically, the Board of Directors will verify each issue whether the benefits and risks of the holding are worth the capital cost, and if the holding loses significance in the medium- to long-term, they will be reduced accordingly.

### Exercise Criteria for Voting Rights to Cross-Shareholdings

The Company will exercise voting rights attached to cross-shareholdings upon examining each agenda whether it enhances the corporate value of the investee in the medium- to long-term, or whether it impairs shareholder value, and determining approval or disapproval.

### 3. Status of Corporate Officers

#### (1) Directors and Audit & Supervisory Board Members (as of March 31, 2021)

Position	Name	Principal duty and significant concurrent positions	
		(as of March 31, 2021)	(Reference: as of April 1, 2021)
Representative Director	Yoshinori Yamashita	CEO (Chief Executive Officer)	(Same as on the left)
Director	Nobuo Inaba	Chairperson of the Board	(Same as on the left)
Director	Hidetaka Matsuiishi	CFO (Chief Financial Officer) General Manager of Business Planning Division	CFO (Chief Financial Officer) General Manager of Corporate Planning Division
Director	Seiji Sakata	CTO (Chief Technology Officer)	CTO (Chief Technology Officer) General Manager of Advanced Technology R&D Division
Director	Masami Iijima	Chairperson of Nomination Committee MITSUI & CO., LTD. (Representative Director, Chairperson of the Board of Directors) SoftBank Group Corp. (Outside Director) The Bank of Japan (Counsellor) Isetan Mitsukoshi Holdings Ltd. (Outside Director)	Chairperson of Nomination Committee MITSUI & CO., LTD. (Director) SoftBank Group Corp. (Outside Director) The Bank of Japan (Counsellor) Isetan Mitsukoshi Holdings Ltd. (Outside Director)
Director	Mutsuko Hatano	Chairperson of Compensation Committee Department of Electrical and Electronic Engineering, School of Engineering, National University Corporation Tokyo Institute of Technology (Professor)	(Same as on the left)
Director	Kazuhiro Mori	Toyo University (Trustee)	(Same as on the left)
Director	Keisuke Yokoo	The Dai-ichi Life Insurance Company, Limited (Outside Director) Sonar Advisers Inc. (Chairperson) Japan Investment Corporation (President, Member of the Board & Chief Executive Officer) Takashimaya Company, Limited (Outside Director)	(Same as on the left)

Position	Name	Principal duty and significant concurrent positions	
		(as of March 31, 2021)	(Reference: as of April 1, 2021)
Audit & Supervisory Board Member	Hiroshi Osawa	(Full-time)	(Same as on the left)
Audit & Supervisory Board Member	Kazuhiro Tsuji	(Full-time)	(Same as on the left)
Audit & Supervisory Board Member	Yo Ota	Nishimura & Asahi (Partner) Denki Kogyo Company, Limited (Outside Director) Nippon Kayaku Co., Ltd. (Outside Director) Japan Association of Corporate Directors (Director) Japan Association of Corporate Directors (Corporate Governance Committee) (Vice Chairperson) LOTTE Foundation (Councilor)	(Same as on the left)
Audit & Supervisory Board Member	Shoji Kobayashi	Contract Monitoring Committee, National Institute of Technology and Evaluation (Member of Contract Monitoring Committee) SAIWAI TRADING CO., LTD. (Director in charge of Control Group [Part-time])	(Same as on the left)
Audit & Supervisory Board Member	Yasunobu Furukawa	Keisei Electric Railway Co., Ltd. (External Director) Saitama Resona Bank, Limited (Outside Director (Audit & Supervisory Committee Member))	(Same as on the left)

Notes:

1. Directors Masami Iijima, Mutsuko Hatano, Kazuhiro Mori and Keisuke Yokoo are Outside Directors stipulated in Article 2, Item 15 of the Companies Act.
2. Audit & Supervisory Board Members Yo Ota, Shoji Kobayashi and Yasunobu Furukawa are Outside Audit & Supervisory Board Members stipulated in Article 2, Item 16 of the Companies Act.
3. Directors Masami Iijima, Mutsuko Hatano, Kazuhiro Mori and Keisuke Yokoo, Audit & Supervisory Board Members Yo Ota, Shoji Kobayashi and Yasunobu Furukawa are Independent Directors / Audit & Supervisory Board Members stipulated in Rule 436-2 of the Securities Listing Regulations of the Tokyo Stock Exchange.
4. Audit & Supervisory Board Member Hiroshi Osawa has abundant experience in the Company's accounting and finance divisions as well as in management administration of overseas subsidiaries. He has considerable insight into finance and accounting.
5. Audit & Supervisory Board Member Yasunobu Furukawa has served as a certified public accountant and as an engagement partner at Ernst & Young ShinNihon LLC for audits of global corporations with operations overseas, and has considerable insight into finance and accounting.

## (2) Total compensation, etc. paid to Directors and Audit & Supervisory Board Members

Class	Number of recipients	Total compensation, etc. (millions of yen)	Total amount by type of compensation, etc. (millions of yen)			
			Basic compensation	Bonuses	Compensation for acquiring stock	Stock-based compensation with stock price conditions
Directors [Outside Directors]	9 [5]	275 [59]	253 [59]	- [-]	9 [-]	11 [-]
Audit & Supervisory Board Members [Outside Audit & Supervisory Board Members]	8 [5]	91 [34]	91 [34]	-	-	-
Total	17 [10]	366 [93]	345 [93]	- [-]	9 [-]	11 [-]

Notes:

- The figures include compensation paid to one Director and three Audit & Supervisory Board Members who retired at the conclusion of the 120th Ordinary General Meeting of Shareholders held on June 26, 2020.
- The compensation, etc. paid to Directors excludes employee wages for Directors who are also employees.
- The total for stock-based compensation with stock price conditions is the amount recorded as expenses during this fiscal year.

Please refer to pages 57 to 61 for “Matters Concerning Compensation for Directors and Audit & Supervisory Board Members, etc.”

## (3) Outside Directors and Audit & Supervisory Board Members

### (i) Significant concurrent jobs Outside Directors and Audit & Supervisory Board Members are engaged in at other companies, and the relationship between the Company and those other companies

Position	Name	Significant concurrent positions and relationship with the Company
Outside Director	Masami Iijima	<p>MITSUI &amp; CO., LTD. (Director)  SoftBank Group Corp. (Outside Director)  The Bank of Japan (Counsellor)  Isetan Mitsukoshi Holdings Ltd. (Outside Director)</p> <p>The Company has business relations with MITSUI &amp; CO., LTD., SoftBank Group Corp. and Isetan Mitsukoshi Holdings Ltd., such as product sales, with the relevant transactional amounts totaling less than 1% of the consolidated net sales of the Company and the relevant companies, respectively, which is considered extremely insignificant.</p>
Outside Director	Mutsuko Hatano	<p>Department of Electrical and Electronic Engineering, School of Engineering, School of Engineering, National University Corporation Tokyo Institute of Technology (Professor)</p> <p>The Company has business relations with Tokyo Institute of Technology, primarily relating to the consignment of research and development, with the relevant transactional amounts totaling less than 1% of the consolidated net sales of the Company and Tokyo Institute of Technology, which is considered extremely insignificant.</p>
Outside Director	Kazuhiro Mori	<p>Toyo University (Trustee)</p> <p>The Company has business relations with Toyo University, such as product sales, with the relevant transactional amounts totaling less than 1% of the annual income of the Company and Toyo University, which is considered extremely insignificant.</p>
Outside Director	Keisuke Yokoo	<p>The Dai-ichi Life Insurance Company, Limited (Outside Director)  Sonar Advisers Inc. (Chairperson)  Japan Investment Corporation (President, Member of the Board &amp; Chief Executive Officer)  Takashimaya Company, Limited (Outside Director)</p> <p>The Company has business relations with The Dai-ichi Life Insurance Company, Limited and Takashimaya Company, Limited, such as product sales, with the relevant transactional amounts totaling less than 1% of the consolidated net sales of the Company and the respective companies, which is considered extremely insignificant.</p>

Position	Name	Significant concurrent positions and relationship with the Company
Outside Audit & Supervisory Board Member	Yo Ota	<p>Nishimura &amp; Asahi (Partner)  Denki Kogyo Company, Limited (Outside Director)  Nippon Kayaku Co., Ltd. (Outside Director)  Japan Association of Corporate Directors (Director)  Japan Association of Corporate Directors (Corporate Governance Committee) (Vice Chairperson)  LOTTE Foundation (Councilor)</p>
		<p>Nishimura &amp; Asahi is one of the law offices to which the Company requests legal services, as appropriate, on a case by case basis. The Company has relations with this law office, such as the referral of legal matters, with the relevant transactional amounts totaling less than 1% of the consolidated net sales of the Company and the annual transactions of the said law office, which is considered extremely insignificant.</p> <p>The Company has business relations with Nippon Kayaku Co., Ltd., such as product sales, with the relevant transactional amounts totaling less than 1% of the consolidated net sales of the Company and Nippon Kayaku Co., Ltd., respectively, which is considered extremely insignificant.</p> <p>The Company pays membership dues, etc. to the Japan Association of Corporate Directors, with the said amounts for this fiscal year totaling less than 1% of the consolidated net sales of the Company and of the annual revenue on activities of the association, which is considered extremely insignificant.</p>
Outside Audit & Supervisory Board Member	Shoji Kobayashi	<p>Contract Monitoring Committee, National Institute of Technology and Evaluation (Member of Contract Monitoring Committee)  SAIWAI TRADING CO., LTD. (Director in charge of Control Group [Part-time])</p>
		<p>The Company has business relations with SAIWAI TRADING CO., LTD., such as product sales, with the relevant transactional amounts totaling less than 1% of the consolidated net sales of the Company and SAIWAI TRADING CO., LTD., which is considered extremely insignificant.</p>
Outside Audit & Supervisory Board Member	Yasunobu Furukawa	<p>Keisei Electric Railway Co., Ltd. (External Director)  Saitama Resona Bank, Limited (Outside Director (Audit &amp; Supervisory Committee Member))</p>
		<p>The Company has business relations with Keisei Electric Railway Co., Ltd., such as product sales, with the relevant transactional amounts totaling less than 1% of the consolidated net sales of the Company and Keisei Electric Railway Co., Ltd., which is considered extremely insignificant.</p> <p>The Company has business relations with Saitama Resona Bank, Limited, such as product sales, with the relevant transactional amounts totaling less than 1% of the consolidated net sales of the Company and Saitama Resona Bank, Limited, which is considered extremely insignificant.</p>

## (ii) Major activities by Outside Directors and Audit & Supervisory Board Members

Position	Name	Main activities/ Outline of duties performed in relation to the roles expected of Outside Directors
Outside Director	Masami Iijima	<p>Mr. Masami Iijima used his broad-ranging experience, knowledge and insight as a management executive of MITSUI &amp; CO., LTD., which operates business globally, to provide valuable advice and recommendations for making appropriate management decisions and providing management oversight. In addition, as Chairperson of the Nomination Committee, he has also contributed to strengthening the supervisory function of the committee by leading objective discussions from an independent standpoint, based on his deep knowledge of and insight into corporate governance. As a member of the Compensation Committee, he has engaged in discussions aimed at ensuring objectivity and transparency in the process of determining executive compensation.</p> <p>In FY2020, amid the unprecedentedly harsh management environment caused by the COVID-19 pandemic, in relation to global risk management in light of drastic changes in the global situation and local characteristics, establishment of governance, organizational restructuring, and personnel strategy for the transition to a business unit structure, support for capital policy and digital transformation, formulation of the 20th Mid-Term Management Plan, etc., he provided advice and recommendations from multiple perspectives based on his extensive experience, knowledge, and insight as a management executive, and made significant contributions to initiatives aimed at increasing the Company's corporate value by tackling the emergency and accelerating change. He also attended management meetings as an observer and actively participated in other events related to the Company's execution.</p> <p>Attendance rate during the fiscal year under review:  Board of Directors meetings: 100% (12 out of 12)  Nomination Committee meetings: 100% (6 out of 6)  Compensation Committee meetings: 100% (5 out of 5)</p>
Outside Director	Mutsuko Hatano	<p>Ms. Mutsuko Hatano used her extensive experience as a researcher at Hitachi, Ltd., and a professor of the Department of Electrical and Electronic Engineering at the Department of Electrical and Electronic Engineering, School of Engineering, Tokyo Institute of Technology to provide valuable advice and recommendations for making appropriate management decisions and providing management oversight. In addition, as Chairperson of the Compensation Committee, she has contributed to strengthening the supervisory function of the committee by leading objective discussions from an independent standpoint that differs from those of corporate executives, and has contributed to ensuring the transparency in the process of determining executive compensation.</p> <p>In FY2020, amid the unprecedentedly harsh management environment caused by the COVID-19 pandemic, she provided useful advice and recommendations on reforms toward a digital services company and the formulation of the 20th Mid-Term Management Plan based on her deep knowledge and insight into science and technology as well as human resource development. Specifically, on technology and intellectual property strategies, she provided advice and recommendations from an expert perspective, and on human resource strategies, from the perspective of developing and securing advanced professional human resources as well as diversity, thereby making significant contributions to the Company's initiatives to enhance its corporate value by tackling the emergency and accelerating change, as well as the formulation of the 20th Mid-Term Management Plan. She also participated in the Company's technology management advisory committee meetings, attended management meetings as an observer, and actively participated in other events related to the Company's execution.</p> <p>Attendance rate during the fiscal year under review:  Board of Directors meetings: 100% (12 out of 12)  Compensation Committee meetings: 100% (5 out of 5)</p>
Outside Director	Kazuhiro Mori	<p>Mr. Kazuhiro Mori used his broad-ranging experience as a management executive of the Hitachi Group, his knowledge and insights, and his sophisticated judgment and leadership in management to provide valuable advice and recommendations for making appropriate management decisions and providing management oversight. Furthermore, as a member of the Nomination Committee and the Compensation Committee, he has actively engaged in discussions from an independent perspective, based on his experience as a top corporate executive, contributed to strengthening the supervisory function, and ensuring objectivity and transparency in the processes of nomination and determining compensation.</p> <p>In FY2020, amid the unprecedentedly harsh management environment caused by the COVID-19 pandemic, he provided advice and recommendations from multiple perspectives on matters such as initiatives for becoming a digital services company, strengthening business profitability and improving return on capital, ESG efforts, technology and intellectual property strategies, human resources strategies, and the formulation of the 20th Mid-Term Management Plan by exercising his advanced judgment and leadership in management based on his extensive experience, thereby making significant contributions to the Company's initiatives to enhance its corporate value by tackling the emergency and accelerating change. He also attended management meetings as an observer and actively participated in other events related to the Company's execution.</p> <p>Attendance rate during the fiscal year under review:  Board of Directors meetings: 100% (12 out of 12)  Nomination Committee meetings: 100% (6 out of 6)  Compensation Committee meetings: 100% (5 out of 5)</p>

Position	Name	Main activities/ Outline of duties performed in relation to the roles expected of Outside Directors
Outside Director	Keisuke Yokoo	<p>Mr. Keisuke Yokoo used his extensive experience over many years in finance and capital markets together with his broad-ranging knowledge and insights regarding finance to provide valuable advice and recommendations as well as made appropriate management decisions and provided management oversight from an investor and shareholder perspective. Furthermore, as a member of the Nomination Committee and the Compensation Committee, he has actively engaged in discussions from an independent perspective based on his experience as a top corporate executive, contributed to strengthening the supervisory functions and ensuring objectivity and transparency in the processes of nomination and determining compensation. In FY2020, amid the unprecedentedly harsh management environment caused by the COVID-19 pandemic, he provided advice and recommendations from an investor and shareholder perspective backed by his expertise in financial and capital markets, on matters such as corporate finance, communication with capital markets, capital policies, initiatives for becoming a digital services company, improving return on capital, and the formulation of the 20th Mid-Term Management Plan based on his extensive experience, thereby making significant contributions to the Company's initiatives to enhance its corporate value by tackling the emergency and accelerating change. He also attended management meetings as an observer and actively participated in other events related to the Company's execution.</p> <p>Attendance rate during the fiscal year under review (since taking office upon election):</p> <p>Board of Directors meetings: 100% (10 out of 10)</p> <p>Nomination Committee meetings: 100% (6 out of 6)</p> <p>Compensation Committee meetings: 100% (4 out of 4)</p>

Position	Name	Main activities/ Outline of duties performed in relation to the roles expected of Outside Directors
Outside Audit & Supervisory Board Member	Yo Ota	<p>Mr. Yo Ota actively made comments at the Audit &amp; Supervisory Board and the Board of Directors based on his extensive track records from his many years of experience as an attorney practicing all areas of corporate law, including M&amp;As, corporate governance, and compliance, and his extensive experience as a specialist in corporate governance. He also attended Nomination Committee meetings as an observer and contributed to ensuring the transparency in the nomination process.</p> <p>Attendance rate during the fiscal year under review:</p> <p>Board of Directors meetings: 100% (12 out of 12)</p> <p>Audit &amp; Supervisory Board meetings: 100% (14 out of 14)</p> <p>Nomination Committee meetings*: 100% (6 out of 6) * As an observer</p>
Outside Audit & Supervisory Board Member	Shoji Kobayashi	<p>Mr. Shoji Kobayashi actively made comments at the Audit &amp; Supervisory Board and the Board of Directors from an objective perspective based on his extensive experience gained through many years in development and business management while serving in important positions at Kao Corporation, such as General Manager of a business division and Executive Officer, as well as his deep insight into the management and governance of a global corporation, acquired as a full-time Audit &amp; Supervisory Board Member of Kao Corporation, and his broad knowledge regarding all aspects of technology. He also attended Compensation Committee meetings as an observer and contributed to ensuring the transparency in the process of determining compensation.</p> <p>Attendance rate during the fiscal year under review (since taking office upon election):</p> <p>Board of Directors meetings: 100% (10 out of 10)</p> <p>Audit &amp; Supervisory Board meetings: 100% (10 out of 10)</p> <p>Compensation Committee meetings*: 100% (4 out of 4) * As an observer</p>
Outside Audit & Supervisory Board Member	Yasunobu Furukawa	<p>Mr. Yasunobu Furukawa actively made comments at the Audit &amp; Supervisory Board and the Board of Directors based on his many years of experience as a certified public accountant and as an engagement partner for audits of global corporations with operations overseas at Ernst &amp; Young ShinNihon LLC, and on his extensive insight and experience in corporate management as an outside director, audit committee member, and outside audit &amp; supervisory board member for other companies.</p> <p>Attendance rate during the fiscal year under review (since taking office upon election):</p> <p>Board of Directors meetings: 100% (10 out of 10)</p> <p>Audit &amp; Supervisory Board meetings: 100% (10 out of 10)</p>

**(iii) Outline of liability limitation contracts**

The Company amended its Articles of Incorporation regarding liability limitation contracts at the 115th Ordinary General Meeting of Shareholders on June 19, 2015, establishing the provision of contracts to limit liabilities of Directors (excluding Executive Directors) and Audit & Supervisory Board Members.

The outline of liability limitation contracts, which the Company concluded only with Outside Directors and Outside Audit & Supervisory Board Members in accordance with the revised Articles of Incorporation, is as follows.

**(a) Liability limitation contracts with Outside Directors**

Under such contracts, the maximum liability of Outside Directors shall be the higher of either of ¥10.00 million or a minimum liability amount stipulated in Article 425, Paragraph 1 of the Companies Act.

**(b) Liability limitation contracts with Outside Audit & Supervisory Board Members**

Under such contracts, the maximum liability of Outside Audit & Supervisory Board Members shall be the higher of either of ¥5.00 million or a minimum liability amount stipulated in Article 425, Paragraph 1 of the Companies Act.

**(iv) Outline of directors and officers liability insurance contracts**

The Company has entered into a directors and officers liability insurance contract pursuant to Article 430-3, Paragraph 1 of the Companies Act with an insurance company, to insure officers of the Ricoh Group (Directors, Audit & Supervisory Board Members, Executive Officers, etc.), with all insurance premiums at its expense. The insurance contract covers damages and litigation expenses arising from claims made to insured officers during the insurance period as a result of their actions in their capacity as an officer. However, certain damages are not covered by the insurance, including those arising from an action of the insured officer taken with the knowledge that it violates laws and regulations.

#### 4. Independent auditor

**(1) Name: Deloitte Touche Tohmatsu LLC**

**(2) Audit Fee, etc.:**

	Amount to be paid
Audit Fee, etc. to be paid to the independent auditor by the Company	¥215 million
Total sum of audit fee, etc. to be paid to the independent auditor by the Company and its subsidiaries	¥312 million

Notes:

1. In the audit contract signed between the Company and the independent auditor, there is no classification between fee for audit services pursuant to the Companies Act and that in accordance with the Financial Instruments and Exchange Law. Accordingly, the above “Audit Fee, etc. to be paid to the independent auditor by the Company” represent the sum of these fees.
2. Among the Company’s major subsidiaries, RICOH USA INC., RICOH EUROPE HOLDINGS PLC, RICOH ASIA PACIFIC PTE LTD., RICOH ASIA INDUSTRY LTD., RICOH MANUFACTURING (CHINA) LTD., are audited by Deloitte.
3. The Audit & Supervisory Board conducted necessary verifications to determine whether the details of the audit plan for auditing by the independent auditor, the state of execution of accounting audit duties, and the calculation basis for audit fee estimates are appropriate or not. Upon these verifications, the Audit & Supervisory Board concluded that the amount of audit fee, etc., of the independent auditor is reasonable and consent has been given to it.

**(3) Non-audit work**

Not applicable.

**(4) Policy regarding the decision to dismiss or not to reappoint the independent auditor**

The Audit & Supervisory Board, by unanimous agreement, will dismiss the independent auditor when confirmed that the independent auditor falls under any item of Article 340, Paragraph 1 of the Companies Act. In this case, the dismissal and its reasons will be reported at the first general meeting of shareholders to be held after the dismissal.

In addition to the above, the Audit & Supervisory Board will decide the contents of the proposal on dismissal or non-reappointment of the independent auditor, which will be proposed at the general meeting of shareholders when confirmed that it is difficult for the independent auditor to properly perform audit duties etc., or that it would be otherwise appropriate to change independent auditors.

## System to secure appropriateness of operations and their operating status

Resolutions adopted by the Board of Directors for systems to secure the appropriateness of the Company's operations are as follows. The resolutions will be reviewed regularly on an ongoing basis in response to changes in the business environment.

<b>Internal Control System Basic Policy</b>	<p>The RICOH Way, which comprises our founding principles (“Sanai spirit” - love your neighbor, love your country, love your work), Mission Statement, Vision Statement, and Values Statement, is the foundation of the Ricoh Group's management policy, strategy, and internal control system.</p> <p>Inspired by the values incorporated in The RICOH Way, we are working to establish and implement an internal control system aimed at strengthening competitiveness and continuously improving the system while ensuring transparency based on corporate ethics and legal compliance.</p>
<p><b>(1) System to ensure appropriate compliance with laws and Articles of Incorporation concerning the implementation of Directors' and employees' duties</b></p>	<p>[Content of Basic Policy]</p> <p>Based on the principle of autonomous corporate governance, the Company promotes a corporate culture that values both a sense of duty to meet the various expectations of stakeholders and high ethics suited to good social conscience.</p> <p><b>1) Systems to ensure appropriate compliance with laws and Articles of Incorporation concerning the implementation of Directors' duties</b></p> <p>[Content of Basic Policy]</p> <ul style="list-style-type: none"> <li>(i) Management transparency and fairness of decision-making are strengthened by the presence of Outside Directors. In addition, the Board of Directors is composed of a majority of Non-executive directors to strengthen functions of overseeing from different perspectives.</li> <li>(ii) The Board of Directors is positioned as the highest decision-making organization for business management and is chaired by a Non-executive director, who leads the Board from a neutral position, in order to facilitate in-depth discussions for important matters to reach robust decisions.</li> <li>(iii) As part of the strengthening of management oversight functions by the Board of Directors, the “Nomination Committee”, which is chaired by a Non-executive Director and the “Compensation Committee”, which is chaired by an Outside Director have been established. In each committee, more than half of the members are Non-executive directors and half or more of them are Outside Directors, so that the transparency and objectivity of the selection of candidates and compensation of Directors and executive officers, etc. is secured.</li> <li>(iv) Policies regarding disclosure has been established to assure the accuracy, timeliness and comprehensiveness of disclosure of corporate information and the “Disclosure Committee”, which is chaired by a CFO who is responsible for information disclosure, is established to verify and decide the importance of disclosure of information, necessity of disclosure and validity of the content.</li> </ul> <p>[Operating Status of Internal Control System]</p> <ul style="list-style-type: none"> <li>(i, ii) The Board of Directors consists of 8 members, including 5 Non-executive Directors (which include 4 Outside Directors), held 12 meetings during FY2020 with agendas led by the chairperson selected from among the Non-executive Directors and focused on transparency in management and fair decision-making.</li> <li>(iii) In FY2020, the Nomination Committee held 6 meetings and the Compensation Committee held 5 meetings to secure transparency and objectivity through discussions with Outside Directors.</li> <li>(iv) The Disclosure Committee held 3 meetings in FY2020. This committee primarily judges the appropriateness and accuracy of annual reports and other disclosure documents, monitor disclosure procedures, and deliberates on matters regarding the appropriate and strategic disclosure of company information that contributes to the investment decisions of investors.</li> </ul>

	<p>Furthermore, the information disclosure regulations were revised during FY2020 and measures were taken to improve the effectiveness of the Disclosure Committee, such as expanding the committee's roles and revising regulations concerning the holding of committee meetings.</p> <p><b>2) Systems to ensure appropriate compliance with laws and Articles of Incorporation concerning the implementation of employees' duties</b>  [Content of Basic Policy]</p> <ul style="list-style-type: none"> <li>(i) Regarding CSR (Corporate Social Responsibility) including compliance, in order to thoroughly implement the "Ricoh Group Code of Conduct" which articulates the general rules of conduct for Ricoh Group and its officers and employees, the Specialty Committee and a reporting line to report incidents and seek advice have been established. Also, various training programs are set up to enhance compliance domestically and overseas. The Company prohibits unfavorable treatments of anyone who made the report to the reporting line due to such reporting.</li> <li>(ii) Efforts are being made to improve business processes and construct a framework for standardized internal control throughout the entire Group, with the goal of "complying with laws, norms and internal rules", "improvement of business effectiveness and efficiency", "maintaining high reliability of financial reporting", and "securing of assets", including compliance to the Financial Instruments and Exchange Law and other relevant laws and regulations.</li> <li>(iii) The Company shall establish a department (Risk Management and Legal Center) specializing in enhancing and promoting the functions of the above on an integrated basis.</li> <li>(iv) To ensure appropriate internal auditing, a division of internal management and control shall be established. It examine and evaluate business operations based on legal compliance and rational criteria, and perform audit for improvement.</li> <li>(v) To establish and improve an internal control system of the Ricoh Group, the Company shall institute an "Internal Control Committee," which is expected to convene regularly to evaluate, deliberate and decide on development and improvement of internal control.</li> </ul> <p>[Operating Status of Internal Control System]  (i, ii, iii)</p> <p>In order to promote greater compliance awareness throughout the Ricoh Group, during October, which is designated as Ricoh Group Compliance Month each year, informational activities and communications from top management were used to spread awareness of the "Ricoh Group Code of Conduct" and the "Whistleblowing System." Furthermore, in FY2020, in response to the revisions to the Labor Measures Comprehensive Promotion Act, educational activities for Japanese Group companies aimed at the prevention of power harassment have been improved. A standard for the "Ricoh Group Whistleblowing System," which prohibits the unfavorable treatment of whistleblowers, has been defined and internal and external whistleblowing hotlines have been established. Furthermore, a "Ricoh Group Global Whistleblowing" hotline was established to enable all Group employees to report directly to Audit &amp; Supervisory Board Members, and the Company strove to develop and enrich its environment, which makes it possible for employees to feel secure in consulting and reporting issues. In May 2020, a "Supplier Hotline" was established for external suppliers, and a system has been created that enables suppliers to report any violations of laws and other regulations they discover involving Ricoh Group companies. During FY2020, there were no reports that involved serious legal violations.</p> <ul style="list-style-type: none"> <li>(iv) The division of internal management and control conducts audit for the entire Ricoh Group, and provides advice to improve effectiveness and efficiency of compliance and business. The results of audits and the status of improvement on matters for correction are reported to the Internal</li> </ul>
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	<p>Control Committee.</p> <p>(v) The occurrence of incidents, response status, internal audit results, and status regarding improvements made to address issues pointed out in internal audits involving the Ricoh Group, are reported quarterly to the Internal Control Committee. The contents of discussions by the Internal Control Committee are reported semi-annually to the Board of Directors.</p>
<b>(2) Systems related to the retention and management of information related to the implementation of Directors' duties</b>	<p>[Content of Basic Policy] Records and proposals related to decisions by Directors in the course of their duties are created, retained and managed in compliance with applicable laws, regulations and internal rules. Documents are kept so that they can be retrieved and reviewed when a request from Directors and Audit &amp; Supervisory Board Members is made.</p> <p>[Operating Status of Internal Control System] Information related to Directors' duties and other important information are appropriately retained and managed in compliance with internal regulations for inspection by Directors and Audit &amp; Supervisory Board Members at any time.</p>
<b>(3) Regulations and other systems regarding risk management for losses</b>	<p>[Content of Basic Policy]</p> <ul style="list-style-type: none"> <li>(i) The occurrence of losses shall be proactively prevented based on risk management regulations.</li> <li>(ii) Should losses nevertheless arise, efforts shall be made to minimize damage (loss) based on standards for initial reaction.</li> <li>(iii) In order to respond to diversifying sources of uncertainty both inside and outside the Ricoh Group, the "Risk Management Committee" assesses critical risks and evaluates responses, and devises risk management measures. In addition, a risk management promotion division will be established to expand risk management activities globally.</li> </ul> <p>[Operating Status of Internal Control System]</p> <ul style="list-style-type: none"> <li>(i) The Company has established the "Ricoch Group Risk Management Basic Regulation" to promote risk management effectively and efficiently and make preventive measures for the risk of loss.</li> <li>(ii) Ongoing and thorough awareness-raising activities are conducted throughout the Ricoh Group to ensure that appropriate incident responses and reports are made pursuant to the "Incident Management Standard" should losses nevertheless arise.</li> <li>(iii) Decisions regarding risks expected to be of particular importance with respect to management (key managerial risks) are made after being evaluated by the Risk Management Committee and deliberated on by the Group Management Committee (GMC). During FY2020, amid the dramatically changing international situation, the Company has established a dedicated department to appropriately deal with geopolitical risk, one of the key managerial risks. Furthermore, company-wide efforts were made to strengthen response to regulations related to information security in individual countries under the leadership of the Group's IT divisions, which coordinate internationally. A COVID-19 response system was created, under the direct control of the President, and Group-wide emergency response was carried out. Furthermore, a risk management supervisor/promotor was selected in each Ricoh division and autonomous risk management structures were created within each organization. Meetings were conducted with the risk management promotors to promote greater risk management coordination, risk management study sessions were held, and risk management information was shared as part of ongoing efforts to create a more risk-resistant organization.</li> </ul>

<p><b>(4) System to ensure the efficient implementation of Directors' duties</b></p>	<p>[Content of Basic Policy]</p> <ul style="list-style-type: none"> <li>(i) The executive officer system, its division of duties clarified, speeds up the decision-making process through the delegation of authority to each business division.</li> <li>(ii) The GMC is a decision-making organization chaired by the Representative Director and President, delegated by the Board of Directors, and composed of executive officers who meet specific criteria. The GMC operates so as to accelerate deliberation and decision-making from the perspective of the optimum management of the entire Ricoh Group, concerning the most appropriate strategies for direction of each business division and the entire Ricoh Group, within the powers granted to it.</li> <li>(iii) The "Board of Directors office" realizes robust decision-making and management oversight with high transparency by supporting the Board of Directors.</li> </ul> <p>[Operating Status of Internal Control System]</p> <p>The executive officer system helps make efficient business execution. Resolution details of the GMC are reported on a quarterly basis to the Board of Directors and the Directors monitor the status of implementation.</p>
<p><b>(5) Systems to ensure correct business standards at Ricoh and its subsidiaries</b></p>	<p>[Content of Basic Policy]</p> <p>The Ricoh Group shall devise a system that ensures adherence to correct business standards to improve business performance and enhance the prosperity of the Ricoh Group, while respecting each other's independence, as follows:</p> <ul style="list-style-type: none"> <li>(i) The Company's Board of Directors and the GMC make decisions and perform management oversight for the Ricoh Group as a whole.</li> <li>(ii) The Company establishes its management regulations concerning each Ricoh Group company, and prescribes a system for reporting matters regarding the performance of duties of the Directors of each Ricoh Group company, and the Directors' authority for conducting such duties efficiently.</li> <li>(iii) Each Ricoh Group company conducts risk management for losses relating to the company. Should any incident arise, the company should strive to minimize damage and recover quickly, and promptly report to the Company.</li> <li>(iv) To ensure that the duties of Ricoh Group's Directors and employees are performed in compliance with laws and regulations and Articles of Incorporation, we formulate a set of common rules which shall be followed as the Ricoh Group's common standards, the "Rico Group Standard," and promote compliance across the Ricoh Group.</li> </ul> <p>[Operating Status of Internal Control System]</p> <p>The executive officer system helps make efficient business execution. Resolution details of the GMC are reported on a quarterly basis to the Board of Directors and the Directors monitor the status of implementation.</p> <ul style="list-style-type: none"> <li>(i, ii) The Company's Board of Directors and the GMC have engaged in consideration and deliberation regarding the management plans for the next term and the business plans for the next fiscal year as the management strategy for the entire Ricoh Group. Group strategy, policy and key matters are debated, shared and disseminated at meetings such as global meetings held remotely due to the COVID-19 situation and attended by the Group's top management. In addition, in compliance with the "Corporate Management Regulations for Ricoh Affiliates," the Company receives reports on the implementation of duties of Directors of the Ricoh Group companies and said Directors efficiently carry out their duties in accordance with the authority vested in them.</li> <li>(iii) Ongoing and thorough awareness-raising activities are conducted throughout the Ricoh Group to ensure that appropriate incident responses and reports are made pursuant to the "Incident Management Standard" should losses nevertheless arise. Incidents that occurred within the Group which are considered to have the potential for greater impact in the future</li> </ul>

	<p>are deliberated on and addressed by the Internal Control Committee with the aim of minimizing the impact on the Group as a whole.</p> <p>(iv) Audits are conducted by the divisions for internal management and control to confirm compliance to the “Ricoh Group Standard,” the Ricoh Group’s common standards.</p>
<p><b>(6) Systems established to ensure the effective performance of duties by Audit &amp; Supervisory Board Members</b></p>	<p>[Content of Basic Policy]</p> <p><b>1) Matters regarding measures to secure independence of employees whom Audit &amp; Supervisory Board Members request to assist them in the performance of their duties from Directors and efficacy of instructions given to such employees</b></p> <p>(i) The Company shall establish an Audit &amp; Supervisory Board office, where exclusively assigned employees assist Audit &amp; Supervisory Board Members in performing their duties under their command.</p> <p>(ii) Personnel evaluations regarding said employees shall be made by full-time Audit &amp; Supervisory Board Members. Furthermore, personnel changes regarding said employees shall be made only after gaining agreement of full-time Audit &amp; Supervisory Board Members.</p> <p><b>2) Systems for Directors and employees of the Ricoh Group to report to Audit &amp; Supervisory Board Members and other systems related to the reporting to Audit &amp; Supervisory Board Members</b></p> <p>(i) Directors and employees shall promptly report to Audit &amp; Supervisory Board Members concerning material violations of laws and the Articles of Incorporation at the Ricoh Group, as well as matters concerning wrongful acts or the possibility of significant damage to the Ricoh Group at the time of their discovery.</p> <p>(ii) Directors and employees shall cooperate when they are requested to report matters concerning operations required for auditing by Audit &amp; Supervisory Board Members.</p> <p>(iii) Directors shall provide Audit &amp; Supervisory Board Members with minutes and materials of important meetings, as well as important resolution documents for their review.</p> <p>(iv) The Company prohibits unfavorable treatments of any Directors or employees of the Ricoh Group, who made the report to Audit &amp; Supervisory Board Members due to such reporting.</p> <p><b>3) Other systems established to ensure effective performance of duties by Audit &amp; Supervisory Board Members</b></p> <p>Directors and employees of the Ricoh Group shall cooperate in facilitating the performance of the following items by Audit &amp; Supervisory Board Members.</p> <p>(i) Audit &amp; Supervisory Board Members attend important meetings such as the GMC and regularly exchange opinions with Representative Directors.</p> <p>(ii) Establish a cooperation system for effective auditing of the Company and each Ricoh Group company by Audit &amp; Supervisory Board Members at the time of such audit.</p> <p>(iii) Create an environment that enables Audit &amp; Supervisory Board Members to conduct effective auditing through mutual cooperation with the Independent Auditor and the division of internal management and control.</p> <p>(iv) The Company shall pay expenses incurred from the performance of duties of Audit &amp; Supervisory Board Members.</p> <p>[Operating Status of Internal Control System]</p> <p>The Audit &amp; Supervisory Board office, which is composed of employees exclusively assigned to assist Audit &amp; Supervisory Board Members, acts under the command of Audit &amp; Supervisory Board Members. Audit &amp; Supervisory Board Members acquire important information on each division of the Company and each Ricoh Group company, select audit targets based on this information, and conduct audits under their authorities. Due to COVID-19, audits by Audit &amp; Supervisory Board Members were primarily conducted remotely, but a</p>

	collaborative system was created to ensure effective audits in remote work environments. At the same time, they attend regular meetings with the GMC and other important meetings. Meetings with the Representative Director are carried out, as well as monthly meeting with the division of internal audit and Independent Auditor to exchange opinions. These are conducted remotely depending on the situation.
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The Company takes an uncompromising attitude toward antisocial activities and any organizations engaged therein in an effort to eradicate any antisocial activities and will not have any relationship with antisocial entities, as stipulated in the “Ricoh Group Code of Conduct,” a code of conduct for the Ricoh Group and its executive officers and employees. Also, the Company has established an internal hotline and has been working closely with outside agencies, such as the police, and relevant organizations as well as making efforts to build trust with such organizations. In the future also, the Company will continue to strengthen its internal system so as to eradicate any antisocial activities or relationships with antisocial entities.

**Consolidated Statements of Financial Position** (as of March 31, 2021)

	Millions of yen	
	As of March 31,	
	2021	2020
ASSETS		
Current Assets:	<b>1,058,744</b>	2,106,148
Cash and cash equivalents	<b>334,810</b>	262,834
Time deposits	<b>238</b>	50
Trade and other receivables	<b>392,132</b>	392,780
Other financial assets	<b>92,823</b>	87,226
Inventories	<b>192,016</b>	201,248
Other current assets	<b>46,725</b>	36,428
Assets classified as held for sale	-	1,125,582
Non-Current Assets:	<b>829,124</b>	761,497
Property, plant and equipment	<b>191,963</b>	201,569
Right-of-use assets	<b>63,653</b>	59,425
Goodwill and intangible assets	<b>225,510</b>	231,898
Other financial assets	<b>136,093</b>	139,181
Investments accounted for using the equity method	<b>79,504</b>	14,305
Other investments	<b>18,504</b>	14,951
Other non-current assets	<b>29,773</b>	29,550
Deferred tax assets	<b>84,124</b>	70,618
Total Assets	<b>1,887,868</b>	2,867,645

**Consolidated Statements of Financial Position** (as of March 31, 2021)

	Millions of yen	
	As of March 31,	
	2021	2020
<b>LIABILITIES</b>		
Current Liabilities:	<b>657,516</b>	1,548,896
Bonds and borrowings	<b>82,731</b>	51,492
Trade and other payables	<b>287,160</b>	246,055
Lease liabilities	<b>25,475</b>	27,230
Other financial liabilities	<b>1,669</b>	-
Income tax payables	<b>7,213</b>	9,455
Provisions	<b>12,946</b>	11,686
Other current liabilities	<b>240,322</b>	233,909
Liabilities directly related to assets held for sale	-	969,069
Non-Current Liabilities	<b>306,500</b>	310,222
Bonds and borrowings	<b>139,676</b>	128,172
Lease liabilities	<b>46,737</b>	38,741
Accrued pension and retirement benefits	<b>70,463</b>	99,795
Provisions	<b>11,413</b>	6,458
Other non-current liabilities	<b>34,469</b>	34,143
Deferred tax liabilities	<b>3,742</b>	2,913
Total Liabilities	<b>964,016</b>	1,859,118
<b>EQUITY</b>		
Equity attributable to owners of the parent:	<b>920,246</b>	920,371
Common stock	<b>135,364</b>	135,364
Additional paid-in capital	<b>186,231</b>	186,173
Treasury stock	<b>(45,024)</b>	(37,795)
Other components of equity	<b>82,097</b>	41,768
Other comprehensive income related to disposal group held for sale	-	130
Retained earnings	<b>561,578</b>	594,731
Non-controlling interests	<b>3,606</b>	88,156
Total Equity	<b>923,852</b>	1,008,527
Total Liabilities and Equity	<b>1,887,868</b>	2,867,645

**Consolidated Statements of Profit or Loss** (for the year ended March 31, 2021)

	Millions of yen	
	For the year ended March 31,	
	2021	2020
Sales	<b>1,682,069</b>	2,008,580
Cost of sales	<b>1,109,762</b>	1,287,003
Gross profit	<b>572,307</b>	721,577
Selling, general and administrative expenses	<b>619,740</b>	658,435
Other income (Note)	<b>5,791</b>	15,911
Impairment of goodwill	<b>3,787</b>	13
Operating profit (loss)	<b>(45,429)</b>	79,040
Finance income	<b>4,373</b>	4,926
Finance costs	<b>3,617</b>	8,319
Share of profit of investments accounted for using the equity method	<b>3,645</b>	244
Profit (loss) before income tax expenses	<b>(41,028)</b>	75,891
Income tax expenses	<b>(8,364)</b>	31,478
Profit (loss)	<b>(32,664)</b>	44,413
Profit (loss) attributable to:		
Owners of the parent	<b>(32,730)</b>	39,546
Non-controlling interests	<b>66</b>	4,867

Note: Other income includes gain on sale of property, plant and equipment, etc.

**Consolidated Statements of Comprehensive Income (Unaudited)** (for the year ended March 31, 2021)

	Millions of yen	
	For the year ended March 31,	
	2021	2020
Profit (loss)	(32,664)	44,413
Other comprehensive income (loss)		
Components that will not be reclassified subsequently to profit or loss:		
Remeasurement of defined benefit plan	13,804	(2,481)
Net gain (loss) on fair value of financial assets measured through other comprehensive income	2,868	(946)
Share of other comprehensive income of investments accounted for using equity method	197	-
Components that will be reclassified subsequently to profit or loss:		
Net gain (loss) on fair value of cash flow hedges	(827)	190
Exchange differences on translation of foreign operations	38,594	(29,562)
Share of other comprehensive income of investments accounted for using equity method	81	-
Total other comprehensive income (loss)	54,717	(32,799)
Comprehensive income	22,053	11,614
Comprehensive income attributable to:		
Owners of the parent	21,897	6,949
Non-controlling interests	156	4,665

# Consolidated Statements of Changes in Equity (for the year ended March 31, 2021)

(Unit: millions of yen)

	Equity attributable to owners of the parent							
	Common stock	Additional paid-in capital	Treasury stock	Other components of equity				
				Remeasurement of defined benefit plan	Net gain (loss) on fair value of financial assets measured through other comprehensive income	Net gain on fair value of cash flow hedges	Exchange differences on translation of foreign operations	Total other components of equity
Balance as of April 1, 2020	135,364	186,173	(37,795)	-	5,191	409	36,168	41,768
Profit (loss)								
Other comprehensive income (loss)				13,882	2,880	(839)	38,552	54,475
Total comprehensive income (loss)	-	-	-	13,882	2,880	(839)	38,552	54,475
Net change in treasury stock			(7,296)					
Dividends declared and approved to owners								
Share-based payment transactions		58	5					
Share-based payment transactions of subsidiaries								
Loss of control of subsidiaries								
Transfer from other components of equity to retained earnings				(13,882)	(264)			(14,146)
Other			62					
Total transactions with owners	-	58	(7,229)	(13,882)	(264)	-	-	(14,146)
Balance as of March 31, 2021	135,364	186,231	(45,024)	-	7,807	(430)	74,720	82,097

	Equity attributable to owners of the parent			Non-controlling interests	Total equity
	Other comprehensive income related to disposal group held for sale	Retained earnings	Total equity attributable to owners of the parent		
Balance as of April 1, 2020	130	594,731	920,371	88,156	1,008,527
Profit (loss)		(32,730)	(32,730)	66	(32,664)
Other comprehensive income (loss)	152		54,627	90	54,717
Total comprehensive income (loss)	152	(32,730)	21,897	156	22,053
Net change in treasury stock			(7,296)		(7,296)
Dividends declared and approved to owners		(14,851)	(14,851)	(34)	(14,885)
Share-based payment transactions			63		63
Share-based payment transactions of subsidiaries			-	4	4
Loss of control of subsidiaries			-	(84,676)	(84,676)
Transfer from other components of equity to retained earnings	(282)	14,428	-		-
Other			62		62
Total transactions with owners	(282)	(423)	(22,022)	(84,706)	(106,728)
Balance as of March 31, 2021	-	561,578	920,246	3,606	923,852

**Consolidated Statements of Cash Flows (Unaudited)** (for the year ended March 31, 2021)

	Millions of yen	
	For the year ended March 31,	
	2021	2020
I. Cash flows from operating activities		
Profit (loss)	(32,664)	44,413
Adjustments to reconcile profit to net cash provided by operating activities:		
Depreciation and amortization	104,618	120,688
Impairment of property, plant and equipment and intangible assets	24,879	909
Impairment of goodwill	3,787	13
Other income	(1,502)	(6,748)
Share of profit (loss) of investments accounted for using the equity method	(3,645)	(244)
Finance income and costs	(756)	3,393
Income tax expenses	(8,364)	31,478
(Increase) decrease in trade and other receivables	29,727	16,408
(Increase) decrease in inventories	16,413	3,158
(Increase) decrease in lease receivables	15,572	(33,953)
Increase (decrease) in trade and other payables	(4,712)	(18,987)
(Decrease) in accrued pension and retirement benefits	(12,315)	(6,805)
Other, net	14,056	(4,966)
Interest and dividends received	3,418	4,557
Interest paid	(3,259)	(4,429)
Income taxes paid	(18,291)	(32,184)
Net cash provided by (used in) operating activities	126,962	116,701
II. Cash flows from investing activities		
Proceeds from sales of property, plant and equipment	4,823	8,615
Expenditures for property, plant and equipment	(42,155)	(86,596)
Proceeds from sales of intangible assets	60	221
Expenditures for intangible assets	(24,779)	(27,188)
Payments for purchases of available-for-sale securities	(1,052)	(14,982)
Proceeds from sales of available-for-sale securities	491	3,985
(Decrease) in time deposits, net	(168)	12
Purchase of business, net of cash acquired	(8,431)	(16,462)
Proceeds from sales of investments in subsidiaries	7,846	-
Other, net	(194)	(32,196)
Net cash provided by (used in) investing activities	(63,559)	(164,591)

Millions of yen		
For the year ended March 31,		
	2021	2020
III. Cash flows from financing activities		
Net proceeds (repayments) of short-term debt	(19,428)	6,068
Proceeds from long-term debt	98,482	292,885
Repayments of long-term debt	(12,817)	(200,950)
Proceeds from issuance of bonds	-	72,119
Repayments of bonds	(12,413)	(42,148)
Repayments of lease liabilities	(35,728)	(30,065)
Dividends paid	(14,851)	(18,841)
Payments for purchase of treasury stock	(7,296)	(401)
Other, net	(34)	(2,910)
Net cash provided by (used in) financing activities	(4,085)	75,757
IV. Effect of exchange rate changes on cash and cash equivalents	7,338	(4,278)
V. Net increase in cash and cash equivalents	66,656	23,589
VI. Cash and cash equivalents at beginning of year	263,688	240,099
VII. Cash and cash equivalents at end of year	330,344	263,688

## Notes to Consolidated Financial Statements

\* All figures are rounded off to the nearest million yen.

### Significant Accounting Policies Regarding the Preparation of Consolidated Financial Statements

#### Scope of Consolidation

The number of consolidated subsidiaries is 210 and the number of companies to which the equity method is applied is 17 in the fiscal year under review.

In addition to the above, the Company adds structured entities to its scope of consolidation.

The names of major consolidated subsidiaries have been omitted, as they are stated in “1. Business condition of the Ricoh Group, (5) Major subsidiaries” of the Business Report for the 121st business term.

#### Significant Accounting Policies

##### 1. Basis of Preparation

The consolidated financial statements of Ricoh Company, Ltd. (“Rico”) including consolidated statement of financial position and consolidated statement of profit or loss have been prepared on the basis of International Financial Reporting Standards (“IFRS”), in compliance with Article 120, Paragraph 1 of the Regulation on Corporate Accounting. However, in compliance with the second sentence of the paragraph, certain disclosure that is required on the basis of IFRS is omitted.

##### 2. Inventories

Inventories are measured at the lower of cost and net realizable value. The cost of inventory includes purchase costs and conversion costs that contain appropriate allocation of fixed and variable overhead expenses. These costs are assigned to inventories by mainly the weighted-average method.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

##### 3. Assets classified as held for sale

Non-current assets (or disposal groups) of which carrying amounts are mainly recovered through sale transactions rather than through continuing usage are classified as held for sale.

For a non-current asset (or disposal group) to be classified as held for sale, it must be immediately available for sale in its present condition and the probability of the sale must be high, with management committing to the execution of a sales plan for the non-current asset (or disposal group) in anticipation of the sale being concluded within one year.

After being classified as held for sale, the non-current asset (or disposal group) shall be measured at the lower of its carrying amount or fair value, less selling fees. Depreciation will not be applied.

When measuring non-current assets (or disposal groups), the Ricoh Group recognizes impairment losses of initial or subsequent devaluation up to the fair value, of which the costs to distribute are deducted as profit or

loss. When recognized as a gain, these shall be recorded with an upper limit of accumulated impairment losses previously recognized.

#### **4. Property, Plant and Equipment**

##### **(1) Recognition and measurement**

Property, plant and equipment are carried at cost less any accumulated depreciation and any accumulated impairment losses.

The cost of items of property, plant and equipment includes costs directly attributable to the acquisition and initial estimate of the costs of dismantling and removing the items and restoring the site on which they are located.

When the useful life of each part of an item of property, plant and equipment varies, it is accounted for as a separate item of property, plant and equipment.

##### **(2) Subsequent costs**

Ordinary maintenance and repairs are charged to expense as incurred. Major replacements and improvements are capitalized to the extent they enhance the future economic benefit of the Ricoh Group's assets.

##### **(3) Depreciation**

Depreciation of property, plant and equipment other than land and construction in progress is mainly computed under the straight-line method based on the estimated useful life of each item. Estimated useful lives for the principal items of property, plant and equipment are 2 to 60 years for buildings and structures, 1 to 20 years for machinery, equipment and vehicles, and 1 to 20 years for tools, furniture and fixtures.

The depreciation methods, useful lives and residual values are reviewed at the end of each fiscal year, and changed when necessary.

#### **5. Goodwill and Intangible Assets**

##### **(1) Goodwill**

Goodwill is recognized and measured as the excess of the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed over the aggregate of consideration transferred, including the recognized amount of any non-controlling interests in the acquiree, which generally is measured at fair value at the acquisition date. Goodwill is measured at cost less any accumulated impairment losses. It is not amortized and is required to be tested at least annually for impairment.

##### **(2) Intangible assets**

The Ricoh Group adopts the cost model to measure intangible assets and presents them at cost less accumulated amortization and accumulated impairment losses.

###### **(i) Software for Internal Use**

The Ricoh Group capitalizes certain internal and external costs incurred to acquire or create internal use software during the application development stage as well as upgrades and enhancements that result in additional functionality. The capitalized software is amortized on a straight line basis over approximately 2 to 10 years.

(ii) Development assets

An intangible asset arising from development activities (or from the development phase of an internal project) of the Ricoh Group shall be recognized if, and only if, it can demonstrate all of the following:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale
- its intention to complete the intangible asset for use or sale
- its ability to use or sell the intangible asset
- how the intangible asset will generate probable future economic benefits
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset
- its ability to measure reliably the expenditure attributable to the intangible asset during its development

Amortization of the asset commences on the commercial production date after the completion of an internal project and the asset is amortized on a straight line basis over the estimated useful lives that are the expected periods to generate net cash inflows. Other development expenditure and expenditure on research activities are recognized as an expense as incurred.

(iii) Other intangible assets

Intangible asset acquired separately is measured at cost at initial recognition. Intangible asset acquired in a business combination and recognized separately from goodwill are measured at fair value on the acquisition date.

(iv) Amortization (other than development assets)

Intangible assets with definite useful lives are amortized over the estimated useful lives and determination is made for existence of impairment indication. Such intangible assets consisting primarily of software, customer relationships and trademarks are amortized on a straight line basis over the estimated useful lives. Intangible assets with indefinite useful lives and intangible assets that are not ready to use are not amortized, but are tested annually for impairment until its life would be determined to no longer be indefinite.

## **6. Leases**

(1) Leases as lessee

The Ricoh group assesses whether the contract is, or contains, a lease at the inception of the contract. If the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration, the Ricoh group assesses the contract is, or contains, a lease.

When underlying asset is real estate, the Ricoh group allocate the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components. When underlying asset is other than real estate, the Ricoh group elects not to separate non-lease components from lease components, and instead account for each lease component and any associated non-lease components as a single lease component.

For a contract that is, or contains, a lease, the Ricoh group recognizes right-of-use assets and lease liabilities at the commencement date of the lease. Lease liabilities are measured at the present value of outstanding

lease payments discounted using the lessee's incremental borrowing rate at the commencement date. Right-of-use assets are initially measured at the initial measurement amount of the lease liability adjusted for the prepaid lease payments and other factors.

Right-of-use assets are depreciated on a straight-line basis over the shorter of their estimated useful lives and lease terms. Lease payments are apportioned between the interest expenses and the reduction of the outstanding liability using the effective interest method.

Interest expenses are presented on the consolidated statement of profit or loss separately from depreciation expenses of right-of-use assets.

The Ricoh group does not recognize right-of-use assets and lease liabilities for short-term leases (with a lease term of 12 months or less) and leases for low-value assets. The Ricoh group recognizes the lease payments associated with these leases as expenses on a straight-line basis over the lease term.

(2) Leases as lessor

A finance lease is a lease that transfers substantially all the risks and rewards incidental to ownership of an asset to the lessee. Other leases are classified as operating leases. In circumstances in which the lessor is a manufacturer or dealer, the profit or loss from a finance lease is recognized in accordance with the same revenue recognition policy as that for products sales. Finance income is recognized over the term of the lease using the effective interest method. In circumstances in which the lessor is neither a manufacturer nor dealer, finance income is recognized over the term of the lease using the effective interest method.

The interest rate implicit in the lease is the discount rate that causes the aggregate present value of the minimum lease payments and the unguaranteed residual value to be equaled to the sum of the fair value of the leased asset and any initial direct costs incurred by the lessor.

Income from operating leases is recognized on a straight-line basis over the term of the lease.

## **7. Financial Instruments**

Non-derivative financial assets of the Ricoh Group are classified as (i) financial assets measured at amortized cost, (ii) debt financial assets measured at fair value through other comprehensive income, (iii) equity financial assets measured at fair value through other comprehensive income and (iv) financial assets measured at fair value through profit or loss.

(1) Initial recognition and measurement

The Ricoh Group initially recognizes trade receivables and other receivables on the date that they are originated. Financial assets that are purchased or sold on a regular way basis are recognized initially on the settlement date. Financial assets measured at fair value through profit or loss are recognized initially at fair value. Financial assets measured at amortized cost as well as debt financial assets and equity financial assets measured at fair value through other comprehensive income are recognized initially at fair value plus transaction costs that are directly attributable to the acquisition of the financial asset.

(2) Classification and subsequent measurement

(i) Financial assets measured at amortized cost

When a financial asset held by the Ricoh Group meets both of the following conditions, the financial asset is classified as a financial asset measured at amortized cost.

- The asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows.
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, they are measured at amortized cost using the effective interest method, less any impairment. An amortized cost using the effective interest method and gain or loss in case of derecognition are recognized at profit or loss for the fiscal period under review.

(ii) Debt financial assets measured at fair value through other comprehensive income

When a financial asset held by the Ricoh Group meets both of the following conditions, the financial asset is classified as a debt financial asset measured at fair value through other comprehensive income.

- The asset is held within a business model whose objective is to both collect and sell contractual cash flows.
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, these are measured at fair value. Among the subsequent changes in fair value, foreign exchange gain and loss, impairment gain and loss, and dividend income relating to the financial assets are recognized as profit or loss, while other subsequent changes are recognized as other comprehensive income. When the financial assets are derecognized, accumulated other comprehensive income is reclassified to profit or loss.

(iii) Equity financial assets measured at fair value through other comprehensive income

Of the financial assets other than financial assets measured at amortized cost and debt financial assets measured at fair value through other comprehensive income, equity financial assets for which an irrevocable election was made at initial recognition to present subsequent changes in fair value as other comprehensive income, are classified as equity financial assets measured at fair value through other comprehensive income.

Subsequent to initial recognition, these are measured at fair value and the subsequent changes in fair value are recognized as other comprehensive income. When the fair value significantly declines or the financial assets are derecognized, accumulated other comprehensive income is directly reclassified to retained earnings.

Dividend income relating to the financial assets are included in profit or loss.

(iv) Financial assets measured at fair value through profit or loss

Financial assets other than financial assets measured at amortized cost as well as debt financial assets and equity financial assets measured at fair value through other comprehensive income are classified as financial assets measured at fair value through profit or loss.

Subsequent to initial recognition, these are measured at fair value and the subsequent changes in fair value are included in profit or loss.

(3) Impairment of non-derivative financial assets

For impairment on a financial asset measured at amortized cost, etc., allowance for doubtful accounts is recognized for the expected credit losses of the financial asset. At each fiscal year-end, the Ricoh Group

assesses whether the credit risk on a financial asset has increased significantly since initial recognition. The determination of whether the credit risk has increased significantly is based on the change in the risk of a default, with objective information such as a predetermined past due information and deterioration of financial conditions of business partners taken into consideration.

If the credit risk of a financial instrument has not increased significantly since initial recognition, allowance for doubtful accounts for the financial instrument is measured at an amount equal to the 12-month expected credit losses. If the credit risk of a financial instrument has increased significantly since initial recognition, allowance for doubtful accounts for the financial instrument is measured at an amount equal to the full lifetime expected credit losses. For trade receivables, etc. that do not contain a significant financing component, however, allowance for doubtful accounts is always measured at an amount equal to the full lifetime expected credit losses.

The expected credit losses of a financial instrument are estimated by reflecting the following factors.

- Unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes
- Time value of money
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions

The amount pertaining to the measurement is included in profit or loss. When an event occurs that could reduce allowance for doubtful accounts after the impairment was recognized, the decrease in impairment is reversed to profit or loss.

#### (4) Equity

##### (i) Common stock under equity

Costs that are directly attributable to issuance of equity instruments issued by the Company are recognized as a deduction item of equity.

##### (ii) Treasury stock of the Company

For the Company's own equity instruments that were repurchased after the initial issuance (treasury stock), consideration paid (including transaction costs that are directly attributable to the purchase of such stock) is recognized as a deduction item of equity. In the event of sale of treasury stock, consideration received is recognized as an increase in equity.

#### (5) Derivative financial instruments and hedging activities

The Ricoh Group manages its exposure to certain market risks, those primarily related to foreign currency and interest rate, through the use of derivative instruments. As a matter of the Ricoh Group policy, the Ricoh Group does not enter into derivative contracts for trading or speculative purposes. The Ricoh Group recognizes all derivative instruments as either assets or liabilities in the consolidated statement of financial position and measures those instruments at fair value. When the Ricoh Group enters into a derivative contract, it makes a determination as to whether or not, the hedging relationship meets the hedge effectiveness requirements. In general, a derivative may be designated as either (1) a hedge of the exposure to changes in fair value of a recognized asset or liability or an unrecognized firm commitment ("fair value hedge") or (2) a hedge of the exposure to changes in variability of the expected cash flows associated with an existing asset

or liability or a planned transaction with very high probability (“cash flow hedge”).

The Ricoh Group formally documents all relationships between hedging instruments and hedged items, as well as its risk-management objective and strategy for undertaking various hedge transactions. This process includes linking all derivatives that are designated as fair value or cash flow hedges to specific assets and liabilities on the consolidated statements of financial position or to specific firm commitments or forecasted transactions with very high probability.

(i) Fair value hedge

Derivative instruments designated as fair value hedges are measured at fair value. Changes in fair values of derivatives designated as fair value hedges are recognized as gains or losses and are offset by gains or losses resulting from the changes in the fair values of the hedged items.

(ii) Cash flow hedge

The effective portion of gains and losses of on hedging instruments in a cash flow hedge are recognized through other comprehensive income. Other comprehensive income is reclassified to profit or loss in the same period during which the hedged expected cash flows affects profit or loss. Changes in fair values of ineffective portions of cash flow hedges are recognized immediately in profit or loss.

(iii) Derivatives not designated as hedging instruments

Changes in the fair value of derivative financial instruments which do not qualify for hedge accounting are recognized in profit or loss for the fiscal period under review.

## 8. Revenue

The Ricoh Group has adopted IFRS 15 “Revenue from Contracts with Customers.”

In the adoption of IFRS 15, revenue is recognized based on the following five step approach:

Step 1: Identify the contract(s) with a customer.

Step 2: Identify the performance obligations in the contract.

Step 3: Determine the transaction price.

Step 4: Allocate the transaction price to the performance obligations in the contract.

Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation.

Pursuant to the contracts with customers, the Ricoh Group provides imaging devices for office use, services and solutions related to document, IT service and communications, commercial printing equipment, industrial printing equipment, consumables and services related to various equipment, thermal paper, and thermal media. Revenue is recognized at an amount expected to be received by the Ricoh Group in exchange for promised goods or services at the time when (or as) the control of such goods or services is transferred to the customer. Revenue from the sales of equipment, etc., is recognized at the time when such equipment, etc., is delivered to the customer, as the customer acquires control over the equipment, etc. at the time of delivery of the equipment, etc., and performance obligation of Ricoh is deemed to have been satisfied. If an inspection is required with regard to the performance of equipment, etc., revenue is recognized when equipment, etc. has been installed and accepted by the customer. Service revenue primarily from maintenance contracts is recognized over a certain period of time as the relevant performance obligation is satisfied.

Revenue is measured at the amount of consideration promised in a contract with a customer, after deducting the amount of discount, rebate and refund, etc.

## **9. Provisions**

Provisions are recognized when the Ricoh Group has present obligations as a result of past events, when it is probable that outflows of resources embodying economic benefits will be required to settle the obligations, and reliable estimates can be made of the amount of the obligations. Where the time value of money is material, provision is measured based on the present value using a discount rate that reflects the risks specific to the obligations.

## **10. Employee Benefits (Post-employment Benefits)**

The Ricoh Group has defined benefit corporate pension plans and defined contribution plans. The net obligations for defined benefit plans are recognized at the present value of the amount of future benefit that the employees have earned in the current and prior periods, less the fair value of any plan assets on a plan-by-plan basis. Actuarial gains and losses arising from the defined benefit plan are recognized immediately in other comprehensive income and directly reclassified to retained earnings from other components of equity. Past service costs are recognized in profit or loss. The contribution to the defined contribution plans is recognized as an expense when the related service is provided by the employees.

## **11. The consumption tax and the local consumption tax are excluded from profits and losses.**

## **Changes in Accounting Policies**

Significant accounting policies which apply in the consolidated financial statements are the same as the previous fiscal year.

## **Notes to Accounting Estimates**

For the preparation of consolidated financial statements, it is required that management applies accounting policies and makes judgments, estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in future periods in which the revision affects, taking into consideration the impact of the spread of COVID-19.

For the consolidated financial statements for the fiscal year under review, the Ricoh Group assumes that although the spread of COVID-19 continues to affect its business results, to a certain extent, over the next fiscal year and beyond, the accelerated vaccination rollout will gradually contain the pandemic in the future.

The items on which estimates and assumptions have a significant effect in the consolidated financial statements are (1) impairment of property, plant and equipment, intangible assets and goodwill and (2) recognition of deferred tax assets:

- (1) Impairment of property, plant and equipment, intangible assets and goodwill

In the Commercial Printing business, a future plan was formulated incorporating the future business growth, with a careful consideration of the business impact from the COVID-19 infection spread. As a consequence, the timing of realizing the projected profit is expected to be delayed than initially planned. In addition, the Ricoh Group decided to convert a part of its domestic plants, which originally operated to manufacture office equipment, into production bases for business targeting printing companies and their in-house printing. In line with this decision, the allocation of related expenses was reviewed and reflected to the future plan. As a result, impairment loss was recognized for assets including goodwill that generated from past acquisitions. The carrying amounts of the assets were written down to the recoverable amounts that were measured based on value in use. The value in use is calculated by discounting the estimated cash flows based on projections approved by management and the growth rate, using the pre-tax weighted average capital cost of 10%. Impairment loss of ¥23,906 million and ¥2,641 million are included in selling, general and administrative expenses and impairment of goodwill, respectively, in the consolidated statements of profit or loss. The major details by asset are impairment loss of ¥18,514 million on intangible assets (mainly development assets), ¥2,641 million on goodwill and ¥5,392 million on property, plant and equipment.

In the Office Printing business, the Ricoh Group has taken into account the business impact of the situation that will not completely recover back to a pre-pandemic normal, in view of the prolonged impact of the COVID-19 pandemic as well as the well-received “new normal” work style stemming from the downsizing of office spaces and decreasing attendance rate at work as teleworking has taken root. An item that has a significant risk of resulting in a material adjustment to the carrying amount within the next fiscal year is goodwill of ¥48,431 million for the Office Printing business (sales group in Europe). The recoverable amount of goodwill is determined based on value in use, which exceeds the carrying amount. The value in use is calculated by discounting the estimated cash flows based on projections approved by management and the growth rate of negative 4%, using the pre-tax weighted average capital cost of 14%.

## (2) Recognition of deferred tax assets

The Ricoh Group assesses the probability that a portion or all of the deductible temporary differences, net operating loss carryforwards and tax credit carryforwards can be used to offset future taxable income on recognition of deferred tax assets. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible and whether loss carryforwards are utilizable. The Ricoh Group considers the scheduled realization of deferred tax liabilities, projected future taxable income and tax planning strategies in making this assessment. Based upon the level of historical taxable income and projections for future taxable income over the periods in which the temporary differences are deductible or loss carryforwards are utilizable, the Ricoh Group believes that the deferred tax assets recognized as of the end of the current fiscal year are more likely to be realized. The amount of the deferred tax assets considered realizable, however, will be reduced if estimates of future taxable income during the carryforward period are reduced.

As a result of this estimation, deferred tax assets of ¥84,124 million was recorded in the consolidated statements of financial position as of the end of the current fiscal year. The Ricoh Group adopts a consolidated taxation system in Japan and part of foreign regions.

## Notes to Consolidated Statements of Financial Position

### 1. Allowance for doubtful receivables directly deducted from the amount of assets:

#### (1) Current assets:

Trade and other receivables: ¥8,208 million

Other financial assets: ¥3,063 million

#### (2) Non-current assets:

Other financial assets: ¥4,021 million

### 2. Pledged assets and liabilities:

Not applicable.

### 3. Matters related to transfers of financial assets:

Subsidiaries of Ricoh conduct transfers of lease receivables to trusts and others. The transfers that do not meet the requirements for being treated as the sale of financial assets are accounted for as secured borrowings. With respect to the aforementioned accounting treatment, the consolidated statement of financial position includes the following assets and liabilities:

#### (1) Assets:

##### Current assets:

Other financial assets: ¥252 million

##### Non-current assets:

Other financial assets: ¥255 million

#### (2) Liabilities:

##### Current liabilities:

Bonds and borrowings: ¥252 million

##### Non-current liabilities:

Bonds and borrowings: ¥255 million

### 4. Guarantee obligation:

There is no guarantee obligation having significance in terms of value.

### 5. Accumulated depreciation and accumulated

impairment losses on property, plant and equipment: ¥745,931 million

### 6. Other components of equity include remeasurement of defined benefit plan, net gain on fair value of financial assets measured through other comprehensive income, net gain on fair value of cash flow hedges, and exchange differences on translation of foreign operations.

## Notes to Consolidated Statements of Changes in Equity

### 1. Details and total number of shares outstanding as of the end of the current fiscal year

Common stock: 744,912,078 shares

### 2. Number of treasury stock as of the end of the current fiscal year

Common stock: 26,692,132 shares

Note: The Company has established the Board Incentive Plan trust in which beneficiaries include Directors and Executive Officers. 415,800 of the Company's shares owned by the trust account relating to this trust are accounted for as treasury stock.

### 3. Dividends

#### (1) Payment of dividends

Resolution	Total amount of dividends	Dividends per share	Record date
Ordinary General Meeting of Shareholders (June 26, 2020)	¥9,423 million	¥13.00	March 31, 2020
Board of Directors meeting (November 4, 2020)	¥5,436 million	¥7.50	September 30, 2020

Note: The total amount of dividends determined by the resolution of the Ordinary General Meeting of Shareholders held on June 26, 2020 includes ¥5 million of dividends for the Company's shares owned by the Board Incentive Plan trust, established by the Company, in which beneficiaries include Directors and Executive Officers.

Additionally, the total amount of dividends determined by the resolution of the Board of Directors meeting held on November 4, 2020 includes ¥3 million of dividends for the Company's shares owned by the Board Incentive Plan trust, established by the Company, in which beneficiaries include Directors and Executive Officers.

#### (2) Dividends whose record date is in the current fiscal year but whose effective date is in the following fiscal year are as follows:

Resolution (scheduled)	Total amount of dividends	Dividends per share	Record date
Ordinary General Meeting of Shareholders (June 24, 2021)	¥5,390 million	¥7.50	March 31, 2021

Note: The total amount of dividends includes ¥3 million of dividends for the Company's shares owned by the Board Incentive Plan trust, established by the Company, in which beneficiaries include Directors and Executive Officers.

## Notes to Financial Instruments

### 1. Matters concerning the state of financial instruments

#### (1) Capital risk management

The Ricoh Group's capital management policy is to maintain a strong financial position which enables to secure adequate funds for its operational development, and at the same time, to sustain an efficient capital structure, with the aim of realizing sustainable growth of the Ricoh Group and enhancement of its corporate value.

#### (2) Foreign exchange risk management

A considerable part of the Ricoh Group's production and sales activities are conducted outside of Japan, including the U.S., Europe, China, and other regions. As a consequence, the Ricoh Group's performance

results, assets and liabilities denominated in foreign currencies may be impacted by currency rate fluctuation.

The Ricoh Group has entered into foreign exchange contracts in an effort to reduce exposure to risk associated with foreign exchange rate fluctuation on its assets and liabilities denominated in foreign currencies.

(3) Interest rate risk management

The Ricoh Group's interest-bearing debts mainly consist of bonds and borrowings procured at fixed interest rates.

As the Ricoh Group maintains cash and cash equivalents exceeding its interest-bearing debts, it considers that the current interest rate risk is immaterial for the Ricoh Group.

(4) Credit risk management

Receivables generated from operating activities of the Ricoh Group are exposed to the credit risk of its business partners.

As for such risk, the Ricoh Group sets a credit limit, conducts surveys on credit and monitoring of the performance of its business partners on an ongoing basis. The Ricoh Group believes that potential risk such as concentration of credit risk and outstanding accounts of business partners to which the Ricoh Group grants credit need to be minimized, and therefore, the Ricoh Group makes adjustment to the extent of granting credit based on the results of monitoring.

When the Ricoh Group uses derivative transactions, financial institutions are limited to those which are highly credible in order to minimize exposure to credit risk.

(5) Liquidity risk management

The Ricoh Group procures operating funds in a form of loans from financial institutions or by issuing bonds. As a consequence, the Ricoh Group is exposed to risk of not being able to fulfill its repayment obligation due to factors such as deterioration of fund procurement environment.

Ricoh and some of its consolidated subsidiaries have entered into agreements with financial institutions in respect of limits on loan and overdraft facilities, and hold commercial paper issuance program. The Ricoh Group has also developed a structure to allow accommodating other Group companies with funds by making use of liquidity on hand effectively among the Group companies, with the Ricoh Group's finance subsidiaries located in each region playing a central role. The Ricoh Group strives for diversifying means for fund procurement, and has concluded commitment line agreements with more than one financial institution as a countermeasure against liquidity risk.

2. Matters concerning fair value of financial instruments

(1) Cash and cash equivalents, time deposits, trade and other receivables, and trade and other payables

These financial instruments are not included in the table below, as the carrying amounts approximate fair values due to the relatively short term nature.

(2) Lease receivables

Fair values of lease receivables, per each receivable classified per certain period, are calculated based on present value of such receivable discounted by the interest rate, which takes into account the period to

maturity and the credit risk.

(3) Derivatives

Derivative instruments consist of foreign currency contracts. Fair values of these instruments are mainly measured by obtaining quotes from brokers.

(4) Securities and bonds

Securities and bonds include mainly marketable securities, bonds and unlisted securities. Marketable securities and bonds are held at fair value using quoted prices in an active market. The fair value of unlisted securities is measured using the comparable companies' analysis or other reasonable valuation methods.

(5) Bonds and borrowings

Bonds and borrowings expected to be settled in within 12 months are not included in the table below, as the carrying amounts approximate fair values due to the short maturities of these instruments.

Fair values of bonds and borrowings are calculated from estimated present value using year-end borrowing rates derived from future cash flows, on a per-loan basis, as well as calculated based on market prices.

Carrying amounts and fair values of the financial instruments on the consolidated statement of financial position as of March 31, 2021 are as follows:

(Unit: millions of yen)		
	Carrying amount	Fair value
Assets:		
Other financial assets (current and non-current)		
Lease receivables	228,509	234,007
Derivative assets	407	407
Other investments		
Securities	17,770	17,770
Bonds	734	734
Liabilities:		
Other financial liabilities (current and non-current)		
Derivative liabilities	1,669	1,669
Bonds and borrowings	139,676	136,416

## Notes to Loss of Control of Subsidiary

Ricoh Leasing Co., Ltd.

### Overview of loss of control

At a meeting on March 9, 2020, the Board of Directors of Ricoh agreed to sell a portion of Ricoh's shares in Ricoh Leasing Co., Ltd. (referred to as "Ricoh Leasing") to Mizuho Leasing Company, Ltd. (referred to as "Mizuho Leasing").

As of April 23, 2020, Ricoh concluded the partial transfer of common shares in Ricoh Leasing to Mizuho Leasing. As a result of the share transfer, Ricoh's voting rights in Ricoh Leasing changed to the ownership ratio of 33.7%, and Ricoh Leasing moved from being a consolidated subsidiary of Ricoh to an equity-method affiliate.

(i) Assets and liabilities at the date when control is lost

(Unit: millions of yen)

Assets and liabilities included in the derecognized subsidiary	
Cash and cash equivalents	28,954
Trade and other receivables	219,572
Other financial assets	824,971
Property, plant and equipment	63,855
Other assets	46,144
Bonds and borrowings	(907,957)
Trade and other payables	(40,824)
Other liabilities	(51,229)
Net assets removed	<u>183,486</u>

Note: The above figures are the amounts before elimination of inter-company transactions.

(ii) Gain or loss arising from the loss of control of the subsidiary

Fiscal year under review (from April 1, 2020 to March 31, 2021)

(Unit: millions of yen)

Consideration received	36,800
Net assets removed	(183,486)
Non-controlling interests	84,676
Retained investment after losing control	<u>62,010</u>
Gain or loss resulting from the deconsolidation	<u>-</u>

Note: The loss amounting to ¥2,539 million from measuring the disposal group classified as held for sale at fair value less costs to sell was included in selling, general and administrative expenses.

(iii) Change in cash and cash equivalents resulting from the loss of control of the subsidiary

Fiscal year under review (from April 1, 2020 to March 31, 2021)

(Unit: millions of yen)

Cash received	36,800
Cash and cash equivalents held in derecognized subsidiary	(28,954)
Net change in cash and cash equivalents resulting from the loss of control of the subsidiary	<u>7,846</u>

## Subsequent Events

### (Share repurchase)

The Company repurchased its shares as resolved in the Board of Directors meeting held on March 3, 2021. The status of share repurchase after the reporting date is as follows.

#### Status of share repurchase

- (1) Share category: Common stock
- (2) Number of shares: 11,237,300 shares
- (3) Repurchase cost: ¥13,101,261,500
- (4) Period: April 1, 2021 through May 13, 2021
- (5) Method: Open market purchase on Tokyo Stock Exchange

#### (Reference)

1. The details of resolution at the Board of Directors meeting held on March 3, 2021
  - (1) Share category: Common stock
  - (2) Number of shares: Up to 145,000,000 shares  
(representing 20.02% of issued and outstanding shares excluding treasury stock)
  - (3) Repurchase ceiling: ¥100.0 billion
  - (4) Period: March 4, 2021 through March 3, 2022
  - (5) Method: Open market purchase on Tokyo Stock Exchange
2. Total number of shares repurchased (as of May 13, 2021)
  - (1) Total number of shares repurchased: 17,450,300 shares
  - (2) Total repurchase cost: ¥20,392,201,300

## Notes to Per-share Information

1. Equity per share attributable to owners of the parent: ¥1,281.29
2. Earnings (loss) per share:
  - Earnings (loss) per share attributable to owners of the parent-basic ¥(45.20)
  - Earnings (loss) per share attributable to owners of the parent-diluted ¥(45.20)

**Non-consolidated Balance Sheet (as of March 31, 2021)**

	Millions of yen	
	As of March 31,	
	2021	2020
<b>ASSETS</b>		
Current Assets:	<b>430,710</b>	373,144
Cash on hand and in banks	<b>143,601</b>	90,404
Notes receivable – trade	<b>1,718</b>	442
Accounts receivable – trade	<b>110,461</b>	99,446
Marketable securities	<b>49,996</b>	19,999
Finished goods	<b>31,418</b>	29,499
Raw materials	<b>2,186</b>	2,729
Work in process	<b>3,655</b>	3,118
Supplies	<b>11,823</b>	12,048
Accounts receivable – other	<b>17,580</b>	24,574
Short-term loans receivable	<b>39,323</b>	74,446
Other current assets	<b>19,025</b>	16,452
Allowance for doubtful accounts	<b>(81)</b>	(18)
Fixed Assets:	<b>537,043</b>	550,215
Tangible fixed assets:	<b>90,932</b>	96,588
Buildings	<b>47,327</b>	48,243
Structures	<b>2,087</b>	2,171
Machinery and equipment	<b>12,175</b>	14,306
Vehicles	<b>68</b>	98
Tools, furniture and fixtures	<b>7,161</b>	10,149
Land	<b>18,884</b>	18,884
Leased assets	<b>1,474</b>	166
Construction in progress	<b>1,753</b>	2,567
Intangible fixed assets:	<b>34,036</b>	31,818
Goodwill	<b>2,170</b>	2,790
Leasehold right and others	<b>7,489</b>	7,672
Software	<b>24,376</b>	21,355
Investments and Other Assets:	<b>412,074</b>	421,809
Investment securities	<b>15,813</b>	12,220
Subsidiaries and affiliates' securities	<b>344,743</b>	348,764
Investment in subsidiaries and affiliates	<b>13,357</b>	12,290
Long-term loans receivable	<b>19,470</b>	23,910
Claims provable in bankruptcy, claims provable in rehabilitation and other	<b>115</b>	116
Deferred tax assets	<b>16,534</b>	22,482
Lease deposit	<b>1,334</b>	1,341
Other investments	<b>901</b>	874
Allowance for doubtful accounts	<b>(196)</b>	(191)
<b>Total Assets</b>	<b>967, 753</b>	923,360

**Non-consolidated Balance Sheet (as of March 31, 2021)**

	Millions of yen	
	As of March 31,	
	2021	2020
<b>LIABILITIES</b>		
Current Liabilities:	294,535	325,922
Notes payable – trade	217	266
Electronically recorded obligations – operating	33,897	26,588
Accounts payable – trade	104,726	89,800
Bonds maturing within one year	-	11,955
Short-term borrowings	12,204	86,183
Current maturities of long-term borrowings	42,980	10,000
Leased obligations	458	77
Accounts payable – other	65,342	65,273
Accrued expenses	10,331	10,227
Accrued bonuses	6,550	9,156
Accrued Directors' bonuses	-	54
Warranty reserve	1,865	895
Other current liabilities	15,961	15,443
Fixed Liabilities:	143,666	136,422
Bonds	32,980	31,955
Long-term borrowings	96,490	91,955
Leased obligations	1,207	144
Retirement benefit obligation	9,245	9,063
Provision for share-based compensation	82	36
Asset retirement obligations	3,158	2,771
Other fixed liabilities	503	496
Total Liabilities	438,202	462,344
<b>NET ASSETS</b>		
Shareholders' Equity:	522,175	456,268
Common stock	135,364	135,364
Additional paid-in capital:	180,804	180,804
Legal capital reserve	180,804	180,804
Retained earnings	250,868	177,671
Legal reserve	14,955	14,955
Other retained earnings	235,913	162,716
Reserve for deferral of capital gain on property	2,550	2,777
General reserve	15,350	115,350
Retained earnings brought forward	218,013	44,588
Treasury stock	(44,862)	(37,572)
Difference of appreciation and conversion	7,375	4,746
Net unrealized holding gains on securities	7,375	4,746
Total Net Assets	529,551	461,015
Total Liabilities and Net Assets	967,753	923,360

**Non-consolidated Statement of Operations** (for the year ended March 31, 2021)

	Millions of yen	
	For the year ended March 31,	
	2021	2020
Net sales	761,396	891,192
Cost of sales	625,212	728,382
Gross profit	136,183	162,809
Selling, general and administrative expenses	174,787	193,914
Operating loss	(38,603)	(31,104)
Non-operating income:	104,858	26,601
Interest and dividend income	103,049	23,828
Foreign exchange gain	758	-
Other revenue	1,050	2,772
Non-operating expenses:	2,228	5,582
Interest expense	716	2,061
Foreign exchange loss	-	2,463
Other expenses	1,512	1,057
Ordinary income (loss)	64,025	(10,085)
Extraordinary income	33,464	4,543
Gain on sales of investment securities	-	2,540
Gain on sales of shares of subsidiaries and affiliates	33,464	-
Enterprise tax refund	-	2,003
Extraordinary loss:	4,303	1,353
Impairment of fixed assets	3,239	908
Loss on valuation of investment securities	-	444
Loss on valuation of shares of subsidiaries and affiliates	1,063	-
Income (loss) before income taxes	93,186	(6,895)
Income taxes – current	333	(3,164)
Income taxes – deferred	4,795	(7,946)
Net income	88,057	4,215

# Statement of Changes in Shareholders' Equity (for the year ended March 31, 2021)

(Unit: millions of yen)

	Shareholders' equity					
	Common stock	Additional paid-in capital	Retained earnings			
		Legal capital reserve	Legal reserve	Other retained earnings		
				Reserve for deferral of capital gain on property	General reserve	Retained earnings brought forward
Beginning balance	135,364	180,804	14,955	2,777	115,350	44,588
Changes of items during the period						
Dividends from surplus						(14,859)
Net income						88,057
Provision of reserve for deferral of capital gain on property						
Reversal of reserve for deferral of capital gain on property				(227)		227
Reversal of general reserve					(100,000)	100,000
Purchase of treasury stock						
Disposal of treasury stock						(0)
Net changes of items other than shareholders' equity						
Total changes of items during the period	-	-	-	(227)	(100,000)	173,424
Ending balance	135,364	180,804	14,955	2,550	15,350	218,013

	Shareholders' equity			Valuation and translation adjustments	Total net assets
	Retained earnings	Treasury stock	Total shareholders' equity	Total valuation and translation adjustments	
	Total retained earnings				
Beginning balance	177,671	(37,572)	456,268	4,746	461,015
Changes of items during the period					
Dividends from surplus	(14,859)		(14,859)		(14,859)
Net income	88,057		88,057		88,057
Provision of reserve for deferral of capital gain on property	-		-		-
Reversal of reserve for deferral of capital gain on property	-		-		-
Reversal of general reserve	-		-		-
Purchase of treasury stock		(7,296)	(7,296)		(7,296)
Disposal of treasury stock	(0)	6	5		5
Net changes of items other than shareholders' equity				2,628	2,628
Total changes of items during the period	73,197	(7,290)	65,907	2,628	68,536
Ending balance	250,868	(44,862)	522,175	7,375	529,551

## **Notes to Non-consolidated Financial Statements**

\* All figures are rounded down to nearest million yen.

### **Notes Regarding Significant Accounting Policies**

#### **1. Accounting Policy for Securities**

##### **(1) Securities of subsidiaries and affiliates**

Securities of subsidiaries and affiliates are stated at cost based on the moving average method.

##### **(2) Other securities**

Marketable securities: Marked to market based on the market price at the end of the term and other factors (accounting for all valuation differences with the full net-assets injection method; the cost of securities sold is valued at moving average cost).

Non-marketable securities: Stated at cost based on the moving average method.

#### **2. Accounting Policy for Derivatives**

Derivatives are stated at market value.

#### **3. Accounting Policy for Inventories**

Inventories are stated principally at cost using the gross average method (the amounts on the balance-sheets are stated based on the method of devaluing book values by lowered profitability).

#### **4. Depreciation and Amortization**

##### **(1) Tangible fixed assets (excluding leased assets):**

Depreciated by using the straight-line method. Major useful life is as follows:

Buildings: 5-50 years

Machinery and equipment: 4-12 years

##### **(2) Intangible fixed assets (excluding leased assets):**

Depreciated by using the straight-line method.

With software for sale in the market, however, the Company records the larger of an amortization based on projected sales profits or a uniform amortization based on a projected effective sales period for the balance. The initially projected effective sales term is 3 years. With software for internal use, the Company uses the straight-line method based on a usable period of 3 to 10 years.

Goodwill is amortized using the straight-line method over the period of investment effect (16 years).

##### **(3) Leased assets**

Finance leases for which ownership does not transfer to lessees

Ricoh uses straight-line depreciation for leased assets with the lease-term as useful life.

## **5. Basis for Provision of Reserves**

### **(1) Allowance for doubtful accounts:**

The allowance for doubtful accounts is provided to cover possible losses from bad debts and represents possible individual doubtful accounts based on historical default rates and the probability of recoverability.

### **(2) Accrued bonuses:**

The reserve for accrued bonuses is provided by estimating the amount of bonuses payable to employees for the current financial year under our corporate rules for calculating such bonus payment.

### **(3) Accrued Directors' bonuses:**

The reserve for accrued bonuses is provided by estimating the amount of bonuses payable to Directors for the current financial year.

### **(4) Warranty reserve:**

To cover product after-sales service expenses, the Company calculates the product warranty reserve based on projected service costs.

### **(5) Retirement benefit obligation:**

To cover projected employee benefits, the Company records the estimated obligations at the end of current fiscal year based on projected year-end benefit obligations and plan assets.

For calculation of retirement benefit obligations, the method of attributing expected retirement benefits to periods up to the end of the current fiscal year is on a benefit formula basis.

For actuarial gains or losses, the Company uses straight-line amortization over a certain period of time (12 years) within averaged remaining employment term as incurred in each business year starting from the year following the year of occurrence.

For prior service costs the Company uses straight-line amortization over a certain period of time (12 years) within averaged remaining employment term as incurred in each business year.

Unrecognized actuarial gains and losses and unrecognized prior service costs on the non-consolidated balance sheets are treated differently from those on the consolidated statement of financial position.

### **(6) Provision for share-based compensation:**

Projected payments of the Company's shares to Directors and other officers are recorded based on the amount of benefits corresponding to the estimated number of points granted to Directors and other officers pursuant to the Share Grant Regulations.

## **6. Consumption Taxes**

The consumption tax and the local consumption tax are excluded from profits and losses.

## **7. Application of Consolidated Taxation System**

The Company adopts a consolidated taxation system with the Company being the consolidated parent company.

## **8. Application of Tax Effect Accounting for the Transition from the Consolidated Taxation System to the Group Tax Sharing System**

Regarding items reclassified following the review of the non-consolidated taxation system in keeping with the

transition to the group tax sharing system established pursuant to the Act for Partial Amendment of the Income Tax Act, etc. (Act No.8 of 2020) and to the group tax sharing system applied in the Company, the provisions of Paragraph 44 of the Implementation Guidance on Tax Effect Accounting (ASBJ Guidance No.28 of February 16, 2018) is not applicable to the Company as provided in Paragraph 3 of the Practical Solution on the Treatment of Tax Effect Accounting for the Transition from the Consolidated Taxation System to the Group Tax Sharing System (PITF No.39 of March 31, 2020), and thus the Company calculated the amounts of deferred tax assets and deferred tax liabilities based on the tax act before the revision.

## **9. Hedge Accounting**

### **(1) Hedge accounting methods:**

Deferred hedge accounting is adopted.

With interest-rate swaps, special treatment is adopted if requirements of special treatment are met.

### **(2) Hedge instruments and targets:**

Hedging instruments: Interest-rate swaps

Hedged items: Interests of long-term borrowings

### **(3) Hedging policies:**

In keeping with its internal Market Risk Management Rules, Ricoh uses derivatives to manage the exposure of its assets and liabilities to market or cash flow fluctuations.

### **(4) Hedge effectiveness assessment method:**

In cases where the significant conditions for hedging instruments and hedged items are identical, which are deemed highly effective, assessment is omitted. Interest rate swaps, which meet the requirements of special treatment, are exempt from the assessment of effectiveness. For other cases, the Company assesses the effectiveness of hedges by analyzing the ratios of the cumulative total market and cash flow fluctuations of hedged targets and instruments.

## **Notes to Changes in Presentation**

The Company applied the Accounting Standard for Disclosure of Accounting Estimates (ASBJ Statement No. 31 of March 31, 2020) in the fiscal year under review. The details are described below in “Notes to Accounting Estimates” of the notes to non-consolidated financial statements.

## **Notes to Accounting Estimates**

Deferred tax assets

- (1) Amount reported in the non-consolidated financial statements for the fiscal year under review: ¥16,534 million
  - (2) Information on the significant accounting estimates for identified items
- The details are presented under “Notes to Accounting Estimates” of the consolidated financial statements.

### Notes to Non-consolidated Balance Sheets

1. Monetary debts and credits for subsidiaries and affiliates:

Short-term receivable due from subsidiaries and affiliates:	¥169,740 million
Long-term receivable due from subsidiaries and affiliates:	¥19,685 million
Short-term payable due to subsidiaries and affiliates:	¥103,346 million
Long-term payable due to subsidiaries and affiliates:	¥55 million
2. Guarantee obligation:

Parent company's guarantee for commercial papers issued by subsidiaries and affiliates:	¥33,213 million
Parent company's guarantee for the credit line agreement by subsidiaries and affiliates when necessary:	¥20,000 million
Parent company's guarantee for the lease agreement by subsidiaries and affiliates:	¥566 million
3. Accumulated depreciation on tangible fixed assets: ¥426,746 million

### Notes to Non-consolidated Statements of Operations

Transaction with subsidiaries and affiliates:

Sales:	¥730,322 million
Purchase:	¥263,990 million
Other operating transactions:	¥36,817 million
Non-operating transactions:	¥102,636 million

### Notes to Statements of Changes in Shareholders' Equity

Number of treasury stocks as of the end of the fiscal year

Common stock:	26,692,132 shares
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Note: The number of treasury stocks includes 415,800 shares of the Company's shares (number of voting rights: 4,158) owned by the Board Incentive Plan trust, established by the Company, in which beneficiaries include Directors and Executive Officers.

### Notes to Deferred Tax Accounting

Major factors giving rise to deferred tax assets include deductible temporary difference relating to loss on valuation of shares of subsidiaries and affiliates, retirement benefit obligations, accrued bonuses, depreciation, etc., and retained loss, with a valuation allowance of ¥85,966 million deducted. Valuation allowance is principally recognized for loss on valuation of shares of subsidiaries and affiliates and retained loss.

### Notes to Leased Fixed Assets

The Company uses fixed assets in the balance sheets and certain office equipment and production facilities, etc. under finance lease contracts without ownership transfer.

## Notes to Related Party Transactions

(Unit: millions of yen)

Attribute	Name of company, etc.	Voting rights held by Company (%)	Relation with company		Description of transactions	Transaction amount (Note 1)	Account item	Balance as of the fiscal year under review (Note 1)
			Concurrent Directors	Business relation				
Subsidiary	RICOH JAPAN CORPORATION	(Possessed) Directly: 100	Yes	Sale of the Company's office equipment	Sales of products (Note 2)	465,302	Accounts receivable – trade	66,734
Affiliate	RICOH LEASING COMPANY, LTD.	(Possessed) Directly: 33.7	Yes	Factoring transaction	Factoring transaction (Note 3)	50,665	Accounts payable – other	20,147
Subsidiary	RICOH AMERICAS HOLDINGS, INC.	(Possessed) Directly: 100	Yes	Lending of funds	Lending of funds (Note 4) (Note 5)	51,018	Short-term loans receivable	1,999
Subsidiary	RICOH EUROPE FINANCE LIMITED	(Possessed) Indirectly: 100	Yes	Borrowing of funds	Borrowing of funds (Note 4) (Note 5)	49,903	Short-term borrowings	1,261
				Lending of funds	Lending of funds (Note 4)	16,874	Short-term loans receivable	23,364
					Collection of funds (Note 4)	16,737	Long-term loans receivable	19,470
Subsidiary	RICOH EUROPE SCM B.V.	(Possessed) Indirectly: 100	No	Sale of the Company's office equipment	Sales of products (Note 2)	76,788	Accounts receivable – trade	14,920

Notes: Transaction conditions and policy in determining transaction conditions

1. The transaction amount does not include the consumption tax, while the ending balance includes the consumption tax.
2. Prices and other transaction conditions are determined through price negotiations, taking into account the market situation.
3. For trade payables of the Company, payments are made under the main factoring agreement concluded among three parties which are the Company, counterparty and Ricoh Leasing Company Ltd.
4. Terms and conditions of lending and borrowing are determined each time through negotiations based on market interest rates.
5. The transaction amount shows the average balance during the period.

## Notes to Per-share Information

1. Net assets per share: ¥737.31
2. Net income (loss) per share: ¥121.59

Note: The income (loss) per share is calculated by recognizing the Company's shares owned by the Board Incentive Plan trust as treasury stocks, then deducting the said number of treasury stocks from the average number of common stocks during the period. The Board Incentive Plan trust is established by the Company, in which beneficiaries include Directors and Executive Officers.

## Subsequent Events

### (Share repurchase)

The Company repurchased its shares as resolved in the Board of Directors meeting held on March 3, 2021. The status of share repurchase after the reporting date is as follows.

#### Status of share repurchase

- (1) Share category: Common stock
- (2) Number of shares: 11,237,300 shares
- (3) Repurchase cost: ¥13,101,261,500
- (4) Period: April 1, 2021 through May 13, 2021
- (5) Method: Open market purchase on Tokyo Stock Exchange

#### (Reference)

#### 1. The details of resolution at the Board of Directors meeting held on March 3, 2021

- (1) Share category: Common stock
- (2) Number of shares: Up to 145,000,000 shares  
(representing 20.02% of issued and outstanding shares excluding treasury stock)
- (3) Repurchase ceiling: ¥100.0 billion
- (4) Period: March 4, 2021 through March 3, 2022
- (5) Method: Open market purchase on Tokyo Stock Exchange

#### 2. Total number of shares repurchased (as of May 13, 2021)

- (1) Total number of shares repurchased: 17,450,300 shares
- (2) Total repurchase cost: ¥20,392,201,300

## **Independent Auditor's Report**

May 14, 2021

The Board of Directors  
Ricoh Company, Ltd.

Deloitte Touche Tohmatsu LLC  
Tokyo Office

Masato Shoji (Seal)  
Designated Limited Liability Partner  
Engagement Partner  
Certified Public Accountant

Yutaka Hamaguchi (Seal)  
Designated Limited Liability Partner  
Engagement Partner  
Certified Public Accountant

Norihiro Watanabe (Seal)  
Designated Limited Liability Partner  
Engagement Partner  
Certified Public Accountant

### **Opinion**

Pursuant to Article 444, Paragraph 4 of the Companies Act, we have audited the accompanying consolidated financial statements, which comprise the consolidated statements of financial position, the consolidated statements of profit or loss, the consolidated statements of changes in equity and the notes to the consolidated financial statements of Ricoh Company, Ltd. (the "Company") for the fiscal year from April 1, 2020 through March 31, 2021.

In our opinion, the above consolidated financial statements, prepared with the omission of some disclosure items required under the International Financial Reporting Standards in accordance with the provisions of the latter part of Article 120, Paragraph 1 of the Regulation on Corporate Accounting, present fairly, in all material respects, the financial position and results of operations of the corporate group, which consists of the Company and its consolidated subsidiaries, for the period covered by the consolidated financial statements.

### **Basis for the Opinion**

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibility under the auditing standards is stated in "Auditor's Responsibility for the Audit of the Consolidated Financial Statements." We are independent of the Company and its consolidated subsidiaries in accordance with the provisions related to professional ethics in Japan, and are fulfilling other ethical responsibilities as an auditor. We believe that we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

### **Responsibilities of Management, Audit & Supervisory Board Members and the Audit & Supervisory Board for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the provisions of the latter part of Article 120, Paragraph 1 of the Regulation on Corporate Accounting which allows companies to prepare consolidated financial statements with the omission of some disclosure items required under International Financial Reporting Standards, and for designing and operating such internal control as management determines is necessary to enable the preparation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error. In preparing the consolidated financial statements, management is responsible for assessing whether it is appropriate to prepare the consolidated financial statements in accordance with the premise of a going concern, and for disclosing matters relating to going concern when it is required to do so in accordance with the provisions of the latter part of Article 120, Paragraph 1 of the Regulation on Corporate Accounting which allows companies to prepare consolidated financial statements with the omission of some disclosure items required under International Financial Reporting Standards.

Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for monitoring the execution of Directors' duties related to designing and operating the financial reporting process.

### **Auditor's Responsibility for the Audit of the Consolidated Financial Statements**

Our responsibility is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to express an opinion on the consolidated financial statements from an independent standpoint in an audit report, based on our audit. Misstatements can occur as a result of fraud or error, and are deemed material if they can be reasonably expected to, either individually or collectively, influence the decisions of users taken on the basis of the consolidated financial statements.

We make professional judgment in the audit process in accordance with auditing standards generally accepted in Japan, and perform the following while maintaining professional skepticism.

- Identify and assess the risks of material misstatement, whether due to fraud or error. Design and implement audit procedures to address the risks of material

misstatement. The audit procedures shall be selected and applied as determined by the auditor. In addition, sufficient and appropriate audit evidence shall be obtained to provide a basis for the audit opinion.

- In making those risk assessments, the auditor considers internal control relevant to the entity's audit in order to design audit procedures that are appropriate in the circumstances, although the purpose of the audit of the consolidated financial statements is not to express an opinion on the effectiveness of the entity's internal control.
- Assess the appropriateness of accounting policies adopted by management and the method of their application, as well as the reasonableness of accounting estimates made by management and the adequacy of related notes.
- Determine whether it is appropriate for management to prepare the consolidated financial statements on the premise of a going concern and, based on the audit evidence obtained, determine whether there is a significant uncertainty in regard to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If there is a significant uncertainty concerning the premise of a going concern, the auditor is required to call attention to the notes to the consolidated financial statements in the audit report, or if the notes to the consolidated financial statements pertaining to the significant uncertainty are inappropriate, issue a modified opinion on the consolidated financial statements. While the conclusions of the auditor are based on the audit evidence obtained up to the date of the audit report, depending on future events or conditions, an entity may be unable to continue as a going concern.
- Besides assessing whether the presentation of and notes to the consolidated financial statements are in accordance with the provisions of the latter part of Article 120, Paragraph 1 of the Regulation on Corporate Accounting which allows companies to prepare consolidated financial statements with the omission of some disclosure items required under International Financial Reporting Standards, assess the presentation, structure, and content of the consolidated financial statements including related notes, and whether the consolidated financial statements fairly present the transactions and accounting events on which they are based.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the Company and its consolidated subsidiaries in order to express an opinion on the consolidated financial statements. The auditor is responsible for instructing, supervising, and implementing the audit of the consolidated financial statements, and is solely responsible for the audit opinion.

The auditor reports to Audit & Supervisory Board Members and the Audit & Supervisory Board regarding the scope and timing of implementation of the planned audit, material audit findings including material weaknesses in internal control identified in the course of the audit, and other matters required under the auditing standards.

The auditor reports to Audit & Supervisory Board Members and the Audit & Supervisory Board regarding the observance of provisions related to professional ethics in Japan as well as matters that are reasonably considered to have an impact on the auditor's independence and any safeguards that are in place to reduce or eliminate obstacles.

#### **Interest**

Our firm and engagement partners have no interests in the Company or its consolidated subsidiaries requiring disclosure under the provisions of the Certified Public Accountants Act of Japan.

\* Details of the audit report on the consolidated financial statements by the Audit & Supervisory Board are included in the transcript of the Audit & Supervisory Board's Report on pages 147 to 148

## **Independent Auditor's Report**

May 14, 2021

The Board of Directors  
Ricoh Company, Ltd.

Deloitte Touche Tohmatsu LLC  
Tokyo Office

Masato Shoji (Seal)  
Designated Limited Liability Partner  
Engagement Partner  
Certified Public Accountant

Yutaka Hamaguchi (Seal)  
Designated Limited Liability Partner  
Engagement Partner  
Certified Public Accountant

Norihiro Watanabe (Seal)  
Designated Limited Liability Partner  
Engagement Partner  
Certified Public Accountant

### **Opinion**

Pursuant to Article 436, Paragraph 2, Item 1 of the Companies Act, we have audited the accompanying financial statements, which comprise the balance sheet, the statement of operations, the statement of changes in shareholders' equity and the related notes, and the accompanying supplementary schedules of Ricoh Company, Ltd. (the "Company") for the 121st fiscal year from April 1, 2020 through March 31, 2021.

In our opinion, the financial statements and the accompanying supplementary schedules referred to above present fairly, in all material respects, the financial position of the Company as of March 31, 2021, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in Japan.

### **Basis for the Opinion**

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibility under the auditing standards is stated in "Auditor's Responsibility for the Audit of the Financial Statements and the Accompanying Supplementary Schedules." We are independent of the Company in accordance with the provisions related to professional ethics in Japan, and are fulfilling other ethical responsibilities as an auditor. We believe that we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

### **Responsibilities of Management, Audit & Supervisory Board Members and the Audit & Supervisory Board for the Financial Statements and the Accompanying Supplementary Schedules**

Management is responsible for the preparation and fair presentation of the financial statements and the accompanying supplementary schedules in accordance with accounting principles generally accepted in Japan, and for designing and operating such internal control as management determines is necessary to enable the preparation and fair presentation of the financial statements and the accompanying supplementary schedules that are free from material misstatement, whether due to fraud or error. In preparing the financial statements and the accompanying supplementary schedules, management is responsible for assessing whether it is appropriate to prepare the financial statements and the accompanying supplementary schedules in accordance with the premise of a going concern, and for disclosing matters relating to going concern when it is required to do so in accordance with accounting principles generally accepted in Japan.

Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for monitoring the execution of Directors' duties related to designing and operating the financial reporting process.

### **Auditor's Responsibility for the Audit of the Financial Statements and the Accompanying Supplementary Schedules**

Our responsibility is to obtain reasonable assurance about whether the financial statements and the accompanying supplementary schedules as a whole are free from material misstatement, whether due to fraud or error, and to express an opinion on the financial statements and the accompanying supplementary schedules from an independent standpoint in an audit report, based on our audit. Misstatements can occur as a result of fraud or error, and are deemed material if they can be reasonably expected to, either individually or collectively, influence the decisions of users taken on the basis of the financial statements and the accompanying supplementary schedules.

We make professional judgment in the audit process in accordance with auditing standards generally accepted in Japan, and perform the following while maintaining professional skepticism.

- Identify and assess the risks of material misstatement, whether due to fraud or error. Design and implement audit procedures to address the risks of material misstatement. The audit procedures shall be selected and applied as determined by the auditor. In addition, sufficient and appropriate audit evidence shall be obtained to provide a basis for the audit opinion.

- In making those risk assessments, the auditor considers internal control relevant to the entity's audit in order to design audit procedures that are appropriate in the circumstances, although the purpose of the audit of the financial statements and the accompanying supplementary schedules is not to express an opinion on the effectiveness of the entity's internal control.
- Assess the appropriateness of accounting policies adopted by management and the method of their application, as well as the reasonableness of accounting estimates made by management and the adequacy of related notes.
- Determine whether it is appropriate for management to prepare the financial statements and the accompanying supplementary schedules on the premise of a going concern and, based on the audit evidence obtained, determine whether there is a significant uncertainty in regard to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If there is a significant uncertainty concerning the premise of a going concern, the auditor is required to call attention to the notes to the financial statements and the accompanying supplementary schedules in the audit report, or if the notes to the financial statements and the accompanying supplementary schedules pertaining to the significant uncertainty are inappropriate, issue a modified opinion on the financial statements and the accompanying supplementary schedules. While the conclusions of the auditor are based on the audit evidence obtained up to the date of the audit report, depending on future events or conditions, an entity may be unable to continue as a going concern.
- Besides assessing whether the presentation of and notes to the financial statements and the accompanying supplementary schedules are in accordance with accounting principles generally accepted in Japan, assess the presentation, structure, and content of the financial statements and the accompanying supplementary schedules including related notes, and whether the financial statements and the accompanying supplementary schedules fairly present the transactions and accounting events on which they are based.

The auditor reports to Audit & Supervisory Board Members and the Audit & Supervisory Board regarding the scope and timing of implementation of the planned audit, material audit findings including material weaknesses in internal control identified in the course of the audit, and other matters required under the auditing standards. The auditor reports to Audit & Supervisory Board Members and the Audit & Supervisory Board regarding the observance of provisions related to professional ethics in Japan as well as matters that are reasonably considered to have an impact on the auditor's independence and any safeguards that are in place to reduce or eliminate obstacles.

#### **Interest**

Our firm and engagement partners have no interests in the Company requiring disclosure under the provisions of the Certified Public Accountants Act of Japan.

## Audit & Supervisory Board's Report

The Audit & Supervisory Board has prepared this Audit Report upon discussion based on the audit reports prepared by each Audit & Supervisory Board Member concerning the execution of duties by the Directors for the fiscal year from April 1, 2020 to March 31, 2021, and hereby reports as follows:

### 1. Methods and contents of the Audit employed by the Audit & Supervisory Board Members and the Audit & Supervisory Board

- (1) The Audit & Supervisory Board prescribed audit policies, activity plans, assignment of duties and other relevant matters, received reports from each Audit & Supervisory Board Member on their implementation of audits and results thereof, as well as reports from Directors, etc. and the Independent Auditor on the performance of their duties, and requested explanations from them whenever necessary.
- (2) Each Audit & Supervisory Board Member complied with the auditing standards of Audit & Supervisory Board Members established by the Audit & Supervisory Board, followed the audit policies, activity plans, assignment of duties, etc., communicated with Directors, staff of the internal management and control division, and other employees, etc., occasionally using telephone lines and the Internet, etc., strove to collect information and establish the environment for auditing, and conducted audits based on the methods below.
  - (i) Each Audit & Supervisory Board Member attended Board of Directors and other important meetings, received reports from Directors, employees, etc. on the execution of their duties, requested explanations from them whenever necessary, inspected important written approvals, etc., examined the status of operations and assets at the headquarters and principal offices. With regards to the subsidiaries, we received the results of audit or reports on the status of management from the Headquarters internal audit division or administrative divisions in charge of subsidiaries, explanations from Directors and employees regarding their business whenever necessary and exchanged opinions.
  - (ii) We also regularly received reports, from Directors, employees, etc., requested explanations from them whenever necessary, and expressed our opinions, for ensuring that the execution of duties by Directors described in the Business Report conforms to the related laws and regulations and the Articles of Incorporation, the details of the resolution of the Board of Directors concerning the establishment of the system stipulated in Article 100, Paragraph 1 and Paragraph 3 of the Enforcement Regulations of the Companies Act aiming to secure the appropriateness of the operations of the corporate group consisting of the Company and its subsidiaries; and the construction and operation status of a system (internal control system) established in accordance with the said resolution.
  - (iii) With regard to accounting audits, we received explanations on audit plans from the Independent Auditor in advance and made discussions, as well as received audit reports. Furthermore, we monitored and verified whether the Independent Auditor implemented appropriate audits while maintaining independence, received reports from the Independent Auditor on the execution of their duties, and sought explanations whenever necessary. Furthermore, we received notice from the Independent Auditor that "System for ensuring that the execution of duties is performed properly" (matters set forth in each item of Article 131 of the Company Accounting Regulations) is organized in accordance with the "Quality Management Standards Regarding Audits" (Business Accounting Council; October 28, 2005), etc., and sought explanations whenever necessary.

Based on the above methods, we examined the business report and its supplementary schedule, non-consolidated financial statements (the balance sheet, the statement of operations, the statement of changes in shareholders' equity and the notes to financial statements) and the supplementary schedules for the fiscal year under review, as well as consolidated financial statements (the consolidated financial statements, comprising the consolidated statements of financial position, the consolidated statements of profit or loss, the consolidated statements of changes in equity and the notes to consolidated financial statements).

### 2. Audit results

#### (1) Results of audit of Business Report, etc.

- (i) We hereby state that the Business Report and the supplementary schedules fairly represent the Company's conditions in accordance with the related laws and regulations and the Articles of Incorporation.
- (ii) With regard to the performance of duties by Directors, we find no significant evidence of wrongful act or violation of related laws and regulations, nor the Articles of Incorporation.
- (iii) We hereby state that the content of the resolution by the Board of Directors concerning the internal control system is proper. In addition, we find no issue on which to remark in regard to the contents of Business Report and the execution of duties by the Directors regarding the internal control system.

**(2) Results of audit of non-consolidated financial statements and the supplementary schedules**

We hereby state that the audit methods of the Independent Auditor, Deloitte Touche Tohmatsu LLC, and the results are appropriate.

**(3) Results of audit of consolidated financial statements**

We hereby state that the audit methods of the Independent Auditor, Deloitte Touche Tohmatsu LLC, and the results are appropriate.

May 20, 2021

The Audit & Supervisory Board, Ricoh Company, Limited

Audit & Supervisory Board Member (Full-time)	Hiroshi Osawa (seal)
Audit & Supervisory Board Member (Full-time)	Kazuhiro Tsuji (seal)
Outside Audit & Supervisory Board Member	Yo Ota (seal)
Outside Audit & Supervisory Board Member	Shoji Kobayashi (seal)
Outside Audit & Supervisory Board Member	Yasunobu Furukawa (seal)

## **Notes on the Audit Performance**

### **1. Purpose of these Notes**

Audit & Supervisory Board Members, as independent agents, are charged by the Company's shareholders with responsibility for auditing the execution of duties by Directors, and ensuring the establishment of systems of good corporate governance to respond to the trust placed in the Company by society. Since FY2017, the Audit & Supervisory Board has voluntarily prepared these Notes as complementary material to the Audit & Supervisory Board's Report (see pages 147 to 148), in order to enhance the effectiveness of the dialogue with stakeholders including shareholders, based on the belief that more concrete explanation of the Audit & Supervisory Board's activities will lead to enhanced audit transparency. We also plan to disclose the outline of these Notes in the section on the "Status of the Audit conducted by Audit & Supervisory Board" in the Securities Report (for FY2020).

### **2. Outline of audit activities**

We reviewed risks and issues in the five areas, namely (1) Directors, (2) Business execution, (3) Subsidiaries, (4) Internal audit, and (5) Accounting audit, and formulated annual activity plans. Outline of audit activities in each of these areas are illustrated in Chart 1 below. Audit & Supervisory Board Members pointed out the issues and provided suggestions to Directors and business divisions, concerning the matters brought to our attention through these audit activities.

■ Chart 1: Outline of audit activities

★ Meeting organized by the Audit & Supervisory Board Members

**NEW** New initiatives for FY2020



\*1: In order to improve the transparency of deliberations by the Nomination Committee and the Compensation Committee, one independent Outside Audit & Supervisory Board Member will attend meetings as an observer from FY2020.

### **3. Areas of focus and actions for FY2020**

In view of the enormous impact of the global spread of COVID-19 on the domestic and international business environment, as well as the possibility that the situation will remain unpredictable for some time before it is brought under control, the Audit & Supervisory Board examined expected risks. As a result, in addition to the audit activities shown in Chart 1, “global risk management in the highly unpredictable business environment” and “execution of appropriate audit activities through flexible response to environmental changes,” were established as areas of focus for FY2020.

#### **Area of focus: (i) Audit of global risk management in the highly unpredictable business environment**

In addition to ensuring the effectiveness of the internal control systems of overseas subsidiaries and subsidiaries acquired through M&As, which have always been monitored closely, the following were performed in FY2020 based on the policy of accelerating the transformation into a digital service company, in view of the Company’s policy of promoting emergency response and transformation acceleration measures.

##### **● Selection of targets for audits based on risk approach**

- Additional quantitative data, such as sales results and growth rates, for individual subsidiaries were collected, particularly in the Office Services segment, for the risk information in the “integrated risk information database for the Ricoh Group”<sup>\*2</sup> used since FY2019. Subsidiaries to be audited were selected using a risk approach based on comprehensiveness.

<sup>\*2</sup> Integrated risk information database for the Ricoh Group: A database that can be used to centrally manage and share basic information and risk information regarding subsidiaries.

##### **● Audit of management conditions at subsidiaries, conducted with the involvement of principal administrative divisions and divisions responsible for risks**

- The Audit & Supervisory Board enhanced the effectiveness of its audits by enriching its pre-audit communications with principal administrative divisions<sup>\*3</sup>, divisions responsible for risks<sup>\*4</sup>, and overseas local independent auditors, improving its collection of information regarding the management conditions of subsidiaries, risks, and concerns, and selecting audit contents based on the conditions of individual subsidiaries.
- With regard to subsidiaries acquired through M&As, as a result of regular monitoring by the Investment Committee, the Audit & Supervisory Board assessed PMI (post-merger integration) conditions and concerns, etc., strove to enrich the contents of interviews, and confirmed the status of governance at corresponding subsidiaries.

<sup>\*3</sup> Principal administrative divisions: Headquarters administrative divisions in charge of subsidiaries.

<sup>\*4</sup> Divisions responsible for risks: Divisions responsible for implementation and development of managerial risks (headquarters cross-functional divisions such as accounting, human resources, and IT)

**Area of focus: (ii) Execution of appropriate audit activities through flexible response to environmental changes**

The global spread of COVID-19 was expected to place limitations in FY2020 on the on-site auditing that would normally be performed. Therefore, specific methods of remote auditing and data analysis were examined from the perspective of ensuring the effectiveness of auditing, and auditing was carried out using these methods.

- Use of remote technologies free of time and location limitations
  - Active planning of interviews simultaneously connecting multiple remote locations (subsidiaries, the local companies that manage them, internal auditing personnel, etc.) and audit participation by experts such as Outside Audit & Supervisory Board Members.
  - Use of IT technologies including Ricoh products and solutions such as the “RICOH THETA” and “360.biz” 360 degrees camera to perform virtual tours of production plants, etc.
- Coordination with accounting and internal audit divisions and Independent Auditor, and utilization and enhancement of data analysis
  - Monitoring of results of finance reviews of individual subsidiaries conducted each month by the accounting division and assessment of risk information for audited companies using the results of data analyses such as accounts receivable - trade and inventory analysis.
  - Enhanced coordination with the internal audit division and Independent Auditor, especially with regard to the implementation status and results of audits given the COVID-19 pandemic, sharing of issues, and confirmation of the effectiveness of individual audit activities.

**4. Operation of the Audit & Supervisory Board and execution framework for the Audit & Supervisory Board Members**

To ensure effective execution of duties by its members, the Audit & Supervisory Board carries out the following activities based on the Audit & Supervisory Board Regulations. In addition, their responsibilities are appropriately allocated, and a framework is in place to assist their work.

*(1) Operation of the Audit & Supervisory Board*

The Audit & Supervisory Board meetings were held 14 times during FY2020 (average time per meeting: approximately 2 and a half hours), and all full-time Audit & Supervisory Board Members were present at all meetings. (See page 102 for the attendance status of Independent Outside Audit & Supervisory Board Members.)

In FY2020, to prevent the spread of COVID-19, remote meetings were also used in conjunction with face-to-face meetings for Audit & Supervisory Board meetings. Key matters and information shared and considered in the Audit & Supervisory Board meeting and main items improved in FY2020 are as follows.

Key matters and information shared and considered: NEW: New matter considered in FY2020

- Audit policy, audit plan, and division of duties
- Evaluation of the Independent Auditor
- Selection of candidates for Audit & Supervisory Board Members
- Operational status of the Investment Committee

- Reinforcement of governance at overseas subsidiaries
- Status of execution of duties by full-time Audit & Supervisory Board Members (monthly)
- Review of the status of deliberations by the Board of Directors
- Audit viewpoints in consideration of transition to a business unit structure NEW

Main items improved:

- Enhanced explanations of situation backgrounds and addressing of inquiries through agenda item reviews before and after Board of Directors meetings and other meeting follow-up
- Had Independent Outside Audit & Supervisory Board Members attend meetings of the Nomination Committee and Compensation Committee as observers and shared deliberation status
- Held information exchange meetings among Audit & Supervisory Board Members of the Group, including part-time auditors of subsidiaries

## *(2) Allocation of responsibilities of the Audit & Supervisory Board Members*

The full-time Audit & Supervisory Board Members engaged in the audit activities as illustrated in Chart 1, and the detail of such activities were communicated to the Independent Outside Audit & Supervisory Board Members, as appropriate.

The Independent Outside Audit & Supervisory Board Members conducted audits on subsidiaries, their principal administrative divisions, and divisions responsible for risks, and made suggestions, drawing on their respective individual expertise and background, together with the full-time Audit & Supervisory Board Members. They also received detailed explanations about important management themes and expressed opinions from the standpoint of Independent Audit & Supervisory Board Members at the regular meetings with Chairperson of the Board and Representative Director.

## *(3) Evaluation of the Independent Auditor by Audit & Supervisory Board Members*

The Independent Auditor, Deloitte Touche Tohmatsu LLC, was monitored through evaluation items<sup>\*5</sup> including demands identified through the appropriateness evaluation conducted last fiscal year based on evaluation criteria for the Independent Auditor defined by the Audit & Supervisory Board.

The method used to evaluate the Independent Auditor with respect to the demands was as follows.

- Explanations were requested regarding data analysis progress and use cases based on explanations of audit plans and quarterly audit reports, and the effectiveness of data analysis was confirmed.
- Management letters and mid-term reports were used to confirm that information and recommendations were being appropriately provided to management.
- Three-way audit meetings were used to confirm that proposals were made with the aim of improving and deepening the Company's initiatives

<sup>\*5</sup>: Evaluation criteria for the Independent Auditor: Quality control by the audit firm, audit team, audit fee, etc., communication with Audit & Supervisory Board Members, etc., relationship with management, etc., group audits, fraud risk

Evaluation criteria added in FY2020: Data analysis, recommendations to top management, deepening of three-way

audits, effectiveness and efficiency of audits

With regard to the Key Audit Matters (KAM) in FY2020, the Audit & Supervisory Board strove to communicate with the Independent Auditor regarding audit plans, quarterly audit reports, etc., in accordance with the preparation and deliberation process tested last fiscal year, as well as to demand explanations concerning execution as necessary.

*(4) Framework for the Audit & Supervisory Board Office to assist the execution by Audit & Supervisory Board Members*

The Audit & Supervisory Board Office has been established as shown in Chart 2, staffed by five full-time employees dedicated to this office with a certain degree of guaranteed independence from the Business Execution and assists the activities of the Audit & Supervisory Board Members, such as collection and analysis of information globally and support for investigation. In addition, the Audit & Supervisory Board Office establishes requirements for qualities required of employees, and allocates staff in a well-balanced manner.

■Chart 2: Framework for the Audit & Supervisory Board Office to assist the execution of duties by Audit & Supervisory Board Members



**5. Issues to be monitored during FY2021**

Self-assessment for our audit performance was made by each Audit & Supervisory Board Member, as well as the Audit & Supervisory Board, while the issues to be closely monitored during FY2021 were considered. The Audit & Supervisory Board will engage in auditing measures recognizing “the internal control system and subsidiary management at each business unit” and “the effectiveness of governance by the Group headquarters” as the issues to be monitored in FY2021 in conjunction with the shift to a business unit structure