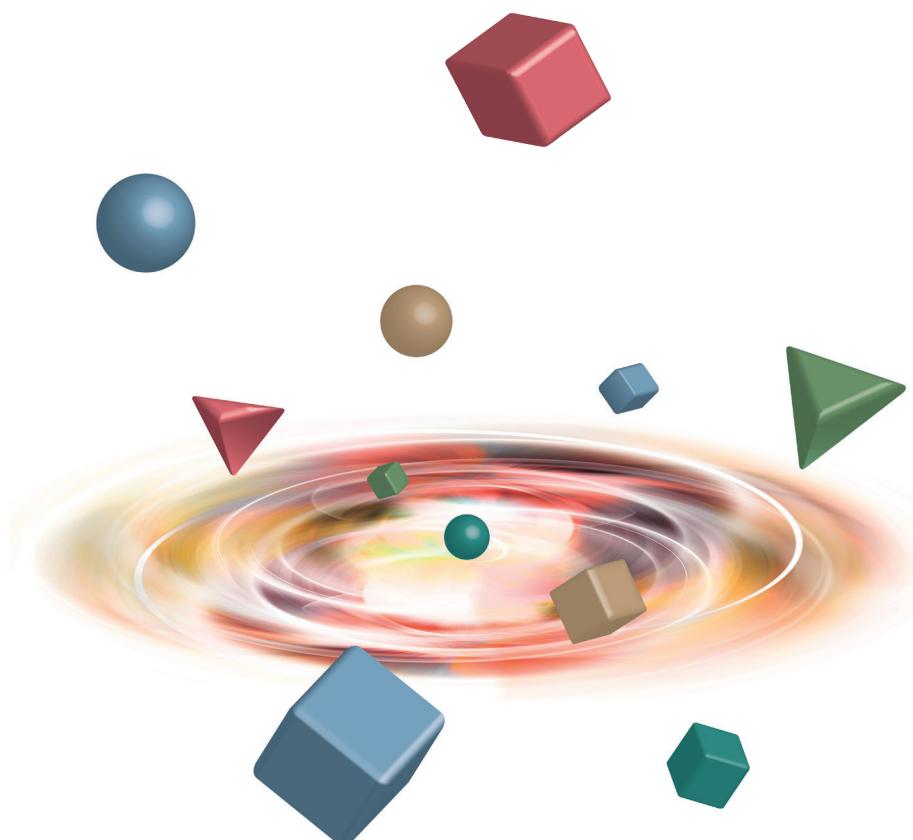


# Creating Value

Financial  
Social  
Environmental



# The RICOH Way

The RICOH Way constitutes the basis of all corporate activities of the Ricoh Group, and comprises its Founding Principles and its Mission, Vision, and Values.

## Founding Principles

The Spirit of Three Loves

**Love your neighbor,  
Love your country,  
Love your work**

## Mission, Vision, and Values

### Mission Statement

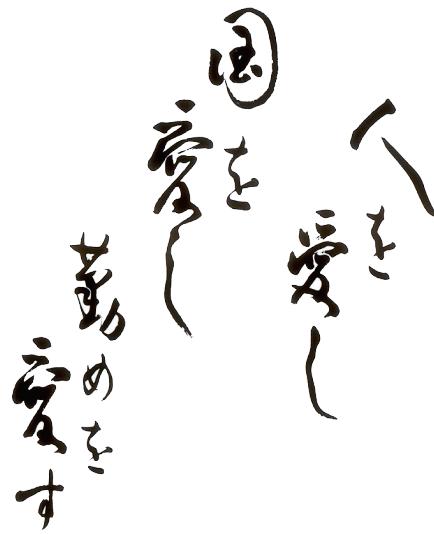
At the Ricoh Group, we are committed to providing excellence to improve the quality of living and to drive sustainability.

### Vision Statement

To be the most trusted brand with irresistible appeal in the global market.

### Values Statement

To be a global company, we must care about people, our profession, our society, and our planet. We must dedicate our winning spirit, innovation and teamwork to sharpen our customer-centric focus, and we also must commit to the highest standards of ethics and integrity.



Ricoh founder Kiyoshi Ichimura formulated The Spirit of Three Loves in 1946. These principles represent how we do business, encouraging us to constantly improve so that we may contribute to the well-being of all our stakeholders. The principles embody Mr. Ichimura's dedication by championing mutual respect, contributing to society by cherishing the planet, and encouraging our people to find meaning in work and passionately take on new challenges.

## Policy on information disclosure

We take a proactive and fair approach to providing society with timely information and ensure that as many people as possible understand what the Ricoh Group is all about.

The purpose of the Sustainability Report is to enable stakeholders to fully understand activities undertaken by the Ricoh Group to raise corporate value over the long term through a concise mixture of financial information, such as business performance and numerical results, and non-financial information, such as policies, strategies and underlying concepts.

The booklet version (printed and PDF\*) of the Sustainability Report briefly presents stories and measures about efforts to boost corporate value. The online version features specific initiatives to attain objectives and associated results. > p. 67



### Booklet version (printed and PDF\*)

Concise presentation of stories and measures aimed at boosting corporate value

### Online version

Details on activities and results, categorized by theme

\* Adobe PDF is a trademark or a registered trademark of Adobe Systems Incorporated in the United States and other countries.

### Target readership

Current and future stakeholders of the Ricoh Group

### Scope of coverage

Ricoh Co., Ltd. and its consolidated subsidiaries

### Reporting period

This report covers the fiscal year from April 1, 2015 to March 31, 2016; however, some activities from the fiscal year ending March 31, 2017 are also included.

### Guidelines

The following guidelines have been used for reference to ensure topics are appropriately selected and organized:

- GRI Sustainability Reporting Guidelines (G3.1)/(G4) ><sup>①</sup>
- The Japanese Ministry of the Environment's Environmental Reporting Guidelines 2007
- United Nations Global Compact Communication on Progress Policy
- IIRC International <IR> Framework

This version of the Sustainability Report reflects the opinions of experts, including investors and think tanks, who offered their thoughts on how the previous report could be improved. ><sup>②</sup>

## Major organizational changes

### • Ricoh Middle East FTZ commenced operations (April 1, 2015)

Full-scale operations have commenced in Dubai as part of Ricoh's growth strategy for emerging markets, and the new company is extending Ricoh's ability to provide value-added products and services matched to the needs of customers in the Middle East and to offer new office solutions to the local market.

### • P.T. Ricoh Thermal Media East Asia Pacific established and commenced operations (July 1, 2015)

We set up this subsidiary to develop, manufacture, and market thermal transfer ribbons in Indonesia, which is poised to become Southeast Asia's biggest consumer of thermal products. We are drawing on this company to cultivate our business in Indonesia and around Southeast Asia.

### • Two Impromat subsidiaries acquired in Eastern Europe (July 7, 2015)

We acquired Impromat-CZ spol. s.r.o and Impromat Slov spol. s.r.o., which offer maintenance and after-sales service for office equipment in the Czech Republic and Slovakia. The two subsidiaries enable Ricoh to provide high-quality, high-value-added services to customers in the two nations by enhancing its ability to combine local expertise with its products and services.

### • AnaJet LLC of the United States acquired

(January 8, 2016)

AnaJet develops, manufactures, sells, and services direct-to-garment printers. The acquisition of this company enabled Ricoh to enter the promising market for such equipment and reinforce its industrial inkjet business.

### Forward-looking statements

The plans, prospects, strategies and other statements, except for the historical events, mentioned in this report are forward-looking statements with respect to future events and business results. These statements were made based on the judgment of Ricoh directors from the information that was obtainable at the time. Actual results may differ materially from those projected or implied. No assumptions concerning future events and business results should be made based on these forward-looking statements. The following important factors, without limiting the generality of the foregoing, could cause actual results to differ materially from those expressed in the forward-looking statements:

- a. General economic conditions and business trends
- b. Exchange rates and their fluctuations
- c. Rapid technological innovation
- d. Uncertainty as to Ricoh's ability to continue to design, develop, produce and market products and services that achieve market acceptance

No company's name and/or organization's name used, quoted and/or referenced in this material shall be interpreted as a recommendation and/or endorsement by Ricoh. This material is not an offer or a solicitation to make investments. Please do not rely on this material as your sole source of information for your actual investments, and be aware that you yourself are responsible for decisions regarding investments.

### Exchange rates referred to in this report

The translation of Japanese yen amounts into U.S. dollar equivalents as of and for the year ended March 31, 2016 is included solely for the convenience of readers outside Japan and has been made using the exchange rate of ¥112 to US\$1, the approximate rate of exchange prevailing at the Federal Reserve Board on March 31, 2016.

### Refer to our website

- <sup>①</sup> GRI Guidelines [www.ricoh.com/sustainability/report/gr\\_guideline/](http://www.ricoh.com/sustainability/report/gr_guideline/)  
<sup>②</sup> Dialogue with Experts [www.ricoh.com/csr/vision/concept.html](http://www.ricoh.com/csr/vision/concept.html)

## To Our Stakeholders

Established in 1936, the Ricoh Group has spent the last 80 years leveraging innovative technologies, including optical and imaging equipment, to create new value. We now provide products, services, and solutions in offices and other environments in over 200 countries around the world. The ongoing support of all of our stakeholders, including customers, shareholders, investors, business partners, employees and communities, has enabled us to achieve such growth.

Recent years have seen rising demand for social sustainability from solutions which positively impact climate change, poverty, human rights, and other issues. This demand has arisen due to economic globalization and the growth of emerging nations. At Ricoh, we believe that tackling such challenges in the course of business is vital for us to capitalize on new opportunities, reduce operational risks and thereby enhance corporate value.

In April 2014, we designed the Mid-term Management Plan to ensure the Group's long-term progress. Since then, we have worked tirelessly to implement the two fundamental strategies of this initiative, which are to reinforce and develop the earnings power of core businesses and achieve growth by creating new profit generators. In fiscal 2016, we reformed the sales and services structures of our core businesses. At the same time, we are cultivating future core areas by reinforcing our inkjet businesses in the industrial printing market, entering the healthcare arena, and strengthening our environmental businesses.

We are leveraging the collective talents of our people in keeping with our corporate tagline of "imagine. change." in pursuit of our mission, which is to improve the quality of living and to drive sustainability. We will continue striving toward better tomorrows for our customers and the communities we serve by constantly creating new value that goes beyond their expectations and those of our other stakeholders.

November 2016



**Shiro Kondo**  
Chairman

**Zenji Miura**  
President and CEO

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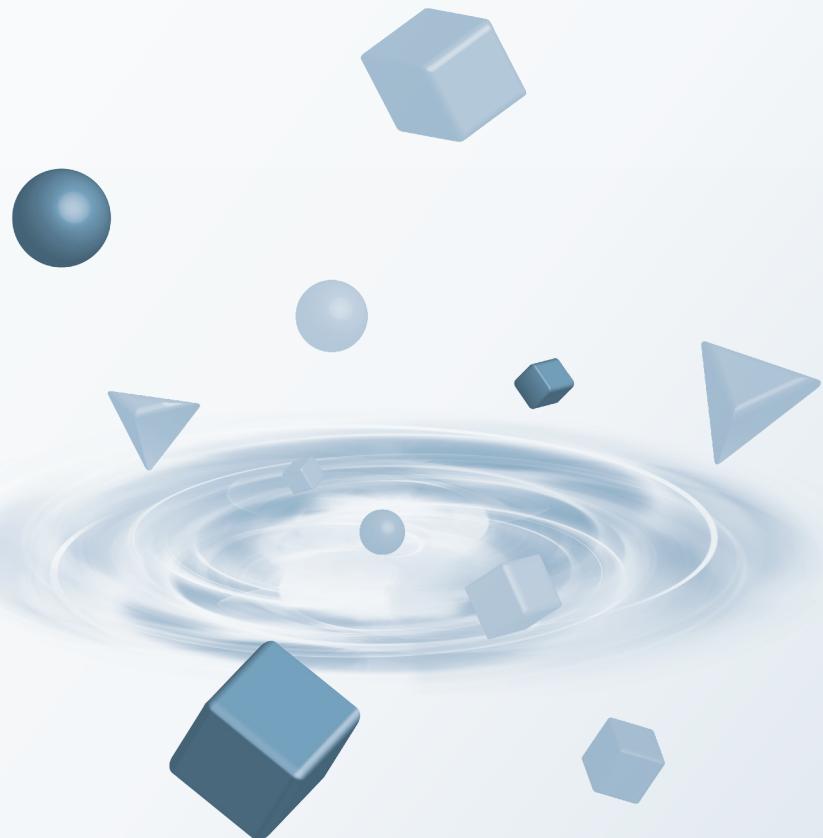
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# VALUE CREATION

An overview of our history, value creation model, medium- and long-term vision, and existing operations, as well as efforts to enhance corporate value.

- 07 **Transitions in Growth**
- 09 **A Conversation with Our CEO**
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- 19 **About the Ricoh Group**



### 1936– The early years

Started out in the sensitized paper business and then branched out into the camera business, creating the first mass production structure for cameras in Japan and driving widespread interest in cameras among consumers. Entered the business machine field as well.

### 1970– OA pioneer

Industry debut of office automation (OA). Launched various machines, including plain paper copiers (PPC), to support enhanced office productivity.

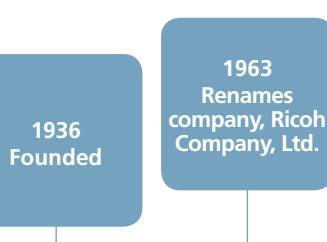
# Always delivering new value to meet the expectations of our customers and society



Founder, Kiyoshi Ichimura (1900–1968)

Ricoh founder, Kiyoshi Ichimura, oversaw the business based on the principles of “love your neighbor, love your country, love your work”—  
The Spirit of Three Loves.

- Business
- Environmental, social and governance issues



- 1936** ● Establishes Riken Kankoshi Co., Ltd. (the Ricoh Group commences operations).
- 1938** ● Renames company, Riken Optical Co., Ltd.
- 1950** ● Launches the Ricohflex III camera, which spurs the popularization of cameras.
- 1955** ● Enters the office copier field with the Ricopy 101, its first diazo model.
- 1962** ● Launches the Ricoh Auto Half, a half-frame camera that proves a massive hit.
- Establishes Ricoh Industries, U.S.A., Inc., a sales subsidiary.
- 1965** ● Introduces the Ricopy BS-1, its first electrostatic copier.
- 1967** ● Launches the Ricomac 201 electric calculator.



Ricohflex III



Ricopy 101



Ricopy BS-1



Rifax 600S



Ricom 8



RICOH LP4120

- 1971** ● Introduces the Ricom 8, its first office computer.
- 1972** ● Launches the Ricoh PPC 900, its first dry-electrostatic-transfer plain paper copier.
- 1973** ● Establishes Ricoh Electronics, Inc., a manufacturing subsidiary in the U.S.
- 1974** ● Launches the Rifax 600S, the world's first high-speed office facsimile machine.
- 1976** ● Establishes the Environmental Promotion Section.
- 1977** ● Coins the acronym OA for “office automation.”
- 1979** ● Establishes Ricoh Systems, Inc. in the U.S. to carry out R&D.
- 1980** ● Introduces Ricoh Thermal Paper Type 110LA for a food POS system.
- 1983** ● Launches the RICOH LP4120 laser printer.

1986–

## The digital revolution

Shifted from analog to digital in the multi-function printer (MFP) domain, helping to popularize digital models. Continued product evolution with the launch of networkable and color-capable models.



2001–

## A global company

Introduced a global sales structure and achieved an overseas sales ratio exceeding 50%. Concurrently, as a global company, Ricoh initiated earnest efforts to fulfill corporate social responsibility (CSR) goals, exemplified by the establishment of the CSR Section.

Overseas sales ratio exceeds 50%

2007  
¥2 trillion in sales

2010–

## Creating new customer value

The range of value provided by Ricoh to customers expanded significantly with rapid evolution in customer workstyles.

Toward continuous growth

- 1987 • Launches the IMAGIO 320 digital copier.
- 1990 • Introduces the Artage 8000 digital color PPC.
- 1991 • Establishes Ricoh Asia Industry (Shenzhen) Ltd., a manufacturing subsidiary, in China.
- 1992 • Implements the Ricoh General Principles on the Environment, obtains ISO 9002 certification.
- 1995 • Gotemba Plant obtains the first ISO/DIS 14001 certification from Japan Quality Assurance Organization.
- 1995 • Acquires Savin Corporation (U.S.) and Gestetner Corporation (U.K.).  
• Launches the DC-1, its first digital camera.
- 1996 • Launches the world's first CD-Rewritable disc.
- 1999 • Receives Japan Quality Award.
- 2000 • Appoints an outside director, introduces the executive officer system.

- 2001 • Introduces the world's first JPEG 2000-compliant LSI, which is capable of processing a moving image.
- 2002 • Signs the United Nations Global Compact.
- 2003 • Establishes the CSR Section.  
• Establishes the Ricoh Group CSR Charter.  
• Establishes the Ricoh Group Code of Conduct.  
• The Ricoh Group receives a Gold Medal from the World Environment Center (WEC).
- 2004 • Acquires Hitachi Printing Solutions, Ltd.
- 2006 • Establishes 2050 Long-Term Environmental Vision.
- 2007 • InfoPrint Solutions Company, a Ricoh-IBM joint venture, commences operations.
- 2008 • Introduces the RICOH Pro C900 color production printer.  
• Acquires IKON Office Solutions, Inc. (U.S.).
- 2009 • Establishes the Ricoh Group Biodiversity Policy.

- 2011 • Establishes PENTAX Ricoh Imaging Company, Ltd.  
(currently RICOH IMAGING COMPANY, LTD.)  
• Introduces the RICOH PJ WX4130N ultra-short-throw projector.
- 2013 • Releases the RICOH Interactive Whiteboard D5500.  
• Launches the RICOH THETA 360° spherical camera.
- 2014 • Enters the additive manufacturing business.
- 2015 • Opens RICOH Eco Business Development Center.  
• Opens RICOH Future House.
- 2016 • Enters the healthcare solutions field.



## Mobilizing our strengths to build foundations for a strong future



**Zenji Miura**  
President and CEO

## Q1 What roles do companies play in changing times?

The operating climate is changing constantly. The world is overpopulating and suffering more natural disasters as a result of climate change. There are water and food shortages. Biodiversity is impacted. Economic growth and globalization have fueled inequality, poverty, human rights issues, an aging population, and other social problems. Humankind must urgently improve social sustainability to tackle these challenges.

We face rising expectations regarding our role as corporate citizens. Organizations like ours must draw on their financial might, diverse human resources, strengths in technological innovation, and global business development capabilities to take more responsibility in delivering concrete solutions to these social issues.

## Q2 What is your approach to improving corporate value?

We naturally want the Ricoh Group to help resolve social issues in the course of business. It should also engage extensively in environmental protection and social contribution initiatives as a good corporate citizen. We seek to increase corporate value by transforming our business model into one that enhances social sustainability.

We believe it is important for a company to be recognized by society as an important company to keep in business. The Ricoh Group must therefore strive to improve corporate value so it can keep operating well into the future.

Corporate value derives from meeting the expectations of diverse stakeholders and endeavoring to comprehensively boost value for customers, shareholders, employees, and society.

We therefore formulated The RICOH Way [➤1](#) for Group employees around the world. The RICOH Way encompasses the principles, mission, vision, and values that underpin our corporate activities. It is the cornerstone for making decisions and tackling the complex issues that we face as an enterprise. By putting The RICOH Way into practice, all of our employees can generate and continue to deliver new value that benefits the world and contributes to improvements in quality of living and social sustainability.



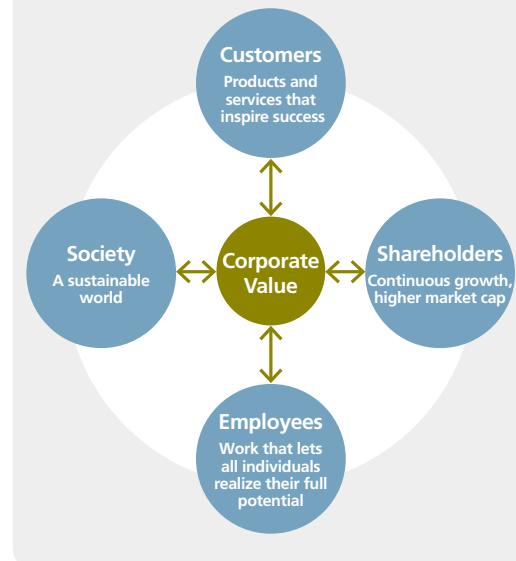
### 1 The RICOH Way

**Mission Statement**  
At the Ricoh Group, we are committed to providing excellence to improve the quality of living and to drive sustainability.

**Vision Statement**  
To be the most trusted brand with irresistible appeal in the global market.

**Values Statement**  
To be a global company, we must care about people, our profession, our society, and our planet. We must dedicate our winning spirit, innovation and teamwork to sharpen our customer-centric focus, and we also must commit to the highest standards of ethics and integrity.

### Raising corporate value



 Refer to these pages Office  
P.21-24**Q3 What are the Group's aspirations?**

When we announced the 18th Mid-term Management Plan (18th MTP) (April 2014 through March 2017), we declared that we would drive toward and beyond 2020 by becoming “an environment-friendly company that makes customers feel ‘confident, comfortable and convenient,’ while exceeding their expectations and to support lifestyle transformation.” We will remain an enterprise that serves a real purpose in the world by constantly creating new customer value for society.

Society will likely change dramatically in the years ahead as values and lifestyles diversify. It is our task as a business to determine how best to address such change. We will draw upon our technological strengths and customer connections to realize our aspirations in view of the megatrends that transform the operating climate.

**The Ricoh Group in 2020 and beyond**

An environment-friendly company that makes customers feel **“confident, comfortable and convenient,”** while exceeding their expectations and to support lifestyle transformation

**Q4 What have you done thus far to transform your aspirations into reality?**

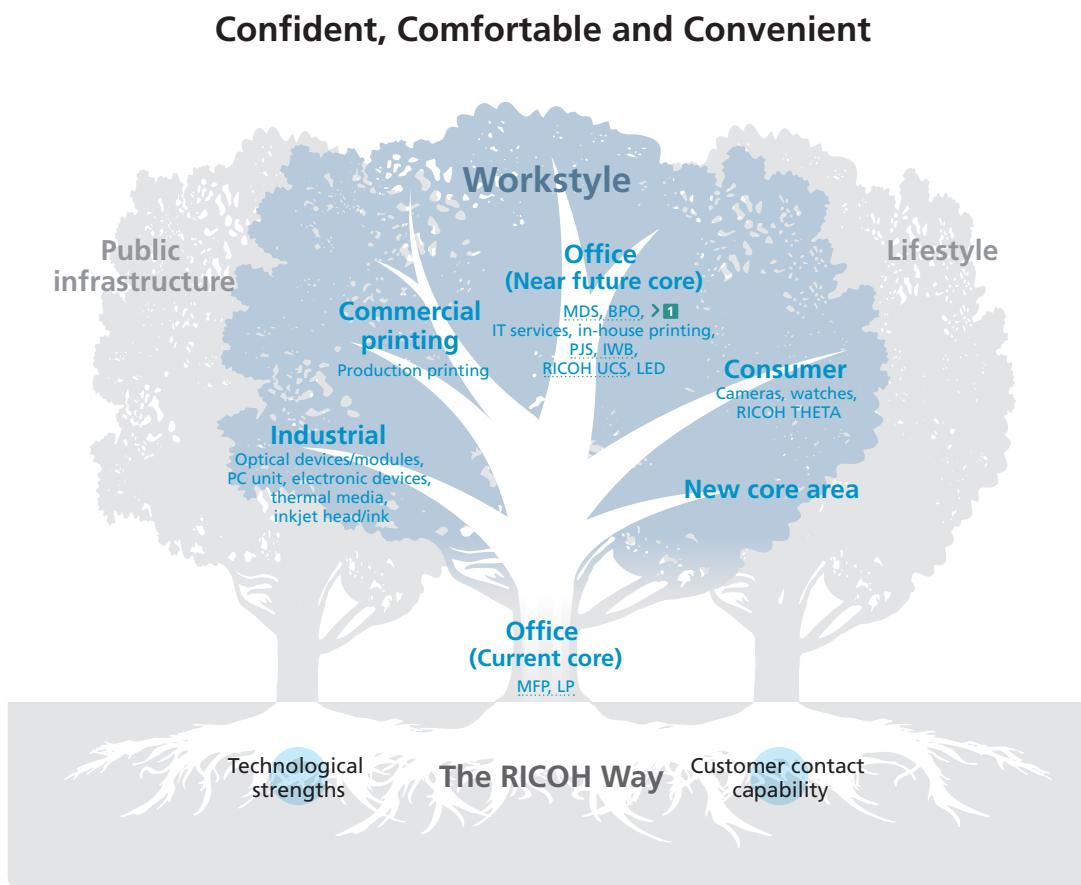
We positioned the three years of the 18th MTP as a period for ensuring long-term growth and steadily enhancing corporate value. The two strategic fundamentals of that initiative are to reinforce and develop the profitability of core businesses and achieve growth by creating new profit generators.

The first fundamental entails solidifying our operations by delivering value not just through standalone products but solutions that combine our products and services that draw on our close ties with customers, thereby bolstering our competitiveness. That is why we offer Managed Document Services and Information Technology services that propose ways for customers to transform work practices by using document digitization. We also aim to maximize customer value through one-stop solutions that combine Visual Communications products with Information Technology services. Visual communications solutions may incorporate our RICOH Unified Communications Systems, which facilitate remote anytime, anywhere communication, our RICOH Interactive Whiteboards, which support global video-conferencing, and our projection systems. >

We organized our industry-specific sales and service structure to reinforce profitability globally by providing products and services that draw on our strengths. We can provide solutions that increase customers’ sales and satisfaction by thoroughly understanding their concerns and business processes. For our production structure, we reviewed roles and consolidated operations for each business region. In R&D, we are drawing on the overall resources of the Ricoh Group to streamline development so we can strengthen our sales and service structure and increase customer value.

Our second strategic fundamental encompasses drawing on our technological strengths and close customer ties to build new key businesses and accelerate growth.

## Ricoh's direction for 2020 and beyond



A good example of this is our Production Printing business, where we leveraged the strengths in core business. There, we expanded our lineup with new products launched in 2015 to achieve steady growth. We expanded our Production Printing business from in-house printing to commercial printing, a new growth area. [›2](#)

Another growth area is the Industrial Products business, where we are concentrating investments. In industrial inkjet business, we are combining our inkjet head and ink materials technologies to accelerate growth strategies that center on technologies for printing on media other than paper. We are also delivering value by integrating our image processing,

optical, and other technologies to offer automotive, security, factory automation, and other applications. [›3](#)

On the new business front, we entered the healthcare arena by acquiring the magnetoencephalography (MEG) business of Yokogawa Electric Corporation. In April 2016, we opened the RICOH Eco Business Development Center in Gotemba, Shizuoka Prefecture, to evolve our environmental management in lockstep with our customers. [›4](#)

Also that month, we reviewed and rolled out a new governance structure to put in place a framework that positions management for new challenges over the next several decades. [›5](#)

### Refer to these pages

[2 Commercial printing](#)  
P.25–26

[3 Industrial](#)  
P.27–29

[4 New core area](#)  
P.30–31

[5 Revision to corporate governance structure](#)  
P.47

**1 Refer to these pages**

**1 Ricoh Group Consolidated Financial Results for Fiscal 2016**  
P.54–62

**2 Responding to incidents and accidents**  
P.52

**Q5****How did you perform in fiscal 2016 and what are your targets for fiscal 2017?**

The global economy experienced some difficulties in recovery during the year. Slowdowns in China and other emerging markets affected developed nations. The outlook for Japan's economy became unclear in view of the yen's rise at the start of the term and falling share prices. It was against this backdrop that while our consolidated total sales rose, profit attributable to owners of the parent declined. While operating profit benefited from structural reforms, it nonetheless declined 11.6% from a year earlier owing to a deteriorating business climate, intensifying competition, and foreign exchange fluctuations. >**1**

To prepare for fiscal 2017, we brought forward structural reforms to accommodate a strong yen and further changes in the business climate. We also adjusted the forecast taking into consideration financial irregularities in Ricoh India.

**Consolidated targets for fiscal 2017**

Announced on October 27, 2016

Sales (JPY billion)	2,010.0
Operating profit (JPY billion)	40.0
Operating margin	2.0%
ROE	1.7%

\* Exchange rate: ¥105.13=US\$1, ¥116.57=€1

An independent auditor that Ricoh India appointed in 2015 raised concerns regarding reporting, and delayed the publication of the results until the matter could be concluded. Ricoh India's audit committee, together with its accountants and lawyers in India, undertook an internal investigation which revealed that some employees had falsified accounts. Ricoh India announced its fiscal 2016 results on November 18, 2016. The company incurred a net loss for that year of 11.2 billion Indian rupees (¥17.5 billion). Ricoh looks to lower its post-tax earnings forecast by about ¥6.9 billion for fiscal 2017, largely to reflect expenditures to turn around its Indian operations.

Ricoh offers its sincere apologies for the inconvenience and concerns that this incident has caused to shareholders. Management takes the above matter seriously, and will reflect external expert assessments concerning the effectiveness of governance and internal controls at overseas subsidiaries in formulating and deploying measures to reinforce internal administration and audits at those subsidiaries and prevent similar incidents from recurring. >**2**

**Q6****What are the Group's challenges and how will it tackle them?**

The outlook for the global economy remains unclear given downside factors such as falling share prices and record low interest rates in developed nations, as well as declining prices for oil and other resources. It is also important to note that technological innovations and progress with networking have transformed the printing needs of customers in recent years. I therefore believe it is vital for the Ricoh Group to craft new approaches to continue to grow in unpredictable business climates.

We are accordingly undertaking the following three key initiatives.

The first is to reinforce the profitability of core businesses. In Office Imaging, we will continue to roll out advanced multifunction printers and other new offerings that help customers enhance their business efficiency. We will also endeavor to optimize the value chain for the sales and maintenance services that we provide to customers and strengthen our services to match customers' business requirements. In Network System Solutions, we will standardize global infrastructure and make it more nimble to boost profitability.

The second initiative is to accelerate the growth of new businesses. In Production Printing, our product lineup can cater to the needs of commercial printing customers. We aim to enhance the productivity of commercial printing by providing end-to-end support for printing processes. We will concentrate management resources on the industrial printing business, making our inkjet technologies central in catering to demand for printing on media other than paper.

Finally, our third initiative is to step up and bring forward ongoing Companywide structural reforms. We will swiftly create a structure that delivers new customer satisfaction and build firm business foundations that withstand swings in the external climate and ensure that our operational management delivers high integrity standards by embracing transparency and effectiveness.

It is in undertaking measures to tackle these challenges that the Ricoh Group aims to remain healthy in the years ahead.

**Q7**

## What are you doing to boost shareholder value?

We believe that achieving sustainable growth will help us to expand corporate value and increase shareholder value. We will therefore generate solid results by undertaking the following measures to improve earnings. We will reinforce our sales structure for specific customer industries as part of efforts to lift the profitability of core businesses while investing heavily to foster fields that could ultimately become key businesses. We will draw on the Group's collective strengths to restructure all functions, including those of headquarters, to establish robust operational foundations.

We have revised our shareholder returns policy, which previously pursued a total consolidated payout ratio of around 30%. We now look to invest in generating sustainable growth over the medium and long terms while endeavoring to stably increase dividends to maintain a consolidated dividend payout ratio of 30% to 50%.

We are also endeavoring to increase our asset efficiency, including reviewing our portfolio. Our October 2015 sale of a property in Ginza, Tokyo, was in keeping with that effort.

**Q8**

## Where will the Ricoh Group head in the years ahead?

We marked our 80th anniversary in February 2016. We celebrated our achievements over the years in providing product and service solutions to customers. We were determined more than ever to become an enterprise that keeps delivering new value while building brighter tomorrows with all of our stakeholders.

The Ricoh Group will continue to embrace the challenges of enhancing corporate value toward and well beyond our centennial in 2036.

**ROE**

(%)



(FY)

**Cash dividends per share**

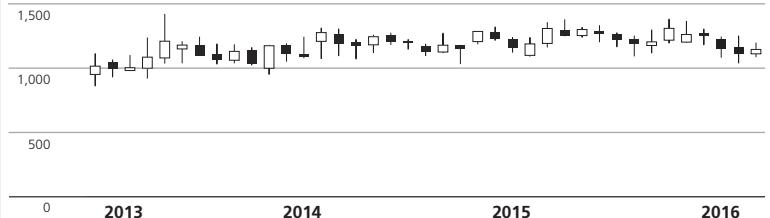
(JPY)



(FY)

**Stock price**

(JPY)



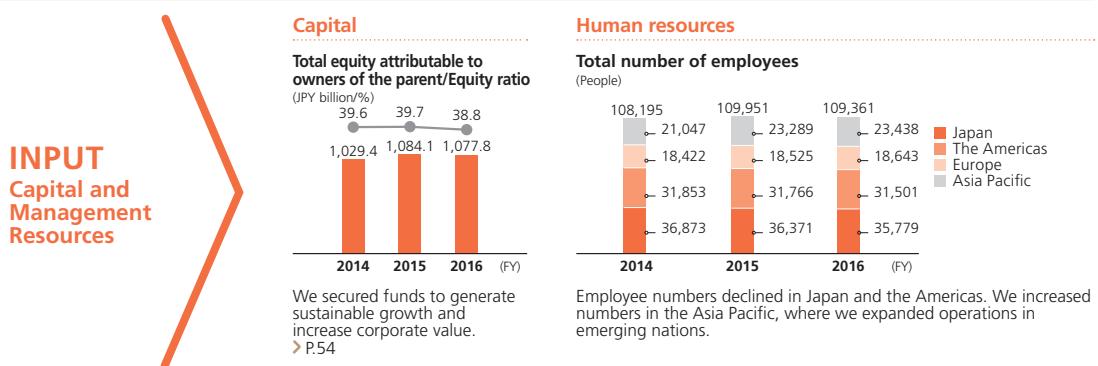
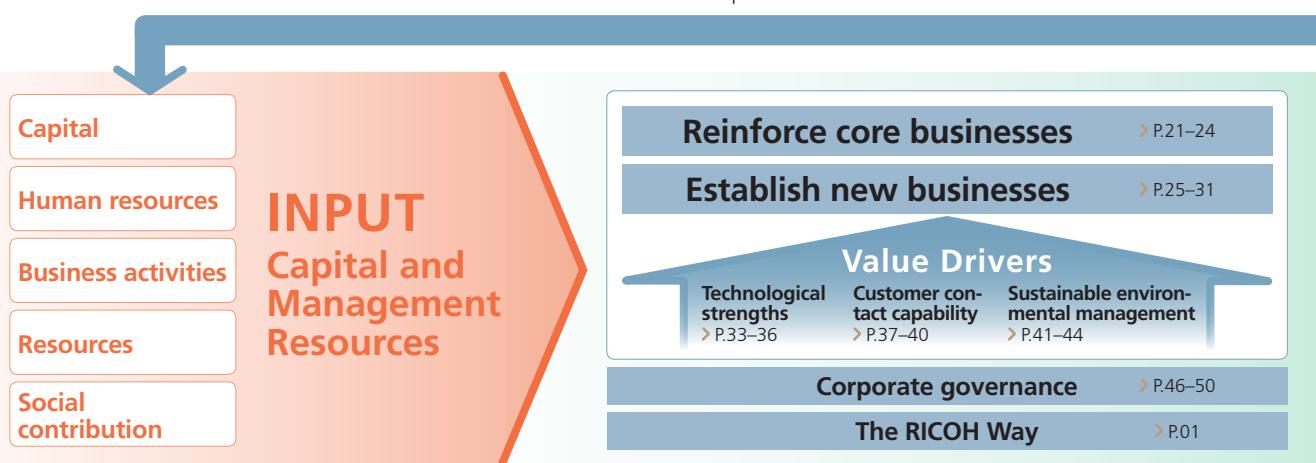
## Corporate value integral to business growth

The Ricoh Group is always working to provide new value to stakeholders through corporate activities and to be a constructive part of solutions to issues that concern customers and society as a whole. As a group, we will strive to achieve continuous business growth and raise corporate value ever higher.

### Cycle of improvement for corporate value

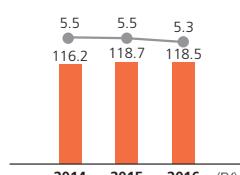
Companies invest copious amounts of capital and management resources to run their businesses and generate all sorts of value.

To us, at Ricoh, corporate value means responding to the various expectations of stakeholders and delivering value that extends to all stakeholders, including customers, shareholders, employees and society at large, and by raising value for each stakeholder we ultimately raise corporate value as well.

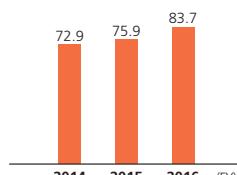


### Business activities

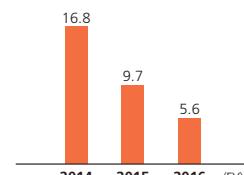
R&D expenditures/Research budget (JPY billion/%)



Capital expenditures\*<sup>1</sup> (JPY billion)

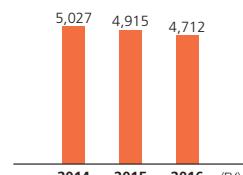


Business acquisitions\*<sup>2</sup> (JPY billion)



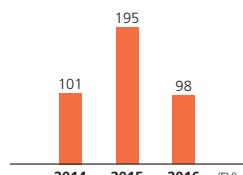
### Resources

Energy consumption (TJ)



### Social contribution

Reserve for social contribution (JPY million)



\*<sup>1</sup> Expenditures for property, plant and equipment  
\*<sup>2</sup> Amount recorded under Cash Flows from Investing Activities in the Consolidated Statements of Cash Flows

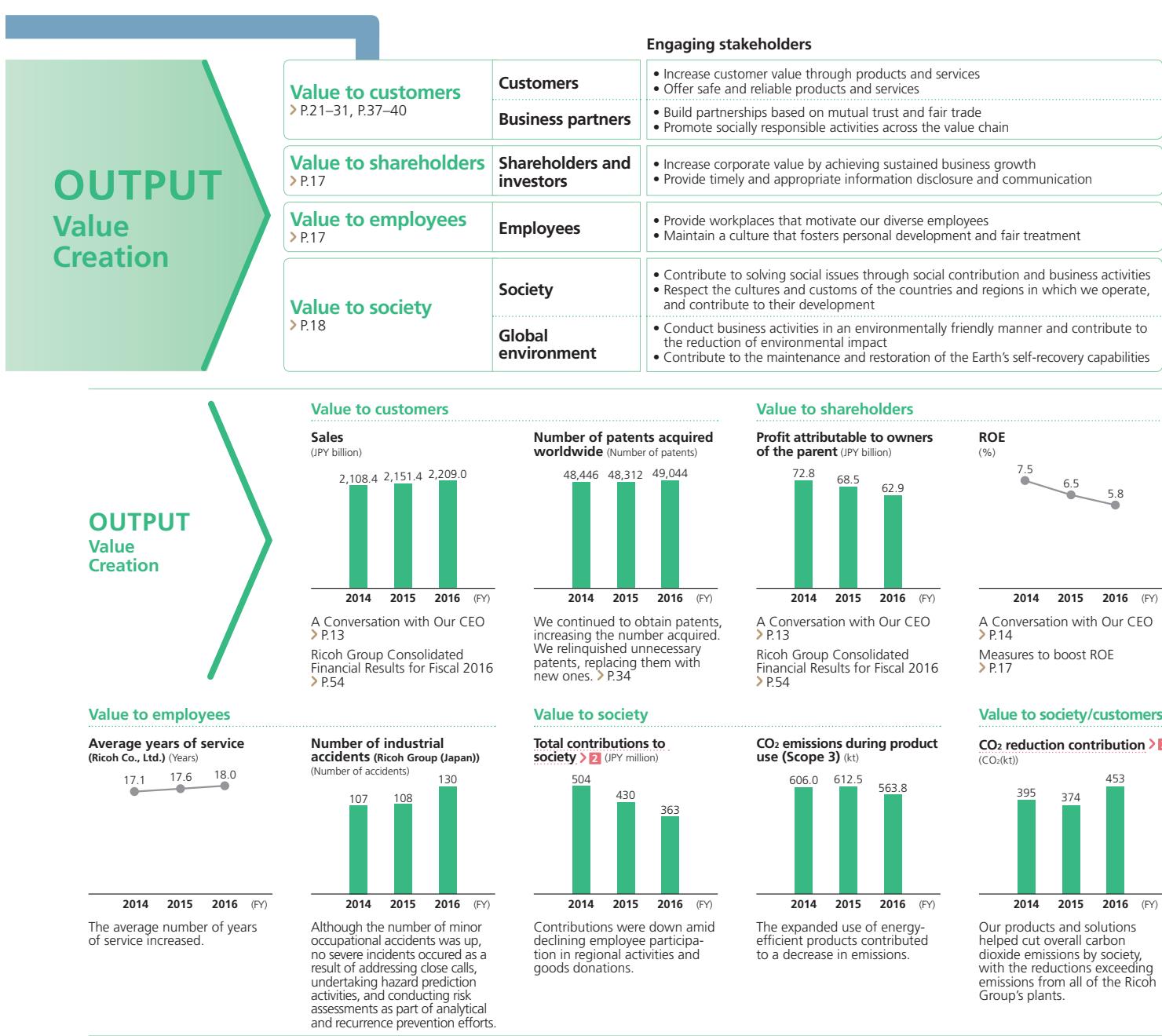
Refer to our website

1 Environmental performance data: Energy Conservation [www.ricoh.com/environment/data/pfm\\_energy.html#energy](http://www.ricoh.com/environment/data/pfm_energy.html#energy)

To boost corporate value, we undertake activities in accordance with management strategies based on core value perceptions and structures. A key element in the equation is The RICOH Way, which establishes the value perceptions that form the foundation for all we do. Corporate governance, with The RICOH Way as a cornerstone feature, accords us the ability to ensure that business activities are being properly executed, and it underpins sound and highly transparent management practices. Then there are our three value drivers—technological

strengths, customer contact capability and sustainable environmental management—that fuel our business growth, and we will apply these drivers in promoting activities to realize the two basic business strategies of the 18th MTP, which are to reinforce and develop earnings power for core businesses and achieve growth by creating new profit generators.

By reinvesting surplus capital and management resources derived through these efforts, we perpetuate the cycle that constantly drives corporate value higher.



#### Refer to our website

- 2 Social contribution activities [www.ricoh.com/csr/community/performance.html](http://www.ricoh.com/csr/community/performance.html)
- 3 Evaluation of contribution [www.ricoh.com/environment/management/reduction.html](http://www.ricoh.com/environment/management/reduction.html)

## ■ Shareholder value creation

### Measures to boost ROE

We aim to enhance shareholder value by using shareholders' equity efficiently and becoming very profitable. We therefore formulated a roadmap to boost return on equity (ROE). We are accordingly

#### Road map to boost ROE



striving to enhance profitability and asset efficiency while maintaining suitable capital levels to deliver proper shareholder returns.

In fiscal 2016, ROE declined 0.7 percentage point, to 5.8%. The principal factor was lower earnings because of adverse market conditions from intensified competition and the impact of foreign exchange fluctuations, which offset gains from asset reviews.

### Thoughts on return to shareholders

We will bolster our financial reserves to solidify our financial position and cultivate new businesses. At the same time, we look to steadily lift our consolidated dividend payout ratio from around 30%, to about 50%, to return more earnings to shareholders. ><sup>①</sup>

## ■ Employee value creation

### Fostering our people worldwide through "The RICOH Way"

We endeavor to ensure that all of the Ricoh Group's 110,000 employees worldwide embrace "The RICOH Way," which is fundamental to consistently delivering the same value proposition to customers worldwide. Sharing values empowers our diverse people to demonstrate their individuality and respect each other in their efforts, contributing to a corporate culture that fosters flexible ideas and innovation. Ensuring that all of our employees have real purposes in life and can reach their potential is vital for Ricoh to continue growing sustainably. We aim to tackle the challenges of social change and intensifying competition by materializing the true value of our people, further enhancing our corporate value. ><sup>②</sup>

### Fostering a caring, appreciative corporate culture through The RICOH Way Recognition Program

Once a year we recognize outstanding efforts among Group employees in keeping with the spirit of The RICOH Way. We have three prize programs. These are The RICOH Way Award, The Star Supporter Award, and The Giving Back Award. Prizes honor those whose activities conspicuously contribute to new customer value or innovation in keeping with the values statement of The RICOH Way. The program thus seeks to lift employee morale and foster a caring, appreciative corporate culture. Another goal with these awards is to share success stories from The RICOH Way that everyone in the Group can learn from.



Fiscal 2016, The RICOH Way Excellence Top Award

### ■ Refer to our website

- <sup>①</sup> Dividends per share/Dividend payout ratio [www.ricoh.com/R/financial\\_data/financial\\_indicators/data7.html](http://www.ricoh.com/R/financial_data/financial_indicators/data7.html)
- <sup>②</sup> Diversity and work-life management [www.ricoh.com/csr/labor/diversity.html](http://www.ricoh.com/csr/labor/diversity.html)

## Social value creation

### CSV > 1 initiatives

The Ricoh Group has positioned CSV as a growth strategy for resolving social issues by delivering new value through business. We will seek solutions to social issues that are focuses of Sustainable Development Goals > 2 through technology, products and services, personnel and other Groupwide resources. We look for our efforts to also lead us to new markets and new customers and contribute to innovation-oriented businesses. > 3

#### CSV initiatives

- Sustainable environmental management (since 1998) > 1
- BOP (Base of the Pyramid) project in India (since 2010)
- Educational support in India (since 2011)
- Exploring business opportunities to contribute to food security and efficiency business in Indonesia (since 2015)



Educational support in India  
Class using projector

### Social contribution activities undertaken with commitment and responsibility

Within the Ricoh Group, we implement social contribution activities with commitment and responsibility > 4 in focus areas—raising the next generation, global environmental conservation and community development—to address social issues with global impact. In addition, we have set up a social contribution reserve system to ensure a stable source of funds for activities; and with the approval of shareholders, we have set aside an amount equal to 1% (up to ¥200 million) of consolidated profit after dividends for social contribution activities.

#### Activities funded by the social contribution reserve

- Donations to the New Technology Development Foundation (since 1999)
- Forest ecosystem conservation projects (since 1999)
- Ricoh Science Caravan (since 2007)
- Ichimura Nature School Kanto (since 2002)
- Forest conservation project in Ena, Gifu Prefecture (since 2014)



Ena-no-Mori (Ena Forest) project  
Nature class for young children as part of Ena forest conservation project



#### 1 CSV

CSV stands for “creating shared value,” a business concept introduced by Harvard professor Michael E. Porter, a leading authority on competitive strategy, and Mark Kramer in a *Harvard Business Review* article. The core concept of CSV is that the competitive strength of a company and the health of communities around it are inter-reliant. So by addressing social needs and challenges, corporations can create value for their businesses as well as society.

#### 2 Sustainable Development Goals

The 17 Sustainable Development Goals and 169 targets of the United Nations' 2030 Agenda for Sustainable Development include ending poverty and starvation, enhancing education opportunities, and tackling energy and climate change issues.

#### II Refer to these pages

##### 1 Sustainable environmental management

P.41-44

## Clarification of issues of materiality for mid- and long-term action

We seek to grow the businesses under the Ricoh Group umbrella while contributing to the sustainable development of the environment and society. Toward this end, we have clarified issues of materiality—key social issues > 5—in line with stakeholder expectations and reflect these issues in our sustainable CSR and environment-oriented activities.

In identifying issues of materiality, we evaluate themes inherent in the creation of a sustainable society in terms of their importance to the business activities of the Ricoh Group and the expectations that stakeholders have for us. The results of our analysis are used for mapping purposes.

CSR measures laid out in the 18th MTP are based on these issues of materiality. Going forward, we will set key performance indicators for each issue and run through a PDCA cycle that includes reviews at our overseas bases, and thereby improve our performance even further.

#### Materiality matrix

Stakeholders' expectations for the Ricoh Group	Top priority areas		
	Importance for the Ricoh Group's business	Importance for the Ricoh Group's business	Importance for the Ricoh Group's business
• Improvement of the agricultural production process	• Respect for human rights	• Development of information society	
• Development of the healthcare environment	• Community development	• Raising the next generation	
• Solution for energy issues	• Prevention of corruption		
• Securing of safe water resources	• Employment and human resource development		
• Responses to conflicts and terrorism	• Risk management	• Mitigation of and adaptation to climate change	
	• CSR throughout our supply chain	• Growth of emerging and developing countries	
	• Diversity promotion		
	• Pollution prevention	• Recycling of resources	
	• Conservation of biodiversity		
	• Measures for an aging society with a decreasing birthrate		

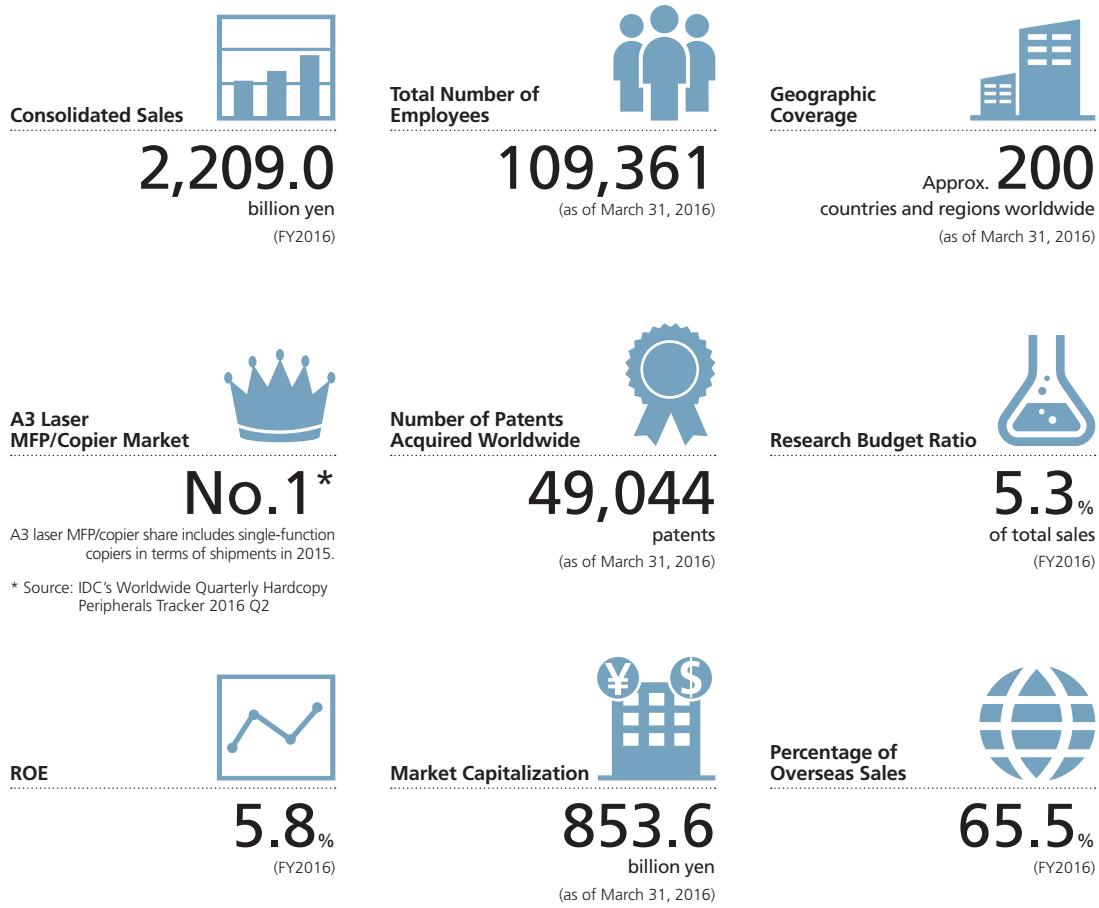
#### Refer to our website

3 CSV initiatives [www.ricoh.com/csr/community/value.html](http://www.ricoh.com/csr/community/value.html)

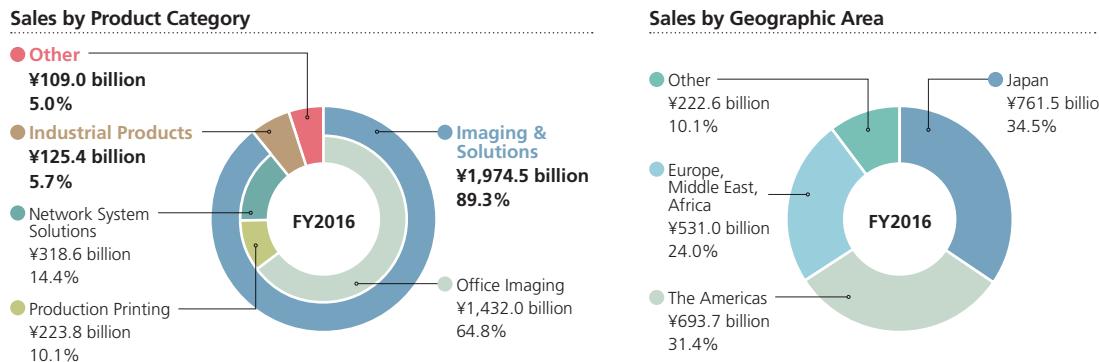
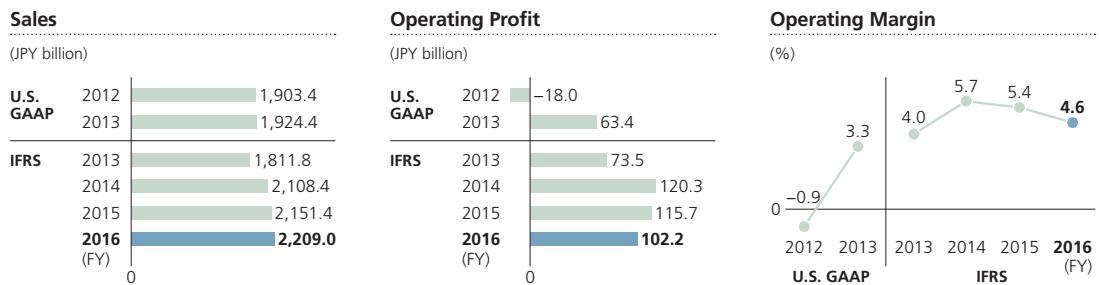
4 Commitment to social contribution [www.ricoh.com/csr/community/will.html](http://www.ricoh.com/csr/community/will.html)

5 Materiality for the Ricoh Group [www.ricoh.com/csr/strategy/materiality.html](http://www.ricoh.com/csr/strategy/materiality.html)

## About the Ricoh Group



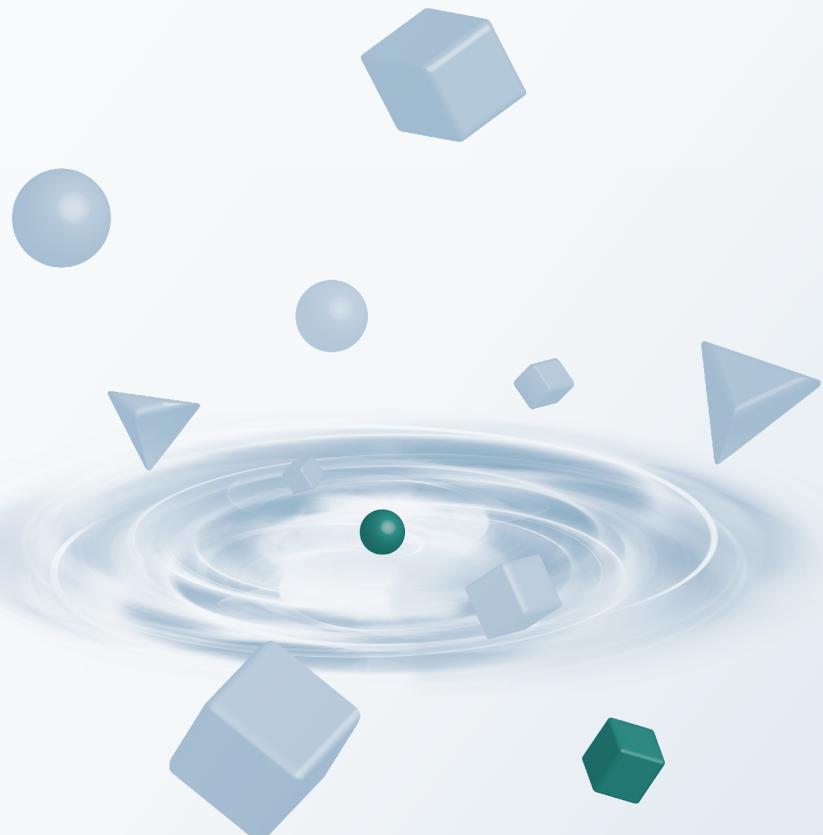
### FY2016 Highlights



# BUSINESS STRATEGY

Our businesses anticipate social trends and needs and constantly change as they continue to grow. This section showcases key business goals and noteworthy products and case studies.

- 21 **Office**
- 25 **Commercial Printing**
- 27 **Industrial**
- 30 **New Core Area**



# Reinforcing the creation of customer value



## Topics

### Strengthening our industry-specific sales and marketing structure to maintain our leading share of the global A3 laser MFP market ><sup>1</sup>

We aim to tackle the challenges of maturing printing markets and intensifying competition in developed nations. We will draw on our global customer base, ties with regional customers, and our worldwide sales and maintenance services network to reinforce our core businesses. We will endeavor to enhance productivity in customer offices through MFPs, printers, and other imaging equipment. We will also supply products and services that drive business success for customers in various industries.

**Yoshinori Yamashita**

Director, Deputy President and General Manager, Business Solutions Group, Ricoh Co., Ltd.



#### <sup>1</sup> Captures No.1 share worldwide in A3 laser MFP market

IDC's Worldwide Quarterly Hardcopy Peripherals Tracker 2016 Q2; A3 laser MFP/copier share includes single-function copiers in terms of shipments in 2015.

## ■ Turning diverse workplace transformations into business opportunities

Workstyles are evolving, driven by increased globalization, growth of emerging economies and a wider embrace of network technologies, and the perceived issues that accompany new workstyles are becoming more diverse. In this environment, the value that customers seek is shifting from "ownership of products" to "use of services," presenting us with untraveled trails to extend our market presence beyond products to new businesses derived from services and solutions.

This period of transformation is, from our perspective, a tremendous business opportunity, and new pursuits not bound by existing methods for providing products and services are sure to translate into future growth. The Ricoh Group will draw on strengths cultivated to date, namely, technological strengths ><sup>1</sup> and customer contact capability ><sup>2</sup>, to generate new value from a customer point of view.

Office imaging and network system solutions comprise about 80% of sales on a consolidated basis. With a basic strategy to reinforce and develop earnings power, we are prioritizing approaches to raise market share in developed nations and expand our presence along new business avenues through IT services and communications as well as enhance profitability in emerging nations.

We seek to increase our shares in the mature markets of developed nations by reinforcing our product strength. We strengthened our sales and marketing structure in 2015 for specific fields, including healthcare ><sup>3</sup>, education ><sup>4</sup>, finance, and manufacturing. We reviewed basic business processes for customers' core businesses, bolstering support services to enhance sales and customer satisfaction. In healthcare, for example, we proposed automated sorting for prescription and other forms, linking patient photographic and electronic records, and support for regional medical care alliances that use videoconferencing.

#### Refer to these pages

<sup>1</sup> Technological Strengths  
P.33–36

<sup>2</sup> Customer Contact Capability  
P.37–40

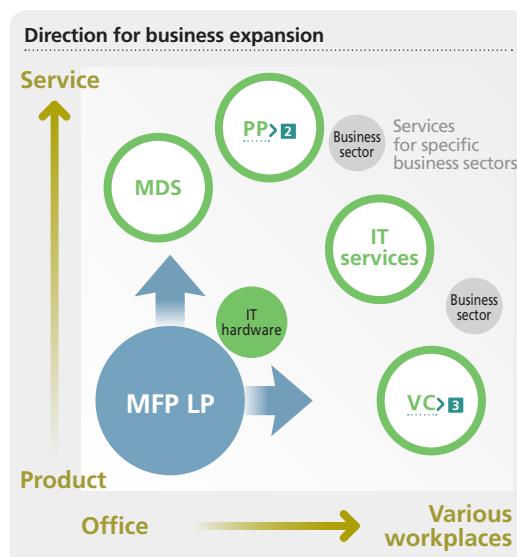
<sup>3</sup> New Core Area  
P.30–31

<sup>4</sup> Customer Contact Capability  
P.39

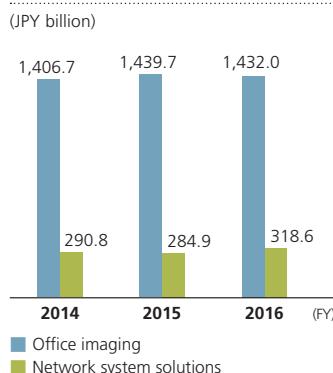


<sup>1</sup> PP  
Production printing

<sup>2</sup> VC  
Visual communication



### Sales of office imaging/ network system solutions



### MTP target

**Office imaging**  
**Sales CAGR\***

1 %

**Network system solutions**  
**Sales CAGR\***

10 %

\* CAGR:  
Compound annual growth rate

### SWOT analysis

- MFP/LP > 4 product group
- Global customer base
- Global/local sales/maintenance service network
- Document-related solution proposal capability

#### Strengths

- Business scale in emerging markets is small

- Increasing demand in emerging nations
- Higher demand due to business expansion drawing on different products/services paralleling changes in workstyle

#### Opportunities

- Markets in developed nations are more mature and competition is fiercer
- Shrinking investment demand due to cuts in indirect business expenditures

#### Weaknesses

We are deploying products and services from the Innovation Center > 5 to cater to the unique needs of emerging nations. We aim to provide comprehensive solutions linked with designs based on a long-term vision that identifies specific local needs, laws, and other elements. We are striving to deliver new value by supplying managed document services (MDS) > 1 in developed and emerging nations. One example is running a one-stop information technology infrastructure business that plans, builds, and operates information and communications infrastructures for offices. Another example is offering services to make visual communication > 2 more convenient for offices and educational institutions.

#### Case study 1

Chinese law requires hospitals to provide X-ray, computed tomography scans, magnetic resonance imaging, and other medical diagnostic films to patients. We develop and provide customized MFPs that can print images from medical systems.



#### Case study 2

In view of a requirement to use labeling meeting international standards with chemical products, we evaluated the label paper used in China and developed and commercialized a printer that minimizes paper jams.



## Increasing value in imaging equipment

Our strengths include our ability to supply products and services that cater to the globalization of customer operations and a sales and support structure that accommodates market characteristics.

MFPs > 6 launched in 2016 incorporate large full-color touch panels that enhance operability. The panels make it easy to download an array of cloud applications, helping to improve customers' business efficiency.

To provide even more added value, we have taken @Remote > 3, a remote device management service, worldwide. @Remote uses Internet connections to track equipment status and collect information about machine performance to prevent malfunctions, shorten or eliminate downtime, and expedite automated ordering of consumable supplies, all without waiting for a customer to call for assistance. We support all document-related workflows, not only printing, and assume operation and management tasks as well so that customers can boost productivity and cut administrative costs.

To ensure that customers have ready access to the information they need when they need it, we continue to offer proposals for improvement, from business-related information infrastructure layout to optimized design of workflows, from document preparation to output and management, and further to implementation and operation of the systems.



4 LP  
Laser printer

5 Innovation Center  
Located in Japan, Dubai, China, India and Mexico; to be opened in ASEAN region

6 Large touch panel on MFP



#### Refer to our website

- 1 Managed document services [services.ricoh.com/services/managed-document-services/](http://services.ricoh.com/services/managed-document-services/)
- 2 Visual communication [services.ricoh.com/services/communication-services/](http://services.ricoh.com/services/communication-services/)
- 3 @Remote [www.ricoh.com/remote/](http://www.ricoh.com/remote/)

## IT services that optimize office infrastructure

To expand sales and raise profitability, customers are keen to concentrate their human resources into core operations. For this to happen, customers need to maintain the efficiency of indirect operations and then boost the level higher. The Ricoh Group applies IT and network know-how accumulated in the course of MFP and printer sales and after-sales support over many years to offer one-stop solutions fine-tuned to customer requirements for everything from IT environment layout to high-level services and support to meet both objectives.

We have reinforced our IT services structure, including through mergers and acquisitions [›1](#), and have significantly expanded our operations overseas. We look to improve our profitability by supplying high-value-added services that link documents, communications, and business-specific solutions. [›1](#)

### Refer to this page

[1 Customer Contact Capability](#)  
P.37

## Visual communication business making the flow of diverse communication smooth

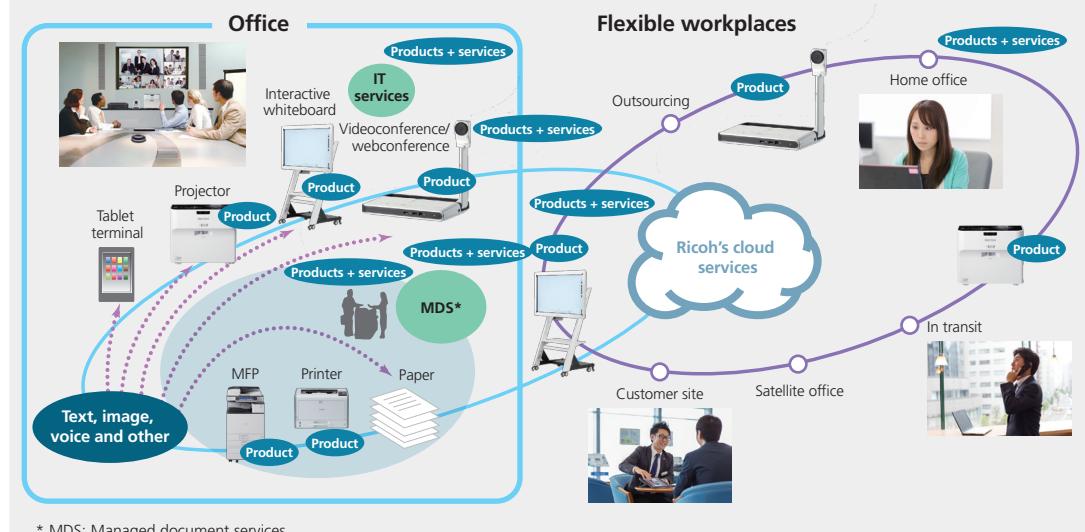
As office communication and workstyles change, we will expand services that support communication whenever and wherever people are working.

Our “products”—visual communication equipment—include ultra-short-throw projectors, interactive whiteboards and videoconferencing systems. To these we add “services,” such as know-how and solutions that utilize the “products,” to make tasks more efficient. Basically, we offer “products + services” value that contributes to enhance productivity for customers by extending total support for office work environments.

Workplaces and workstyles are also changing, with many people opting to work from home or in satellite offices. To address the needs of this market, we provide “products + services” support, using visual communication devices and cloud services. By enabling people to communicate face-to-face, even from remote locations, and share materials as they speak, business activities at customer sites move along more smoothly. [›2](#) [›3](#)

The Ricoh Group will continue to help customers across different business sectors save time and money in their office communication processes and will propose new workstyles that allow employees to demonstrate their creativity.

### Evolution of “products + services” solutions



### Refer to our website

- [1 IT infrastructure services](#) [services.ricoh.com/services/it-infrastructure-services/](http://services.ricoh.com/services/it-infrastructure-services/)
- [2 Visual communication](#) [services.ricoh.com/services/communication-services/](http://services.ricoh.com/services/communication-services/)
- [3 Ricoh's full range of services](#) [services.ricoh.com/](http://services.ricoh.com/)

### Case study on visual communication

## Delivering Total Solutions that Transform Work Styles



Rapid developments in information and communication technologies in recent years have made it easy to access information at any time and place. Ricoh helps customers improve work styles in this way through a range of products that support knowledge creation. They include interactive whiteboards (IWBs), the Unified Communication System, and projectors.

A good example of how this works comes from a leading European chemical manufacturer, which wanted to transform work styles when relocating its headquarters. Ricoh participated in the relocation project. We proposed setting up a highly productive and efficient work environment that champions anytime, anywhere collaboration. We offered document management solutions through

multifunctional printers and printers that employ robust integrated circuit card authorization. We also developed specialty software and built a remote videoconferencing system in collaboration with a vendor enterprise. We installed PC-connective IWBs in all 70 meeting rooms of the new headquarters. The IWBs enable face-to-face discussions between participants in different locations so people can share knowledge and create ideas together. Our specifications enabled connectivity with the remote telecommunication services of other companies. We accelerated the customer's operational efficiencies, creating an interactive office environment by suggesting combinations of our diverse products with the services of other companies, one example being four-projector video screens. Such setups helped the customer reduce the costs and time otherwise spent on business trips and transportation.

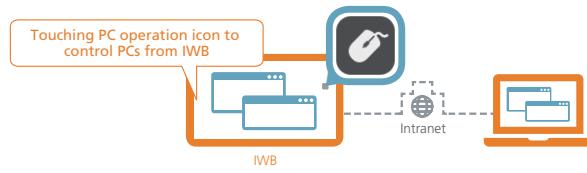
The customer is looking to roll out our solutions at its other business sites. We will continue working with customers to provide solutions that exceed expectations, drawing on Group technologies and global proposal and support capabilities to generate one-stop solution proposals extending from pre-deployment support to after service.

### Incredibly user-friendly IWB ><sup>2</sup>

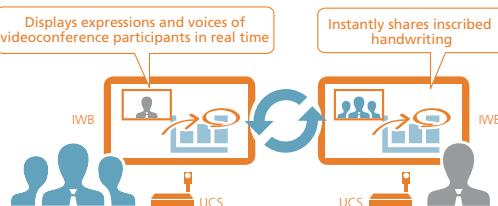


RICOH Interactive Whiteboard D8400

#### ● The IWB can be computer-controlled



#### ● Other systems can be linked for videoconferencing



## Delivering total printing solutions

### Topics

#### Creating an unparalleled product lineup Offering solutions that include marketing elements



In fiscal 2016, we increased our in-house printing department market share and continued to expand our presence in the commercial printing business domain. Strategic acquisitions and alliances began to bear fruit. We thus had in place a structure to provide business support for customers through total printing solutions encompassing everything from marketing consulting through shipping. We will continue pursuing new challenges to generate steady growth.

**Tadashi Furushima**

Corporate Vice President, Production Printing, Deputy General Manager, Business Solutions Group, Ricoh Co., Ltd.

### ■ Building a structure to provide one-stop support for a sequence of processes

Picking up on changing needs in the printing market, Ricoh made a full-scale entry into production printing (PP) in 2007, and has enriched its lineup of products and services to meet diverse market needs, with a focus on central reprographics department printing and transaction printing as well as on-demand printing for commercial applications.

In-house printing is an area where we are seeing demand for printing processes with greater flexibility, including the shifting of in-house production of media previously outsourced to print service providers and variable data printing for such applications as one-to-one marketing.

We are expanding our commercial printing business, where our customer base centers on print providers for advertising, publicity, publishing, and other fields.

Needs are diverse in the global offset printing market, which is worth ¥40–50 trillion and has massive growth potential. Another consideration is that customers are seeking more than just conventional offset printing. Particular focuses are on high-value-added variable and on-demand printing, with the latter featuring short, small runs.

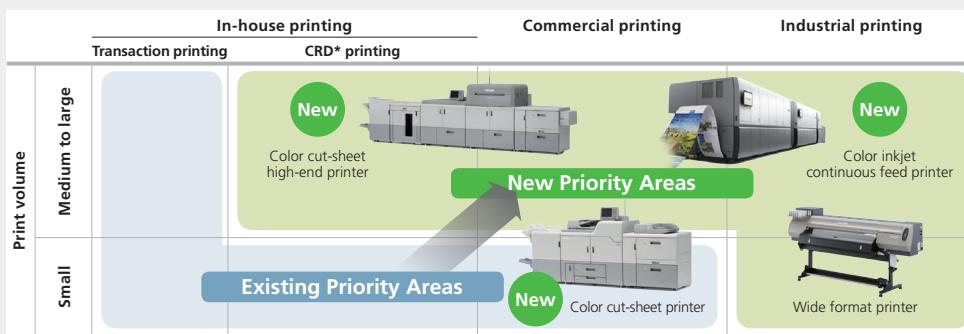
In fiscal 2016, Ricoh drew on acquisitions and alliances to establish a one-stop structure that can support everything from sales promotion planning through advertising media and promotional tools production. Thereby we were able to secure new work, including commemorative campaigns for hotels and promotional tools for retailers. This enabled us to expand our non-hardware revenues and earnings and steadily grow our business.

#### Growth potential of Production Printing business

Offset printing market scale  
¥40–50 trillion

Ricoh's production printing sales  
About ¥200 billion

#### Domain expansion in production printing



#### Competitive advantages in new areas

- Downsizing to take on products by competitors
- Workflow connectivity to offset printing
- New business creation for customers in the printing service business

#### Competitive advantages in current areas

- High hardware performance (High image quality, paper feed capability)
- Low-cost solution
- Complete sales and service network

\*CRD: Central Reprographics Department

### Sales in the Production Printing business

(JPY billion)



### MTP target

**Sales CAGR\***

**9%**

\* CAGR: Compound annual growth rate

### SWOT analysis

- Imaging technology, such as electrophotography and inkjet technology
- Global business platform cultivated through the provision of office products and services (in-house printing)

**Strengths**

- Sales channels into commercial printing

**Opportunities**

- Offset printing→Digital printing (Rising demand for print media with personalized touch and on-demand printing)

**Weaknesses**

**Threats**

- Entry of competitors into office domain

### Supporting marketing solutions

Since 2011, Ricoh has maintained a strategic alliance with Heidelberg Printing Machines AG covering more than 30 countries. This partnership has enabled us to boost recognition for our equipment in print markets while allowing us to harness Heidelberg's global sales channels.

We fully entered the direct marketing business by drawing on the expertise of InterConnect, Inc., with which we concluded a capital partnership in April 2015. We set up two direct marketing teams to provide customer support that ranges from strategic proposals through implementation to resolve their issues, thus reinforcing our ties with these customers.

### A product lineup that delivers new value

The RICOH Pro C7100 color production printer can use white and clear toners, and is used extensively for publications requiring higher-value-added design.

In 2015, we launched continuous feed inkjet models that can print on coated stock. One such offering is the RICOH Pro VC60000, which delivers fast, high-quality results for a wide range of paper. This system provides new value to print firms as an alternative to offset setups that necessitate large runs.



Publications printed with white and clear toners

### Total solutions to help print service providers expand operations

#### Involved from print content preparation stage

- Support effective approaches for using print media and creating content

**Prepress**

**Marketing and consulting**

Work with corporate sales divisions and ad agencies to draft plans for sales promotion campaigns

#### Providing management systems that make operations more efficient

- Control hybrid offset and on-demand printing
- Content management

**Printing Process**

**Receipt of order/manuscript**

**Production editing**

**Output**

**Post-Processing**

**Packaging and delivery**

**Cooperation**

**Order and Bill Collection Processes**

Estimates → Orders → Input → Invoices

### Refer to our website

**Production printing** [services.ricoh.com/services/production-printing-services/](http://services.ricoh.com/services/production-printing-services/)

# Leveraging our technological strengths to provide new value



## Topics

### Expanding partnerships and strategic investments

We aim to draw on the Group's customer contact capability to better understand customers and markets while employing technological capabilities amassed over many years to cultivate new markets. We will identify business expansion potential and invest effectively to swiftly build new core operations for the Group. Prospects are particularly promising in industrial printing, which we have positioned as a key domain that can leverage inkjet head and ink technologies that are Group strengths.

**Kunihiko Satoh**

Director, Corporate Executive Vice President and General Manager of New Business Development Division, Ricoh Co., Ltd.

## ■ Seeking to create more customer value in growth domains

The Ricoh Group's printing, optical, and image processing technologies serve in various industrial fields.

Recent years have seen markets expand significantly for industrial inkjet technology applications. We have supplied inkjet heads, ink, and other industrial products employing proprietary technology over the years. We are expanding our industrial printing businesses to cater to customer demand for printing on various media with diverse applications.

In the industrial products domain, we support factory automation and other areas with special cameras that can pinpoint subject positions, perceive color tones, and acquire information that is invisible to the human eye. We have reinforced our additive manufacturing business to step up support for customers looking to broaden their horizons through 3D modeling. We also offer thermal media for producing images and for thermal labels and other applications and semiconductors for embedding in diverse equipment.

### Key businesses in industrial products domain

We are focusing on the following businesses in the industrial products domain

Key businesses	Principal products and services	Summary
<b>Industrial printing</b> <small>► 1</small>	<ul style="list-style-type: none"> <li>• Printing on furniture, wallpaper, vehicle exteriors, and signage</li> </ul>	Our technology combines inkjet heads and ink Expand output applications to diverse media
<b>Industrial products</b>	<ul style="list-style-type: none"> <li>• FA cameras</li> <li>• Embedded units</li> <li>• Super telephoto/fog reduction cameras</li> <li>• Sensors</li> </ul>	Develop special cameras that support factory automation by pinpointing subject positions, perceiving color tones, and acquiring information that is invisible to the human eye
<b>Additive manufacturing</b>	<ul style="list-style-type: none"> <li>• 3D printer sales/3D output services and consultation</li> </ul>	Draw on accumulated 3D design technology to support innovation at customer manufacturing sites
<b>Thermal media</b> <small>► 2</small>	<ul style="list-style-type: none"> <li>• Thermal sheets for POS devices</li> <li>• Thermal transfer ribbons</li> </ul>	Establish thermal transfer ribbon production and sales sites in emerging nations
<b>Semiconductors</b> <small>► 3</small>	<ul style="list-style-type: none"> <li>• Power supply ICs</li> </ul>	Expand scope of applications with smartphone penetration and sell ICs for automotive devices

### Refer to this page

1 3D printer sales/3D output services and consultation  
P.29

### Refer to our website

1 Industrial inkjet [industry.ricoh.com/en/industrialinkjet/](http://industry.ricoh.com/en/industrialinkjet/)  
2 Thermal media [industry.ricoh.com/en/thermal/](http://industry.ricoh.com/en/thermal/)  
3 Electronic devices [industry.ricoh.com/en/lsi/](http://industry.ricoh.com/en/lsi/)

### Sales in the industrial products domain

(JPY billion)



### MTP target

**Sales CAGR\***

**12%**

\* CAGR: Compound annual growth rate

### SWOT analysis

- Technology, particularly optics, printing and image-processing technologies
- Global sales and service platform for office business
- Production/service know-how acquired as a manufacturer

**Strengths**

- Underdeveloped global customer base

**Opportunities****Weaknesses**

- Production automation demand (increasing use of robots), spread of IoT (Internet of Things)

- More competitors

### Leveraging decades of expertise in industrial printing to drive new growth

The Ricoh Group drew on its strengths in industrial inkjet heads and ink to enter the industrial printing field. The global market for printing on media other than paper is massive, and has great potential. Media include furniture, wallpaper, vehicle exteriors, furnishing fabrics, PET bottle labels, and signage. We are expanding collaboration with various enterprises and investing strategically to secure the resources we need. We collaborate with Hitachi High-Tech Fine

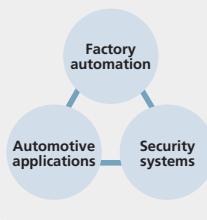
Systems Corporation in decorative fields. We solidified our business foundations by acquiring AnaJet, a leader in direct-to-garment printers.

The Ricoh Group expects the industrial printing market to continue growing in the years ahead. We will pursue further growth, seeking to boost these sales to ¥100 billion by 2020.

### Expanding profit contributions from new businesses in industrial printing



**Three main areas in industrial business domain**



RICOH RL Series  
picking systems

## Delivering value by combining proprietary technologies

Our optical and industrial technologies have broad application scopes and are very useful for providing diverse products and services that help enhance the productivity of manufacturing customers and cater to their automation needs.

We supply solutions that combine proprietary core modules and manufacturing process engineering, which flexibly accommodates production changes that we have amassed in MFP manufacturing, and our quality control and other expertise. Our core modules include specialty cameras and sensors that can identify object positions and color information and rewritable laser systems that can automatically relabel mailing addresses. They also include radio frequency identification solutions that provide and manage assembly work instructions and automated picking systems that handle everything from parts picking to assembly. We bring together our capabilities in these areas to provide factory automation equipment.

Our technologies are being employed in the cameras of such automotive devices as rear view monitors, collision avoidance systems, and head-up displays. We have entered the security camera field, leveraging our optical and image processing technologies for surveillance in scenes that are not visible to the human eye. ➤1

## Products and solutions that support factory automation



## Additive manufacturing that integrates expertise and innovative technologies

In September 2014, we embarked on an additive manufacturing business centered on 3D printers. To date, we have provided comprehensive services that encompass everything from 3D printer purchasing and sales to consulting, 3D data design, and modeling.

In April 2015, we launched RICOH Advanced Direct Manufacturing Services, which uses 3D printers to produce product parts and the jigs, molds, and other tools utilized at customer plants. RICOH Rapid Fab in Atsugi, Kanagawa Prefecture, has engineers and a range of 3D printers to handle parts employing specialty materials and small-lot production.

We commercialized our first branded 3D printer, the RICOH AM S5500P, in October 2015. This offering can handle high-performance materials. It can fabricate automobile parts for functional tests and parts for end products. With a large modeling area, the printer can fabricate different parts at the same time and mold large parts all at once. ➤2

We will step up efforts to provide robust support for customer manufacturing innovations through our activities, products, and services.



RICOH Rapid Fab (Atsugi, Kanagawa Prefecture)



Objects fabricated with 3D printer



RICOH AM S5500P

## Refer to our website

1 Industrial solutions [www.ricoh.com/technology/tech/industry.html](http://www.ricoh.com/technology/tech/industry.html)

2 3D printer [www.ricoh.com/release/2015/1027\\_1.html](http://www.ricoh.com/release/2015/1027_1.html)

3 Rewritable laser system [www.ricoh.com/technology/tech/062\\_laserrewritable.html](http://www.ricoh.com/technology/tech/062_laserrewritable.html)

4 Security lens [industry.ricoh.com/en/securitylens/](http://industry.ricoh.com/en/securitylens/)

# Expanding and accelerating in new business domains

## Healthcare business

Population aging in advanced nations, particularly in Japan, has created major social issues. These include surging healthcare costs and widening gaps in regional medical standards. The Ricoh Group entered the healthcare field [►1](#) to help overcome these challenges by drawing on its technological prowess.

Here, our three key focuses are the medical imaging, healthcare information technology, and biomedical domains.

In medical imaging, we will develop diagnostic systems and services. They include measurement instruments that show the neural activity of the spinal cord and brain. In healthcare information technology, we will leverage information and communication technology, including telemedicine systems that employ videoconferencing systems, to support hospital management and medical practice. In the biomedical domain, we will develop and commercialize bio-specimen and laboratory testing and peripheral systems with cell laminating 3D printers and other equipment.



Magnetoencephalograph showing the neural activity of the brain

## Eco business

We aim to achieve around ¥100 billion in sales by fiscal 2021 by strengthening our environmental management and contributing to social sustainability through our businesses.

We opened the RICOH Eco Business Development Center [►1 ►2](#) in Gotemba, Shizuoka Prefecture, as part of that effort.

As well as experimenting with eco technologies and rebuilding equipment, the RICOH Eco Business Development Center also publicizes information about environmental activities. It aims to create and expand eco businesses to materialize environmental management that evolves with customers.



MFP resource recycling exhibit

## Refer to these pages

[1 Technological Strengths](#)  
P.36

[2 Sustainable Environmental Management](#)  
P.43

## Community building

Ricoh leverages its technological strengths and customer contact capability to deliver solutions and services that contribute to the development and growth of communities by enhancing security, comfort, and convenience. The summer 2015 opening of the RICOH Future House communication complex in Ebina, Kanagawa Prefecture, was part of that approach.

By helping build communities, Ricoh will offer ideas for comfortable living and provide operational support, thereby extending its new business model to other areas and expanding the scope of its pursuits.



RICOH Future House



Science classroom

## Refer to our website

[1 RICOH Eco Business Development Center](#) [www.ricoh.com/environment/eco\\_business\\_center](http://www.ricoh.com/environment/eco_business_center)

## Camera business

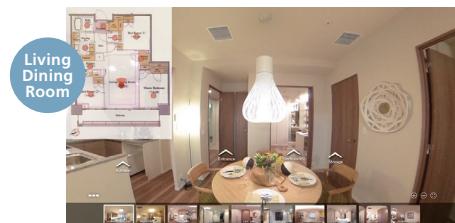
This business leverages the Ricoh Group's optical technologies to offer a diverse range of cameras that excite and inspire by transforming the ordinary into the extraordinary.

RICOH THETA <sup>1</sup>, a spherical camera that combines optical technology and image processing technology to enable users to capture 360° images of surroundings with just one touch. The enhanced models feature video recording and offers higher resolution than the previous models. The camera has attracted considerable attention among businesses for providing an entirely new imaging experience, and its applications are expanding in a range of fields. Realtors, for example, have begun using the camera to present 360° views of rooms and facilities on property search websites. Software developers use it in platforms for innovating applications.

Our digital camera lineup <sup>2</sup> provides something for everyone. It extends from professional single lens reflex models to light and compact, high-performance offerings and action cameras that deliver outstanding water, dust, and shock resistance.



RICOH THETA



Images captured on RICOH THETA for a property search site

### ● PENTAX 645Z

This SLR model employs a large CMOS sensor in a dust-proof and weather-resistant body to deliver high resolution with approximately 51.4 effective megapixel. It meets the needs of a wide range of professional photographers with its easy-to-operate and reliable exchangeable lenses.



### ● PENTAX K-1

This top-of-the-line model is the first 35mm full-frame format camera in the K-mount SLR series to please professional and serious amateur photographers alike. The K-1 offers outstanding image quality and resolution with an approximately 36.4 effective megapixel CMOS image sensor.



### ● RICOH WG-M2

This compact and lightweight action camera is incredibly advanced. It is waterproof and shockproof and employs an ultrawide approximately 204° lens that captures stunning 4K video.



### ● GR II

This high-end compact camera is the first in our lineup to support both Wi-Fi and Near Field Communication to simplify image transfers to smartphones and other devices. It delivers even better image quality through a reprogrammed algorithm, which has enhanced Auto White Balance control precision, and a fine-tuned compensation program to prevent high-sensitivity noise.



#### Refer to our website

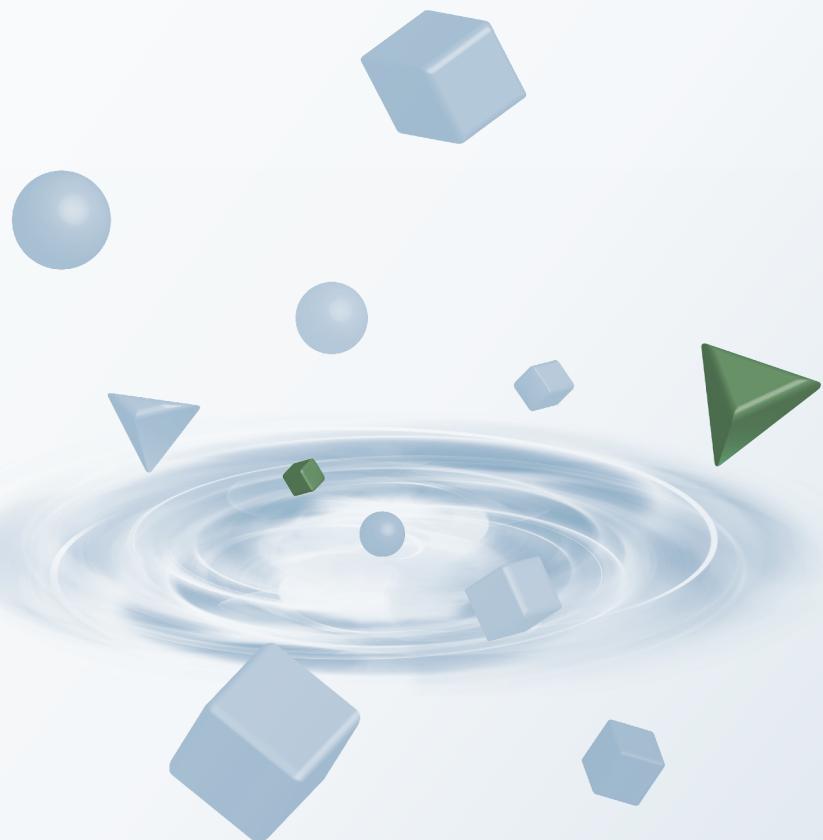
<sup>1</sup> RICOH THETA [theta360.com/en/](http://theta360.com/en/)

<sup>2</sup> Digital cameras [www.ricoh-imaging.co.jp/english/products/index.html](http://www.ricoh-imaging.co.jp/english/products/index.html)

# VALUE DRIVERS

Our technological strengths, close customer contacts, and environmental management drive our efforts to create value. We are leveraging those strengths and will further enhance corporate value.

- 33 **Technological Strengths**
- 37 **Customer Contact Capability**
- 41 **Sustainable Environmental Management**



# Innovating to drive social sustainability

We will continue to leverage innovations in creating technologies and products that help resolve social issues.

## Broadening our core technologies to deliver new value for societies

We have constantly proposed workstyles that deliver new value for customers ever since entering the business machines field in the 1950s. We supply new equipment and solutions that streamline communications at any time and place for people and processes in offices. We continue to innovate technologies that transform the nature of work for our customers.

We are drawing on image processing, optical, chemicals, networking, software and other core technologies accumulated over the years to combine new ideas and techniques in pursuing innovations that contribute to social sustainability. ><sup>1</sup>

## Creating value in new domains

We are fully leveraging our strengths in manufacturing technologies in undertaking research and development in our priority areas of industrial inkjet products, factory automation, healthcare, and the environmental field. ><sup>1</sup>

In the inkjet field, for example, we are broadening our scope of applications to encompass industrial printing, 3D printing, and 3D bioprinters (cell laminating technology) for healthcare.

The RICOH THETA, a fusion of our unique optics and image processing technologies, captures fully

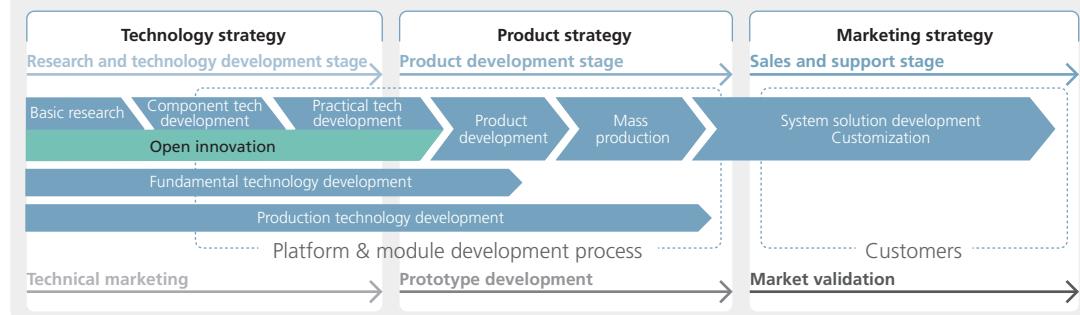
spherical shots with a single shutter click. The RICOH THETA ushered customers into a new world of images documenting life.

## R&D fueling innovation

The Ricoh Group has R&D sites in Japan, the United States, India and China. ><sup>2</sup> Each site explores market needs and conducts research and technology development attuned to regional characteristics while deepening cooperative connections among global sites. Our corporate map also includes technology centers and printing innovation centers, and we launch value-creating activities involving our customers through a framework for gathering feedback on market needs ascertained directly through customer support activities to enhance future product development.

Ricoh's technology development process ><sup>3</sup> for core businesses is broken down into three stages—research and technology development, product development, and sales and support. We emphasize system solutions development and customized development to fuel more robust responses, from the development of key technologies based on technology strategy through efficient product development without relying on prototypes, ><sup>4</sup> and then to customer needs.

### Development process for core businesses



## Refer to our website

- <sup>1</sup> **Technology** [www.ricoh.com/technology/](http://www.ricoh.com/technology/)
- <sup>2</sup> **Global R&D** [www.ricoh.com/technology/rd/global.html](http://www.ricoh.com/technology/rd/global.html)
- <sup>3</sup> **Technology development process** [www.ricoh.com/technology/rd/development.html](http://www.ricoh.com/technology/rd/development.html)
- <sup>4</sup> **Development process innovation** [www.ricoh.com/technology/rd/manufacture.html](http://www.ricoh.com/technology/rd/manufacture.html)

## Engaging in open innovation

We are drawing on open innovation with universities, research institutions, and enterprises to accelerate efforts to help resolve social issues, streamlining the development of advanced technologies. We are applying our inkjet, optical sensing, image processing, and other technologies in diverse initiatives. They include the Japanese government-supported Funding Program for World-Leading Innovative R&D on Science and Technology and joint R&D with universities and independent administrative corporations. We are reinforcing relationships with venture enterprises to accelerate the creation of new businesses.

### ● Open innovation case study

#### 3D bioprinters > P. 36

We are participating in a national project led by the Japan Agency for Medical Research and Development, which is undertaking joint research with Osaka University.

#### Biomagnetic measuring systems > P. 36

We acquired the magnetoencephalography (MEG) business of Yokogawa Electric Corporation, setting up a medical business unit in Kanazawa City. We are conducting joint R&D into magnetospinographic devices with the Kanazawa Institute of Technology and the Tokyo Medical and Dental University.

#### Drones (small unmanned aerial vehicle) > P. 35

We are engaging in joint development in this area with the University of Tokyo and Blue Innovation Co., Ltd.

We consider it vital to support the creation of tech ventures and undertake social initiatives to foster the development of new industries. In March 2016, we received limited partnership investments from the Innovation Network Corporation of Japan and the Sumitomo Mitsui Banking Corporation to establish a tech venture fund with OMRON Corporation and SMBC Venture Capital. As well as providing capital, the fund helps to launch and commercialize technology businesses. It thereby seeks to create tech ventures that can compete in the global market and contribute to industrial progress.

## R&D investments and intellectual property initiatives

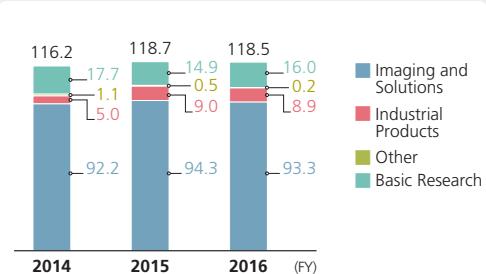
The Ricoh Group consistently earmarks 5% to 6% of consolidated sales for R&D to ensure a steady stream of innovation. In fiscal 2016, R&D expenses reached ¥118.5 billion, or about 5.3% of sales. Of this amount, 13.5%, or ¥16.0 billion, went into basic research.

Intellectual property > 5, the fruit of our R&D efforts, is vital to our competitiveness. We therefore encourage efforts that yield valuable intellectual property and seek to acquire and use intellectual property that protects and grows our businesses.

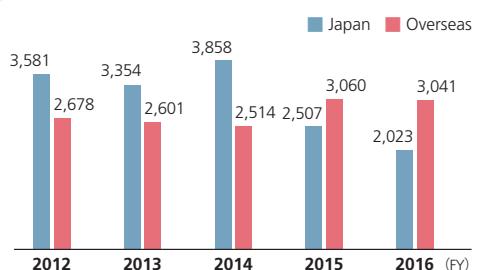
We have deployed business and technological strategies to reinforcing core businesses, globalizing by cultivating operations in emerging nations, and launching new businesses to expand our domains. We accordingly continue to acquire patents actively in Japan and abroad. Thereby the number of registered patents overseas has significantly increased since fiscal 2015. We are conducting a review of maintained patent rights by assessing future market and business conditions and determining whether to abandon any unnecessary patent rights.

### Changes in R&D investment

(JPY billion)



### Number of registered patents world wide



### Refer to our website

Initiatives in intellectual property [www.ricoh.com/technology/rd/ip.html](http://www.ricoh.com/technology/rd/ip.html)

## Technologies underpinning industrial inkjet products for diverse applications

We are combining our strengths in inkjet head and ink materials technologies to enable printing on an array of media apart from paper.

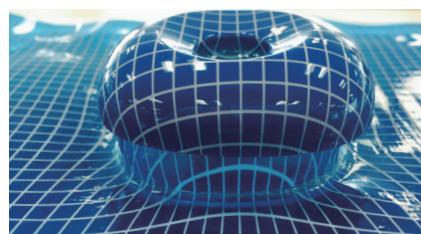
### ● Industrial inkjet heads

The heads use piezoelectric elements to jet ink through nozzles. The nozzles and housings are made of stainless steel. They thus offer outstanding durability and long service lives, as they are strong and resist corrosion from ink. Built-in heaters can discharge high-viscosity

ink, so they have been employed in many 3D printers recent years. There is considerable flexibility for setting waveforms to drive the piezoelectric elements according to ink attributes, allowing them to accommodate inks for an array of applications, for printing on various media.

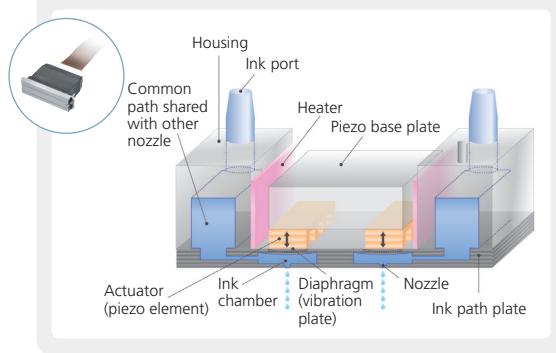
### ● Ink materials

We have developed functional inks for a range of applications. They include photo (UV)-curable inks and latex inks that fix pigments thermally. A feature of stretchable photo-curable inks is that they maintain strong adhesion to substrate, while the cured film stretches. Because the ink can flex after printing, 3D decoration is possible, and it has potential in diverse applications. They include automobiles, electrical equipment, construction materials, and 3D painting reproductions.



Stretchable inks make it possible to create concavity and convexity on print surfaces

#### Structure of Ricoh's inkjet heads



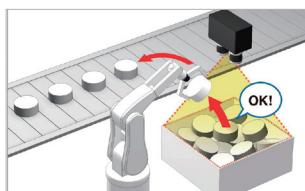
## Cultivating the future of machine vision with optical sensing

We have promoted in-house development of automated production facilities since the late 1970s. Through such approaches as the installation of sensor modules at the inspection stage, we have refined machine vision technology, which instantly tracks and assesses information in areas within and beyond human detection capabilities.

We have employed our optical and image processing technologies in cameras with diverse high-precision capabilities. We are now developing intelligent solution services that support automation and rapidly assess the situation to take appropriate action without human involvement, based on 2D and 3D information, and the locations, shapes and natures of subjects, which are obtained from these cameras.

#### Robot eyes in factory automation

This stereo camera uses parallax information to capture 3D data on subject positions in real time, and is used as a sensor in pick and place robots.



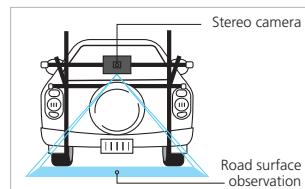
#### Drone eyes

This system uses a super-wide-angle stereo camera to estimate its position and obtain information on obstacles inside warehouses and other large facilities that cannot receive GPS signals, and enables stable automatic flight.



#### Eyes in public infrastructure inspection systems

To inspect roads and other public infrastructure while traveling, we are developing technologies for systems that measure cracks and ruts on roads by stereo cameras that can measure distances very precisely.



### Refer to our website

- 1 Machine vision (white paper) [www.ricoh.com/technology/whitepaper/pdf/wp\\_mv.pdf](http://www.ricoh.com/technology/whitepaper/pdf/wp_mv.pdf)
- 2 Stereo cameras [www.ricoh.com/technology/tech/045\\_stereocamera.html](http://www.ricoh.com/technology/tech/045_stereocamera.html)
- 3 Drones [www.ricoh.com/technology/institute/research/tech\\_flight\\_by\\_3d\\_vision.html](http://www.ricoh.com/technology/institute/research/tech_flight_by_3d_vision.html)

## Leveraging core technologies to deliver new value in healthcare

We acquired the magnetoencephalography business of Yokogawa Electric Corporation in April 2016. We will combine the medical equipment development and business knowhow we secured through that acquisition with the imaging technology, systems design capabilities, and production expertise of our core operations to help prevent and swiftly identify and treat illnesses, helping resolve social issues through such value.

### ● Biomagnetic measurement system

We began R&D into magnetospinographic measuring devices in 2014. It was difficult to obtain images of spinal cord neural activity transfers with magnetic resonance imaging and other bio-observation equipment. Accordingly, we used ultrahigh-sensitivity sensors to detect weak magnetic fields from spinal cords accompanying neural activity. Then, we performed image processing on measurement results to visualize neural activity transfers. ➤<sup>4</sup>



Spinal cord neural activity

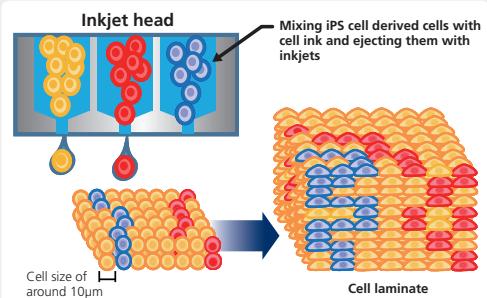
### ● 3D bioprinters ➤<sup>5</sup>

Induced pluripotent stem (iPS) cells differentiate into many different cell types, offering considerable potential. This includes regenerative medicine, identifying the causes of diseases, and testing drug and cosmetic safety and toxicity.

It is necessary to arrange different cell types in arbitrary locations and assemble them three-dimensionally to reproduce biological tissue structures that closely approximate those of living bodies. We thus harnessed our inkjet head and ink materials technologies to mix cells with cell ink and disperse them, and stably eject cells without crushing them.

With the use of cell laminate ejected from the 3D bioprinter and cultivated, human function can be reproduced in vitro. It could ultimately support tissue engineering such as the creation of artificial organs and drug development such as drug efficacy study and toxicity evaluation.

#### 3D bioprinter



## Developing technology in environmental field

In the IoT society of the near future, all sorts of things will have sensors, heightening the need for stand-alone power source technology to enable communication even in places where power may be hard to come by. Consequently, interest has been piqued by the prospect of technology to generate power from the environment—energy harvesting—which draws a tiny amount of energy within the local environment, such as sunlight and illumination or vibration and heat, and converts it to power to run devices.

Ricoh actively pursues new technology development as a key to unlocking the future of energy harvesting.

### Solid-state dye-sensitized solar cell ➤<sup>6</sup>

Ricoh successfully developed a complete solid-state dye-sensitized solar cell that can effectively generate power even under a weak light source, such as LED lighting. Based on organic photoconductor technology accumulated in the development of imaging equipment, the solar cell consists only of easy-to-handle solid-state material and boasts more than twice the electric output of existing amorphous silicon solar cells.



### Energy-generating rubber ➤<sup>7</sup>

Ricoh successfully developed a new material—an energy-generating rubber—that demonstrates polymer's advantage of flexibility and output as high as that of ceramics through pressure and vibration. Efforts are moving forward on various applications, including sensors.



### Refer to our website

- <sup>4</sup> Visualization of neural activity of the spine [www.ricoh.com/technology/institute/research/tech\\_neuro\\_trans.html](http://www.ricoh.com/technology/institute/research/tech_neuro_trans.html)
- <sup>5</sup> 3D bioprinter [www.ricoh.com/technology/institute/research/tech\\_3d\\_bio\\_printer.html](http://www.ricoh.com/technology/institute/research/tech_3d_bio_printer.html)
- <sup>6</sup> Complete solid-state dye-sensitized solar cell [www.ricoh.com/technology/tech\\_066\\_dssc.html](http://www.ricoh.com/technology/tech_066_dssc.html)
- <sup>7</sup> "Energy-generating rubber" combines flexibility and high-output [www.ricoh.com/release/2015/0518\\_1.html](http://www.ricoh.com/release/2015/0518_1.html)

# Growing with our customers

The Ricoh Group always takes a customer perspective, seeking to discover customer needs even before the customers realize themselves. From the development of products through manufacturing, sales, and after-sales services and support, our overriding objective is to create new value for our customers through ingenuity and solutions not available from any other company.

## Identifying customers' potential needs and innovating

Today's socio-economic environment is vastly different from what it used to be and the transformation process continues, driven by increased globalization, growth of emerging economies and a wider embrace of network technologies.

Customers' business environments and needs are changing, with management focusing on everything from transforming workflows and cutting the total costs of ownership to ensuring compliance with laws and ordinances.

Customer needs, however, are not always clearly defined. We have to perceive feelings and expectations not yet expressed in words and proactively shape solutions from a customer standpoint.

To pinpoint customer changes and expectations, we bring together all the capabilities of "One Global Ricoh" and draw closer to customers while reshaping our own business model.

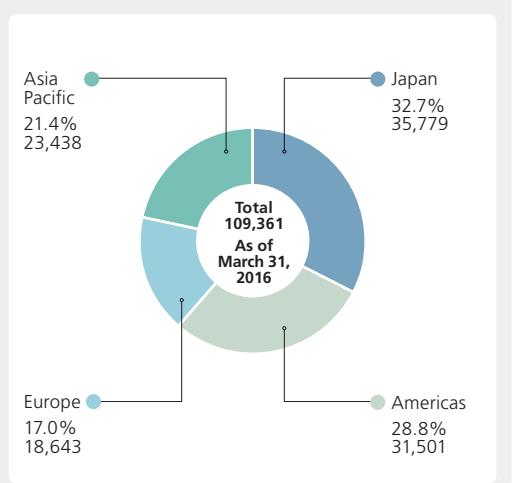
## Operating globally and building our supply chain

In sales and services, we have built a global network stretching across some 200 countries and maintain a four-point regional headquarters structure—Japan, the Americas, Europe and Asia Pacific. In addition, we constantly work to expand the service business and strengthen the structure through M&As while taking steps to foster local harmony and consistency in our global strategies.

To ensure that we are able to provide leading-edge technologies to customers around the world, we have set up R&D hubs in Japan, the United States, China and India, and pursue development of technologies attuned to local market characteristics and globally strategic technologies.

In delivering products and services to customers, we utilize four global production hubs and maintain an optimum production structure emphasizing the most favorable location for maximum efficiency. This approach combines two production formats: "intensive production," which outputs core modules common to many products as economically and efficiently as possible, and "local production for local

### Composition of workforce by region



### Structure-strengthening M&As (January 2014–June 2016)

2014	January	Saral Buro Pazarlama Limited Sirketi, Merkezi	Turkey
	February	mindSHIFT Technologies, Inc.	United States
2014	June	Ofisteknik A.S.	Turkey
	July	Ofisteknik LTD.	Canada
2014	October	Commonwealth Legal Inc.	South Korea
	December	FutureTech Ltd.	South Korea
2015	May	FutureWare Ltd.	Italy
	June	Npo Sistemi S.r.l.	United States
2015	July	PTI Marketing Technologies, Inc.	
	December	Ridgian Limited	United Kingdom
2015	May	Graycon Group Inc.	Canada
	June	NASSION Systems	Malaysia
2015	July	Capa 4	Mexico
	December	Impromat CZ spol. s.r.o.	Czech Republic
2015	May	Impromat Slov spol. s.r.o.	Slovakia
	June	Upfront SPRL	Belgium
2016	January	AnaJet LLC.	United States
	June	Eye-Fi Inc.	United States

consumption,” which swiftly addresses the needs of customers close to the point of production.

Meanwhile, we have worked to achieve a supply chain that remains uninterrupted even in a disaster or other emergency situations so that customers will never have to halt operations. Within the Ricoh Group, we ask suppliers to reinforce business continuity capabilities through redundant production bases and parts procurement channels and larger material and component inventories, and we encourage them to be socially responsible and take a rigorous stance on CSR procurement and issues of child labor and conflict minerals.

These efforts underpin our commitment to customer satisfaction through supply chain management **►1** implemented from a customer perspective while simultaneously pursuing profit opportunities.

## Products that consistently delight and inspire customers

The Ricoh Group believes it is important to provide products and services that customers can use with confidence and that deliver a sense of value that exceeds expectations. This ideal is captured in the RICOH Quality **►2** declarations with the words “consistently delight and inspire our customers,” and we strive to ensure quality, particularly the aspects of safety and reliability.

### Standards/Frameworks to ensure confidence and safety

- Basic Policy for Product Safety Activities
- Action Policy for Product Safety Activities
- Multifaceted market quality information management
- Quality management system

## Constant improvements in pursuit of customer satisfaction **►3**

Sales companies in each country have opportunities for direct contact with customers. It is these companies which operate and maintain customer relationship management (CRM) databases and track customer equipment information and maintenance histories. Customer contact sites utilize CRM databases, repeatedly survey and analyze customer needs, pinpoint issues, and suggest products and solutions based on future predicted customer needs in mind. Our support continues after delivery, as well, through the 24-hour **@Remote** **►4** on-site maintenance and remote monitoring system, which executes automatic diagnostics and enables quick servicing for worry-free equipment use with little to no downtime for customers.

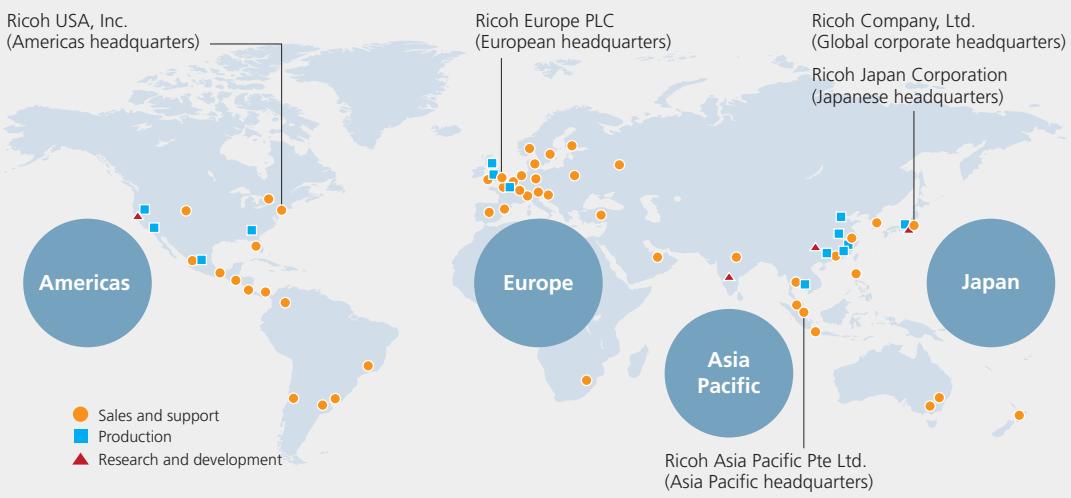
With **@Remote**, we can verify the operating status of equipment and provide continuous improvements and suggestions fine-tuned to each customer based on captured status data, which contributes to greater management efficiency at customer sites.

In addition, we have established and utilize systems to apply feedback gleaned from customer satisfaction surveys conducted periodically on a global basis to measure how well we have achieved RICOH Quality, and then apply the feedback to make products and services even better.

### Systems for collecting and applying customer feedback

- CRM databases
- **@Remote**
- Customer satisfaction surveys
- Call centers
- Customer centers
- Technology centers

## Global network



## Refer to our website

- 1 Supply chain management** [www.ricoh.com/sustainability/report/action/supplychain.html](http://www.ricoh.com/sustainability/report/action/supplychain.html)
- 2 RICOH Quality** [www.ricoh.com/about/commitment/quality/](http://www.ricoh.com/about/commitment/quality/)
- 3 Customer satisfaction** [www.ricoh.com/csr/consumer/](http://www.ricoh.com/csr/consumer/)
- 4 @Remote** [www.ricoh.com/remote/](http://www.ricoh.com/remote/)

## More extensive, in-depth responses to customer needs

The Ricoh Group's Global Value Proposition Conference takes place once a year to refine value proposition capabilities. Here, excellent customer case studies selected from operations worldwide are presented and evaluated by participants. The goals are to share knowledge, boost morale and link our efforts to higher sales throughout the Group.

We conduct Technical Advisory Conferences for the IT managers of corporate customers in Europe and the Americas. Participants engage in group discussions, exchange information, and identify common issues. Our objective is to visualize latent customer needs and reflect comments in future products and services.

Through these opportunities to reinforce customer contact, we will meet customer needs while growing our businesses.

## Broadening the potential of production printing with our customers

The Ricoh Customer Experience Centre of Ricoh UK Products Ltd. maintains its own production printing environment to deepen understanding of customers' businesses, feed back information in development, planning, and manufacturing processes, and provide customers with innovative solutions.

The facility proposes ways for customers to enhance business processes by drawing on expertise from years of production at Ricoh and offering operational consultation services. This effort is reinforcing Ricoh's trust and presence in the commercial printing market.

### Customer Experience Centre initiatives

- Conducting demonstrations and verifying business flows
- Validating printing paper
- Producing print samples
- Business process improvement and environmental solutions consulting services
- Conducting technical assessments and supporting sales activities
- Education and training



Ricoh Customer Experience Centre (Ricoh UK Products Ltd.)

### New Initiatives in Education

## Ricoh Campus Service

The Ricoh Campus Service offers convenient and useful solutions as the fruit of our track record in streamlining university administrative processes.

The service sets up on-campus lounges that offer print services using Ricoh equipment, collaborative areas for students, shops, and other facilities.



Ricoh Campus Service

We developed the *my print* app for mobile devices that enables students to output anything they need at any time through machines within lounges and everywhere else on campuses.

We offer the service at universities in the Netherlands, Italy, Belgium, Spain, and France, and look to extend it to Japan.

We aim to expand our business and earnings from this area, providing new solutions that enhance campus experiences for students.

**Success Story**

## Ricoh delivers next generation Managed Print Services to Unilever across Europe

Unilever extended the scope of its Managed Print Services Agreement with Ricoh from five in 2004 to 48 countries in 2016. Ricoh provides efficient and cost-effective solutions for Unilever's office and home working employees that increase investment return.

### **Flexible and Cost Effective**

The Next Generation Print Project includes solutions and services from Ricoh that match Unilever's requirements. The project aims to implement a flexible and cost-effective document management solution that focuses on Unilever's Green IT strategy. Ricoh and Unilever are thus collaborating to:

- Further optimize the print infrastructure beyond their initial focus on Europe
- Meet the latest Energy Star requirements
- Introduce a Global Print Policy to enhance awareness of print costs and environmental impact
- Reduce paper waste and power consumption
- Offer greater functionality on new products
- Introduce IC card-based personal authentication management
- Reduce the number of MFP and printer models through a Global Product Basket

Katy Cory, Global IT Service Manager at Unilever, says, "I am pleased that we have extended our focus and success beyond Europe to other territories with Ricoh. We are now working together to streamline our fleet by implementing a new Managed Print Transformation Service and print policy we call MPS 2.0. The Next Generation Print Project will enable us to improve our environmental performance and monitoring and further reduce direct and indirect costs."

### **Revealing Hidden Costs**

The service scope of Ricoh's two-tier MPS varies according to the size and requirements of each Unilever site.

The service assesses the current document output including security and document bottlenecks. It reveals hidden costs and optimizes devices while reducing energy consumption and carbon dioxide emissions.

### **Reducing Environmental Impact**

Ricoh reports at site, country and regional level through its @Remote Enterprise-Pro management



tool. This increases Unilever's visibility of energy consumption, print volumes, emissions and toner recycling. This environmental reporting is also incorporated into Unilever's overall Green IT metrics.

Moreover, a bespoke print policy is helping Unilever achieve its cost and environmental objectives.

Ricoh has been the primary supplier to Unilever for general office print solutions since 2004. Unilever retained Ricoh as a business partner for its customer-driven approach, ability to offer flexible MPS and extensive European footprint for service and support for all of Unilever's European sites. Unilever's recognition of Ricoh's approach to sustainability also contributed to their continued partnership.

Maurice Beelen, General Manager of Ricoh Global Services Europe, says that, "Unilever continues to manage documents strategically and innovatively. It will thus benefit from greater transparency, efficiency, and reduced cost and environmental impact. With Ricoh expanding support to other territories, Unilever can focus on driving forward and achieving its business objectives."

### **About the Customer**

One of the world's leading suppliers of consumer goods, Unilever meets the everyday needs of people around the world for nutrition, hygiene and personal care. Its portfolio includes some of the world's best known brands, including Knorr, Hellmann's, Lipton, Dove, Axe, Omo, Cif and Vaseline. Unilever employs 174,000 people globally in almost 100 countries.



Unilever office

# Combining environmental conservation and business growth

We are pushing ahead with business model reforms from long-term perspectives to help improve social sustainability.

## Objectives and processes toward realization

To underpin our efforts for a better tomorrow, we formulated our slogan, "Driving Sustainability for Our Future."

This slogan incorporates a robust determination to contribute to the realization of a sustainable society by providing new value created through business.

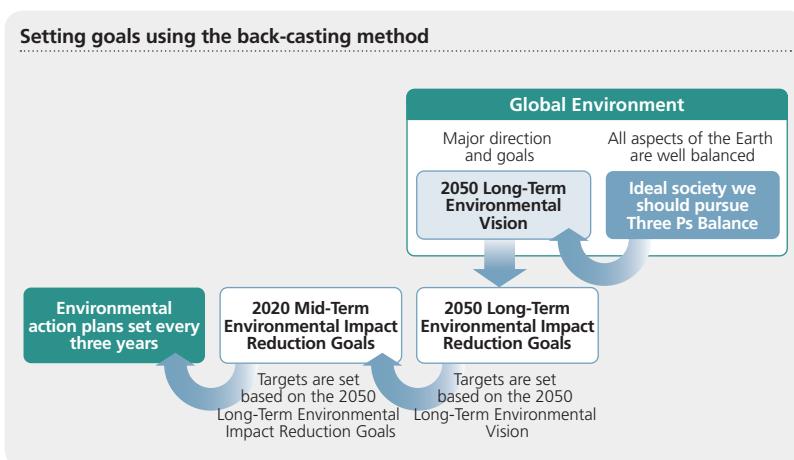
To the Ricoh Group, a sustainable society is one that pursues a Three Ps Balance <sup>1</sup>—Planet (environment), People (society) and Profit (economic activities)—and reduces the environmental impact of society to a level that the Earth's self-recovery capabilities can manage.

This future ideal requires high targets, viewed from the long term, and consistent efforts to reach stated goals.

In setting environmental goals, we apply the back-casting method, through which our ultimate goals are envisioned first and target values are then determined as mileposts along the journey to these goals.

We announced our 2050 Long-Term Environmental Vision <sup>2</sup> in 2006 in line with our commitment to balance the planet, people, and profit. We then established mid- and long-term environmental impact reduction goals <sup>3</sup> and three-year environmental action plans.

### Setting goals using the back-casting method



### Ricoh Group Mid- and Long-Term Environmental Impact Reduction Goals

<b>Energy conservation and prevention of global warming</b>	Reduce the Ricoh Group's total lifecycle CO <sub>2</sub> emissions by 30% by 2020 and by 87.5% by 2050 from the 2000 base level
<b>Resource conservation and recycling</b>	1. Reduce the new input of resources by 25% by 2020 and by 87.5% by 2050 from the 2007 level 2. Reduce the use of or replace the major materials of products that are at high risk of depletion (e.g., crude oil, copper and chromium) by 2050
<b>Pollution prevention</b>	Minimize risks of chemical substances throughout the product lifecycle by 2020 in compliance with the Strategic Approach to International Chemicals Management (SAICM)

\*Revised in March 2012; set only 2020 goal

## Our environmental management approach

The Ricoh Group's environmental conservation efforts have progressed through three stages: passive, proactive, and now responsible. <sup>4</sup>

After adhering to environmental requirements during the passive stage and safeguarding the environment during the proactive stage, we entered the

responsible stage in 1998, pioneering environmental management in a commitment to generating profits while engaging in conservation. It is through ongoing environmental conservation activities that we believe we can contribute significantly to ecological progress.

### Refer to our website

- <sup>1</sup> **Three Ps Balance** [www.ricoh.com/environment/management/earth.html](http://www.ricoh.com/environment/management/earth.html)
- <sup>2</sup> **Long-Term Environmental Vision and Goals** [www.ricoh.com/environment/management/vision.html](http://www.ricoh.com/environment/management/vision.html)
- <sup>3</sup> **Mid- and long-term environmental impact reduction goals** [www.ricoh.com/environment/strategy/target.html](http://www.ricoh.com/environment/strategy/target.html)
- <sup>4</sup> **Three stages in environmental conservation activities** [www.ricoh.com/environment/vision/3steps.html](http://www.ricoh.com/environment/vision/3steps.html)

### Three stages in environmental conservation activities (from the passive, to proactive to responsible stage)



### Measures to mitigate climate change

Tackling climate change is a top management priority, and accordingly we endeavor to reduce carbon dioxide emissions from product lifecycles. In procurement, we seek to reduce input of new resources through product-oriented 3R—reduce, reuse, recycle—activities and limit greenhouse gases that accompany the mining and processing of raw materials. In manufacturing, we apply innovations in production processes, and in sales and logistics, we practice eco-friendly driving and are implementing more efficient distribution methods during product use. We also develop and provide high-performance, energy-efficient products that address heightened energy-saving requirements from customers and satisfy increasingly tougher standards and regulations, and we create solutions, such as paperless conferences, and present new workstyles that translate into new and reduced environmental impact.

Ricoh was an official partner of the 21st Conference of Parties of the United Nations Framework Convention on Climate Change in December 2015. There, representatives of 196 parties from developed and emerging nations and territories all consented to a

landmark global agreement on safeguarding the planet. Our task was to provide comprehensive document management solutions that were ecologically friendly and secure. The mandate was testament to our long engagement in environmental protection initiatives.

Moreover, we encourage external endeavors. For example, coinciding with the UN Climate Summit, in September 2014 we endorsed the Initiative to Support the World Bank Group's Carbon Pricing and The Trillion Tonne Communiqué, which the Corporate Leaders' Group on Climate Change, a British corporate group, has spearheaded.



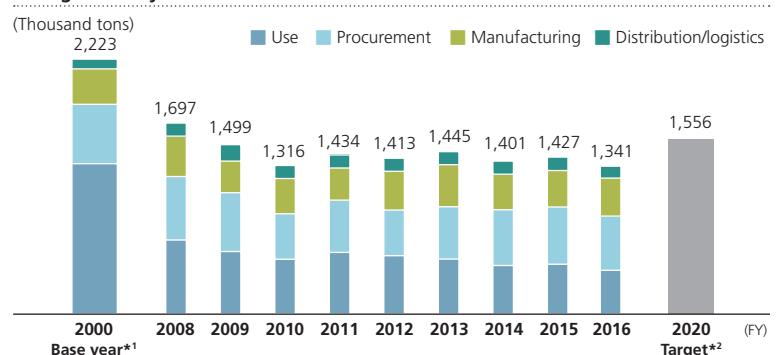
### Mid-Term Environmental Impact Reduction Goals: Energy conservation and prevention of global warming

We are undertaking activities to reduce total lifecycle carbon dioxide emissions by 30% by 2020 from the 2000 base level. In fiscal 2016, our emissions were down 6.0% from a year earlier and 39.7% below those of 2000, reflecting a decrease in emissions during product use as a result of the development of energy-saving products. We will continue initiatives to keep emissions below target levels while expanding our businesses.

\*<sup>1</sup> Fiscal 2001 results

\*<sup>2</sup> Equivalent to fiscal 2021 results

#### Change in lifecycle CO<sub>2</sub> emissions



## Environmental action plan

Under the 18th Environmental Action Plan [①](#) (April 2014 to March 2017), we have set out measures and goals in five areas, comprising four pillars, to reduce environmental impact—1) energy conservation and prevention of global warming, 2) resource conservation and recycling, 3) pollution prevention and 4) biodiversity conservation to boost the Earth's self-recovery capability—built upon a basis for

environmental management that underpins efficient and effective execution of various activities. Strategic priorities under the 18th Environmental Action Plan are to reduce environmental impact exerted by our customers, enhance cooperation with stakeholders, and expand environmental businesses. Progress made in fiscal 2016 is highlighted below.

### Progress on strategic priorities under the 18th Environmental Action Plan

<b>Reduce environmental impact exerted by our customers</b>	<ul style="list-style-type: none"> <li>Excellent energy-saving performance recognized with winning the annual award for energy-saving features of color MFPs for the second straight year since 2014</li> <li>Reduced CO<sub>2</sub> emissions by 453,000 tons (equivalent to approximately 1.4 times the total amount of CO<sub>2</sub> emitted from Ricoh Group factories around the world) through the provision of videoconferencing systems, paperless solutions, and other products/services</li> </ul>
<b>Enhance cooperation with stakeholders</b>	<ul style="list-style-type: none"> <li>Provided remanufactured machines and solutions (personal authentication, on-demand printing, and equipment management) as an official partner of the 21st Conference of Parties of the United Nations Framework Convention on Climate Change (COP21)</li> <li>Participated in COP21 as a member of the Japan Climate Leaders' Partnership, exchanging views with businesses, governments, and policymakers</li> <li>Participated in We Mean Business, a network of more than 500 global companies, encouraging policymakers to undertake environmental action</li> </ul>
<b>Expand environmental businesses</b>	<ul style="list-style-type: none"> <li>Advised customers to try carbon offset printing services, paperless solutions and other environmentally conscious options</li> <li>Acquired "Gold Rating" in supplier sustainability survey conducted by EcoVadis, <a href="#">①</a> thereby meeting customer request for performance assessment validation</li> <li>Reused 6,398 tons of materials in remanufactured equipment as part of efforts to globally optimize reuse/recycling businesses</li> </ul>



#### [① EcoVadis](#)

A sustainability rating company for global supply chains, based in France, EcoVadis assesses suppliers from 110 countries and across 150 business sectors on corporate policies, initiatives and achievements in CSR management and provides customers with its findings.

### Case study on expanding environmental business

## Cultivating New Potential through the RICOH Eco Business Development Center [②](#)

We established this facility in Gotemba, Shizuoka Prefecture, in April 2016 as part of efforts to commemorate our 80th anniversary. The center's role is to evolve our environmental management approach in creating and expanding eco businesses in and well beyond our existing operational domains. The center participates in the Gotemba Eco City Plan and the Model Forest Venture to preserve afforested areas of Gotemba, and has started to engage in joint eco business development with local entities.



RICOH Eco Business Development Center

### Three components of RICOH Eco Business Development Center

#### ● Environmental technology verification

The center harnesses open innovation between industry, academia, and government in collaborating with partners to accelerate the creation of eco businesses. The center verifies technologies that help conserve energy and other resources. They include technologies for producing energy from

waste plastics, thinned wood, and other untapped resources and for generating electricity from small streams.

#### ● Reuse and Recycling Center

We consolidated our reuse and recycling sites around Japan to enhance efficiency. This operation debuted in May 2015 as our principal location for rebuilding around 20,000 MFPs annually.

#### ● Publicizing environmental activities information

The center informs about our environmental activities, eco-friendly products and services, and new eco technologies. It also contributes to the community by educating about the environment.

### Refer to our website

- [① 18th Environmental Action Plan](#) [www.ricoh.com/environment/plan/plan18th.html](http://www.ricoh.com/environment/plan/plan18th.html)  
[② RICOH Eco Business Development Center](#) [www.ricoh.com/environment/eco\\_business\\_center/](http://www.ricoh.com/environment/eco_business_center/)

### Case study on reducing environmental impact for customers

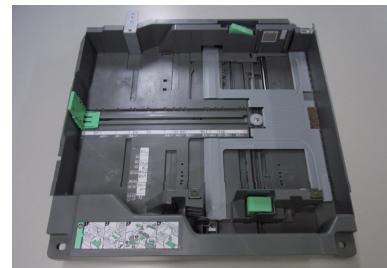
## Incorporating commercially recovered plastics in MFPs

We plan to reduce new resource inputs from the 2007 level by 25% by 2020 and by 87.5% by 2050. We have done much in terms of conserving and recycling resources to reach our mid- and long-term environmental impact reduction goals. Our efforts have included employing biomass materials and developing recycled plastics that increase the content of materials recovered from used MFPs.

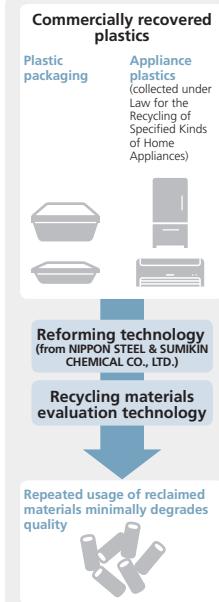
We expanded our recycling efforts in 2016 by launching multifunction printers that incorporate plastics developed from commercially recovered materials. Repeated usage of these materials minimally degrades quality.

Robust, incombustible plastics are essential for MFPs, which has made it difficult to date to use commercially recovered materials. Our reclaimed material incorporates post-consumer plastic packaging containers collected by a voluntary collection system and plastics gathered in keeping with the Law for the Recycling of Specified Kinds of Home Appliances. We jointly developed the materials by drawing on reforming technology from NIPPON STEEL & SUMIKIN CHEMICAL CO., LTD., and our recycling materials evaluation technology.

Such reclaimed materials usage should help cut the extraction of crude oil. We started using the reclaimed material in paper trays, and plan to employ it in other parts.



Paper tray incorporating reclaimed materials



### Case study on reducing environmental impact for customers

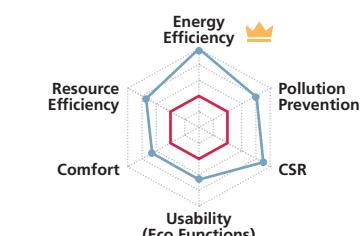
## Ricoh Sustainable Products Program for assessing environmental performance and usability of products

We launched this initiative in April 2016 to evaluate products based on strict proprietary standards. The program assesses our offerings in two prime respects. The first is environmental friendliness, its criteria being energy and other resource efficiency and pollution prevention. The second is user friendliness, encompassing comfort, usability, and CSR. We classify offerings that satisfy all six assessment criteria as "Sustainable Products." The rating for industry-leading performers is "Sustainable Products-Premium."

We have worked hard over the years to secure environmental performance certifications around the world. We have also continued to ensure that our products are easy and comfortable for all office workers to use, including the elderly and individuals with disabilities. We developed the Ricoh Sustainable Products Program because to this date, there was no external setup that was assessable for both environmental performance as well as usability and comfort. This initiative is in keeping with our commitment to improving quality of life for customers and driving sustainability through our products.

As well as finished offerings, this program also applies to product development processes and roadmaps. As of May 2016, 84 products, principally MFPs, complied with our sustainability criteria. These represented more than 70% of our products. We look for 100% of our products to satisfy our criteria by 2020.

### Sample assessment results



-  Assessment criteria includes industry-leading performers
-  Assessment results for this product
-  Standard value of products certified as "Sustainable Products"

 Refer to our website

 Ricoh Sustainable Products Program (RSPP) [www.ricoh.com/environment/product/sustainable/](http://www.ricoh.com/environment/product/sustainable/)

# GOVERNANCE

Robust foundations are pivotal to continuing to build value and grow as a corporate group. This section presents our stance on the construction of our governance structure and overviews its components.

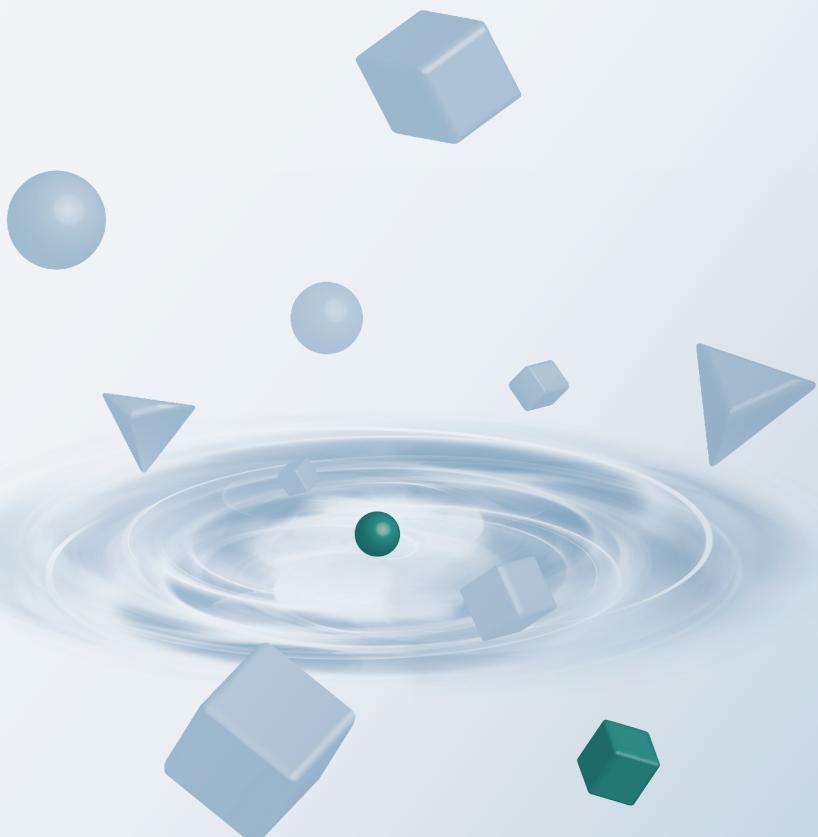
46 **Corporate Governance**

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51 **Internal Controls**

51 **Compliance**

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# Maintaining Ricoh's corporate value on behalf of all stakeholders

The Ricoh Group established The RICOH Way as a set of guiding principles and values that serves as the foundation for all our business activities. Abiding by these principles in corporate ethics and compliance and maintaining transparency in management, we continuously strive to improve our governance, and in doing so ultimately enhance our corporate value.

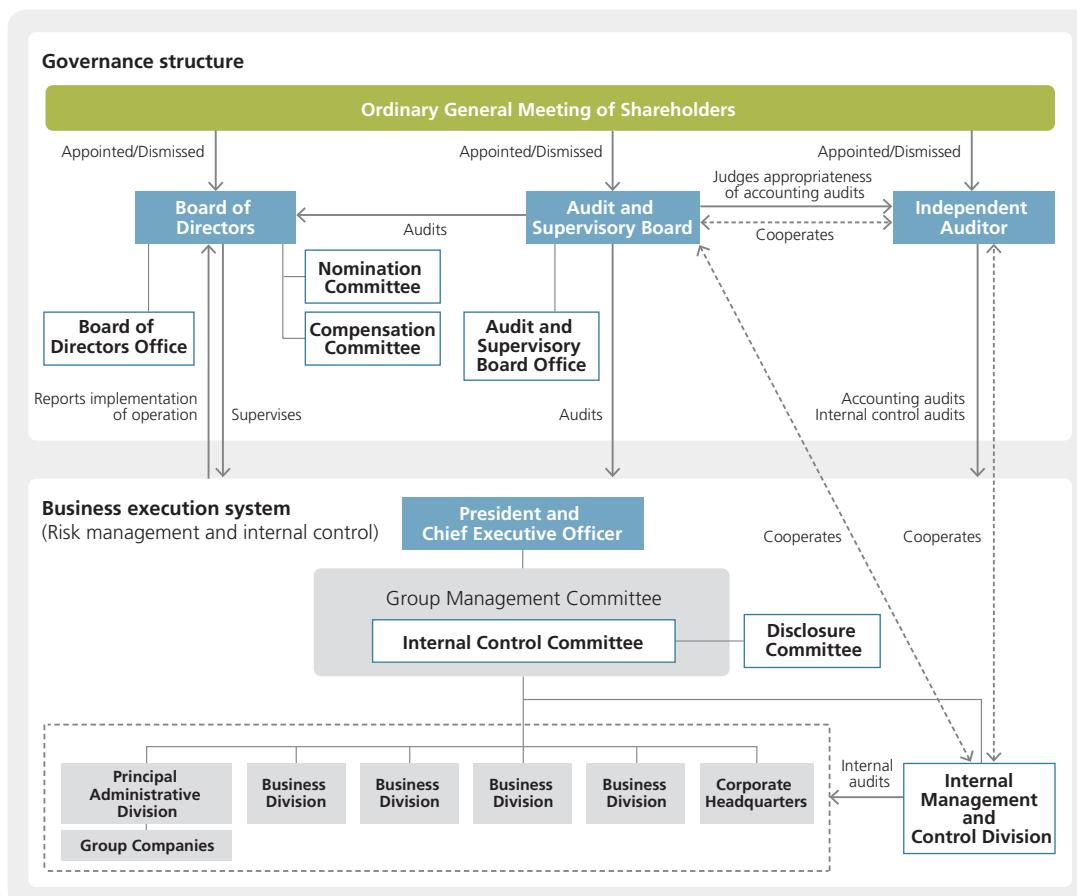
## ■ Corporate governance

We strongly believe that responsible global citizenship calls for a corporate culture that embraces a sense of mission to meet the expectations of diverse stakeholders—a culture that is committed to operating under the highest ethical standards in line with the expectations of society as a whole.

Based on this belief, we advance the operations of the entire Group under The RICOH Way, strengthening our governance and ceaselessly promoting a culture of integrity while working toward sustainable corporate growth.

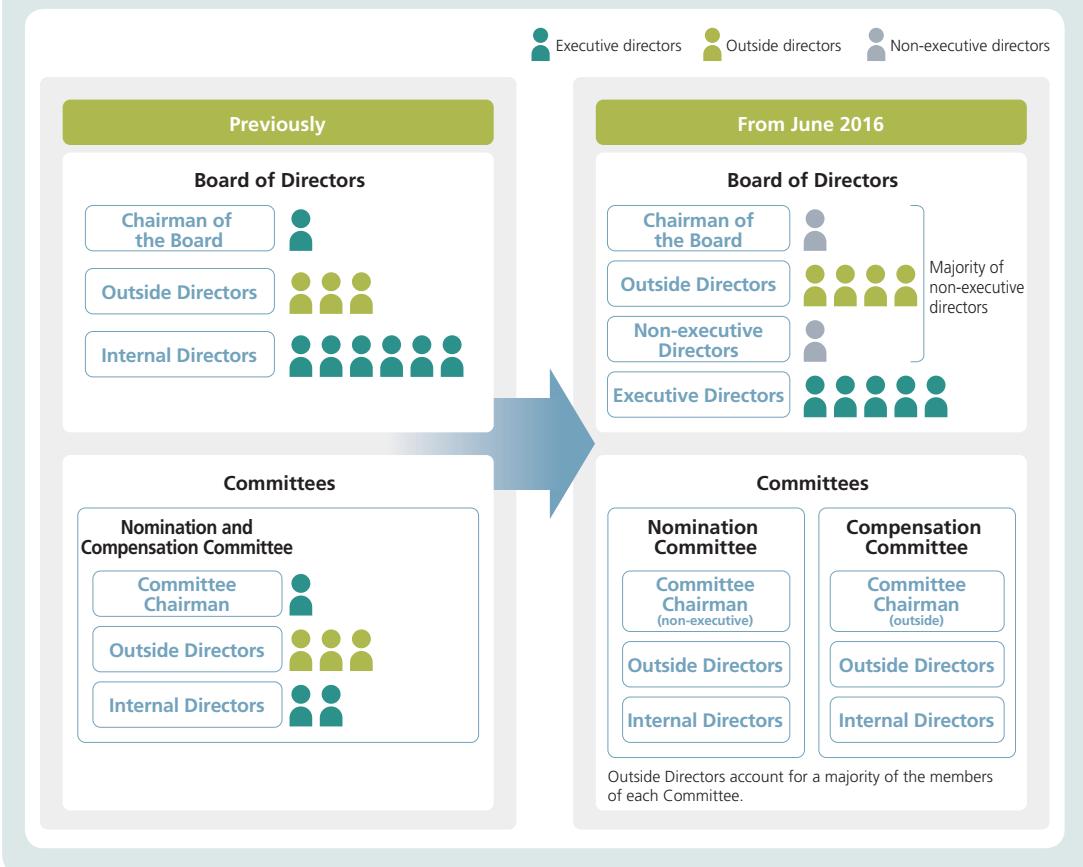
We implemented a revised corporate governance structure in April 2016 to ensure sustainable growth and bolster our corporate activities.

The Group has also implemented an integrated risk management system for both business opportunities and business execution, and it follows internal control procedures to achieve the success of our corporate strategies and business targets.



## Revisions to corporate governance structure

We fostered new growth challenges by encouraging outside, non-executive, and executive directors to draw on their expertise and experience in deliberating extensively on important matters. We also built a structure to supervise management from the perspectives of shareholders and diverse other stakeholders.



### Board of Directors and Audit and Supervisory Board

<b>Board of Directors</b>	
Maximum number of directors:	15
Current number of executives:	11 (including 4 outside directors)
Term:	2 years

<b>Audit and Supervisory Board</b>	
Maximum number of Audit and Supervisory Board members:	5
Current number of executives:	5 (including 3 outside Audit and Supervisory Board members)
Term:	4 years

(As of June 17, 2016)

### Governance structure

- The Ricoh Group has introduced a corporate audit system.
- The Board of Directors is responsible for management oversight and important decision making concerning Group management. By appointing highly independent outside directors, the Group ensures greater transparency in its management and decision making.

- Four of the Board's 11 directors are outside directors—part of an effort to incorporate various views and opinions and to eliminate arbitrary decision making in management.
- The Board of Directors Office was established to foster resolute decision making and help maintain highly transparent management supervision.
- Audit and Supervisory Board members hold discussions to determine audit and supervising policies and the assignment of duties, and they monitor corporate management.

### Refer to our website

**Stock information** [www.ricoh.com/IR/settlement.html](http://www.ricoh.com/IR/settlement.html)  
**Securities reports** [www.ricoh.com/IR/financial\\_data/securities\\_report/](http://www.ricoh.com/IR/financial_data/securities_report/)

- Audit and Supervisory Board members attend all important meetings, including but not limited to Board meetings, and exchange information regularly with the representative directors.
- The Audit and Supervisory Board Members Office, with designated support staff, has been established to ensure that the Audit and Supervisory Board members can work effectively.
- Under the executive officer system, the authority to carry out business has been assigned to respective functional departments so as to expedite decision making and clarify the roles of each department.

### **Nomination and Compensation Committees**

As part of efforts to reinforce management supervision and decision making by the Board of Directors, we set up the Nomination Committee, whose three outside directors comprise its majority of members. The Committee is chaired by an outside director. We also established the Compensation Committee, whose four outside directors similarly constitute its majority of members. These bodies ensure transparency and objectivity in appointments and dismissals and compensation for directors and executive officers.

### **Group Management Committee**

The Group Management Committee (GMC) consists of executive officers and is 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.

### **Internal auditing**

The Internal Management and Control Division, which is in charge of internal auditing, objectively reviews and assesses the status of business execution by respective business divisions according to clearly defined rules to ensure legal compliance and adequacy of execution practices. It also provides advice and recommendations for improvement. The results are regularly reported to the GMC's Internal Control Committee.

### **External auditing**

Ricoh has formulated a set of guidelines called the "Policy and Procedures for Prior Approvals for Audit and Non-audit Services." In accordance with these guidelines, advance approval must be obtained from the Audit and Supervisory Board members concerning the details of and fees for auditing contracts.

### **Assessing effectiveness of Board of Directors**

Under a new structure deployed in 2016, the Board of Directors and the Audit and Supervisory Board assess their own effectiveness. The goal is to ensure that the Board of Directors fulfills its roles and duties through autonomous improvements.

### **Executive compensation**

In its pursuit of increased shareholder value, the Ricoh Group employs executive compensation as an effective incentive to achieve sustainable increases in corporate earnings over the medium and long term.

The base salary of directors consists of remuneration related to management oversight, remuneration reflecting the importance of individual roles and responsibilities, remuneration for the purpose of purchasing treasury stocks (except for outside directors), and variable remuneration linked to stock price performance during the relevant fiscal year. The Ricoh Group has been strengthening incentives for executives to increase shareholder value over the long term by allocating a portion of remuneration for stock repurchase so that executives will have a common interest with shareholders.

The amount of bonuses paid to directors is based on the attainment of key performance indicators—such as sales, operating income and ROA—that pertain to shareholder value and the Company's competitiveness. Proposed bonuses for directors are brought before the general meeting of shareholders for approval.

Compensation paid to the Audit and Supervisory Board members is composed solely of remuneration for their auditing duties.

### **Executive compensation for fiscal 2016**

Category	Number	¥ million		
		Total	Total remuneration, etc. by category	
			Base salary	Bonus
<b>Directors (excluding Outside Directors)</b>	7	479	356	122
<b>Audit and Supervisory Board Members (excluding Outside Audit and Supervisory Board Members)</b>	2	52	52	—
<b>Outside Directors and Audit and Supervisory Board Members</b>	5	59	59	—
Outside Directors	3	43	43	—
Outside Audit and Supervisory Board Members	2	16	16	—
<b>Total</b>	14	591	468	122

# Executives

As of June 17, 2016

## Board of Directors



**Shiro Kondo**  
Representative Director and Chairman of the Board  
• Chairman of Nomination Committee  
• Member of Compensation Committee  
*Date of birth:*  
October 7, 1949  
*Joined the Company:*  
1973

**Currently**  
Chairman, Ricoh Co., Ltd.

**Formerly**  
General Manager, Imaging System Business Group and General Manager, MFP Business Group, Ricoh Co., Ltd.



**Zenji Miura**  
Representative Director and CEO  
• Member of Nomination and Compensation Committees  
*Date of birth:*  
January 5, 1950  
*Joined the Company:*  
1976

**Currently**  
President and CEO, Ricoh Co., Ltd.

**Formerly**  
President, Ricoh France S. A. S.; General Manager, Finance and Accounting Division and General Manager, Corporate Planning, Ricoh Co., Ltd.



**Yoshinori Yamashita**  
Director  
*Date of birth:*  
August 22, 1957  
*Joined the Company:*  
1980

**Currently**  
Deputy President and General Manager, Business Solutions Group, Ricoh Co., Ltd.

**Formerly**  
President, Ricoh Electronics, Inc.; General Manager, Corporate Planning, Ricoh Co., Ltd.



**Nobuo Inaba**  
Director  
*Date of birth:*  
November 11, 1950  
*Joined the Company:*  
2008

**Currently**  
Director, Ricoh Co., Ltd.

**Formerly**  
Executive Director, Bank of Japan; President, Ricoh Institute of Sustainability and Business



**Yohzoh Matsuura**  
Director  
*Date of birth:*  
April 15, 1956  
*Joined the Company:*  
1980

**Currently**  
Corporate Executive Vice President, In charge of R&D and General Manager, Intellectual Property Division, Ricoh Co., Ltd.

**Formerly**  
General Manager, Imaging System Development Division and General Manager, Ricoh Institute of Technology, Ricoh Co., Ltd.



**Kunihiko Satoh**  
Director

*Date of birth:*  
October 21, 1956  
*Joined the Company:*  
1979

**Currently**  
Corporate Executive Vice President, In charge of optical-related business, In charge of global new business promotion and General Manager, New Business Development Division, Ricoh Co., Ltd.; Director, Ricoh Leasing Co., Ltd.

**Formerly**  
General Manager, Japan Marketing Group, Ricoh Co., Ltd.; Representative Director, President and CEO, Ricoh Japan Corporation



**Akira Oyama**  
Director  
• Member of Compensation Committee

*Date of birth:*  
January 6, 1961  
*Joined the Company:*  
1986

**Currently**  
Corporate Executive Vice President, Corporate Human Resource Executive and General Manager, Corporate Division, Ricoh Co., Ltd.; President, Ricoh Americas Holdings, Inc.

**Formerly**  
General Manager, Europe Marketing Group, Ricoh Co., Ltd.; CEO, Ricoh Europe Plc



**Kunio Noji**  
Director (outside)  
• Member of Nomination Committee  
• Chairman of Compensation Committee  
\* Since June 2012

*Date of birth:*  
November 17, 1946

**Currently**  
Chairman of the Board, Komatsu Ltd.; Outside Director, NEC Corporation



**Makoto Azuma**  
Director (outside)  
• Member of Nomination and Compensation Committees  
\* Since June 2014

*Date of birth:*  
May 25, 1945

**Currently**  
Member, Science Council of Japan; Advisory Professor, Tsing Hua University (China); Advisor, TDK Corporation; Councillor, TOSHIBA INTERNATIONAL FOUNDATION



**Masami Iijima**  
Director (outside)  
• Member of Nomination and Compensation Committees  
\* Since June 2016

*Date of birth:*  
September 23, 1950

**Currently**  
Representative Director, Chairman of the Board of Directors, MITSUI & CO., LTD.



**Mutsuko Hatano**  
Director (outside)  
• Member of Compensation Committee  
\* Since June 2016

*Date of birth:*  
October 1, 1960

**Currently**  
Professor, Department of Electrical and Electronic Engineering, School of Engineering, Tokyo Institute of Technology; Council Member, Science Council of Japan

## Audit and Supervisory Board



**Kunihito Minakawa**  
Audit and Supervisory Board Member

*Date of birth:*  
August 15, 1954  
*Joined the Company:*  
1978

**Formerly**  
General Manager, Finance and Accounting Division, Ricoh Co., Ltd.



**Katsumi Kurihara**  
Audit and Supervisory Board Member  
\* Since June 2016

*Date of birth:*  
March 24, 1956  
*Joined the Company:*  
1978

**Formerly**  
Corporate Senior Vice President and General Manager, Manufacturing Quality Assurance Center, Manufacturing Division, Ricoh Co., Ltd.



**Kimitoshi Yabuki**  
Outside Audit and Supervisory Board Member  
\* Since June 2013

*Date of birth:*  
August 22, 1956

**Currently**  
Yabuki Law Office  
Outside Director, Sumitomo Life Insurance Company

**Contributions**  
Attended 9 of the 11 board meetings held in the term ended March 2016 (attendance rate: 82%). Attended 9 of the 11 auditors' meetings held during the same period (attendance rate: 82%)



**Takashi Narusawa**  
Outside Audit and Supervisory Board Member  
\* Since June 2016

*Date of birth:*  
December 8, 1949

**Currently**  
Outside Director, The Nissin OilillO Group, Ltd.; Advisor, Starts Corporation Inc., Outside Director, Hirata Corporation



**Shigeru Nishiyama**  
Outside Audit and Supervisory Board Member  
\* Since June 2016

*Date of birth:*  
October 27, 1961

**Currently**  
Outside Director (Audit and Supervisory Committee Members), UNIPRES CORPORATION; Professor, Waseda Business School (Graduate School of Business and Finance), Outside Audit & Supervisory Board Members, Pigeon Corporation

## Comments from Outside Directors

Accommodate change by making safety, the environment, and compliance top priorities



**Kunio Noji**

**Currently**  
Chairman of the Board, Komatsu Ltd.; Outside Director, NEC Corporation

**Reason for appointment**

Mr. Noji was president and CEO of Komatsu Ltd. He has abundant experience and expertise as a member of top management of one of the leading companies in Japan. We believe that his wealth of experience and knowledge will greatly benefit our decision-making process, and Mr. Noji will be able to offer us useful advice and counsel from an independent perspective.

**Activity status**

He attended 11 out of 11 Board meetings held in fiscal 2016.

Japanese companies continue to experience unstable operating climates, notably because of the emergence of China as an economic and political power and a high Japanese yen. Global social changes are also having a great impact on operations, an example being the United Kingdom's decision to leave the European Union. On top of that, accelerating technological change in the Internet of Things, artificial intelligence, and other areas are transforming the offices that are central to Ricoh's operations and the nature of business itself.

I am thus convinced that the Ricoh Group can generate sustainable growth only by flexibly tackling the challenges of change. It must particularly concentrate its business resources, formulate regional strategies, engage in open innovation, and build new business models. I will draw on my understanding of Ricoh's strengths in sharing my insight with other members of the Board of Directors

As it addresses change, I believe that it will be important for Ricoh to keep constructing a corporate culture that makes safety, the environment, and compliance its top priorities. I will keep endeavoring as an outside director to help enhance its corporate culture.

Create a corporate culture that promotes self-reliance



**Makoto Azuma**

**Currently**  
Member, Science Council of Japan; Advisory Professor, Tsing Hua University (China); Advisor, TDK Corporation; Councillor, TOSHIBA INTERNATIONAL FOUNDATION

**Reason for appointment**

Mr. Azuma was executive vice president and CTO (chief technology officer) of Toshiba Corporation and is currently a professor at Tokyo University of Science Graduate School of Innovation Studies. His wealth of knowledge regarding technology strategy and managerial expertise will help shape and integrate our decision making and guide our efforts from an objective, expert perspective.

**Activity status**

He attended 11 out of 11 Board meetings held in fiscal 2016.

Companies can expose themselves to problems of their own doing when they become too big. While shifts away from founding stances in view of changing political, economic, and social landscapes can lead to corporate malaises, I think the fundamental cause is that people tend to function more mechanically as organizations grow.

Ricoh started out 80 years ago by marketing sensitized paper. It has since grown into an organization with net sales exceeding ¥2 trillion by constantly pioneering innovations. Examples include the mass production of cameras, the office automation concept, and digital technology applications. Today, Ricoh derives 65% of its revenues from office imaging. Left unchecked, this situation could lead to internal complacency, which is symptomatic of corporate malaises. So as an outside director, I wish to contribute to the Board of Directors by fostering a culture of self-reliance among Ricoh employees. In that regard, I particularly wish to assist its engineers to make it easier for them to craft new technologies and business ideas.

## New Outside Directors



**Masami Iijima**

**Currently**  
Representative Director, Chairman of the Board of Directors, MITSUI & CO., LTD.

**Reason for appointment**

Mr. Iijima accumulated a wealth of experience as an executive at MITSUI & CO., LTD. He should contribute significantly to decision making at Ricoh through his independent oversight and advice.

Ricoh filed to appoint Mr. Iijima as an outside director on the basis that he is an independent officer without conflicts of interest with the Company or its shareholders, as set forth in Article 436-2 of the Securities Listing Regulations of the Tokyo Stock Exchange.



**Mutsuko Hatano**

**Currently**  
Professor, Department of Electrical and Electronic Engineering, School of Engineering, Tokyo Institute of Technology; Council Member, Science Council of Japan

**Reason for appointment**

Ms. Hatano is a professor in the electrical and electronics fields at the Tokyo Institute of Technology, and has served on numerous committees for government institutions. She should contribute significantly to decision making at Ricoh through her independent oversight and advice.

Ricoh filed to appoint Ms. Hatano as an outside director on the basis that she is an independent officer without conflicts of interest with the Company or its shareholders, as set forth in Article 436-2 of the Securities Listing Regulations of the Tokyo Stock Exchange.

## ■ Internal controls

The Ricoh Group aims for continuous improvement based on the values embodied in The RICOH Way. This includes operating an internal control system designed to strengthen competitiveness while maintaining transparency based on principles of corporate ethics and legal compliance. Ricoh has established the Ricoh Group Corporate Management Principles as a set of guidelines for corporate activities, and follows the Internal Control Principles included therein.

- The Group Management Committee (GMC) was established to oversee the Group's overall business operations and to enable quick analysis and decision making to ensure the best result for the Group as a whole.
- The Internal Control Committee was established within the GMC to determine action policies, report incidents, and evaluate and correct the control system regarding internal controls, risk management and compliance, in particular.
- Corporate Management Regulations for Ricoh Affiliates stipulate the establishment of a supervising organization to oversee risk at all Ricoh Group companies.
- The Ricoh Group Standards (RGS) have been established as a set of common rules for all Ricoh Group employees to follow, and adherence to these rules across the Group is ensured.
- A basic disclosure policy has been established to ensure that corporate information released by the Group is accurate, timely and comprehensive. Also the Disclosure Committee has been set up as an independent body charged with verifying the preparing process of the information to be disclosed.
- Integrated internal audits (J-SOX audit, financial audit, operational audit, etc.) are conducted to ensure the reliability of our financial reports, improve operational efficiency, confirm compliance with laws and regulations, and confirm that risk management measures are being implemented properly.
- The Fraud Risk Management (FRM) program of the Ricoh Group has been deployed to prevent fraud risk. The FRM utilizes a check sheet and tools to detect anomalies within large volumes of data in the integrated internal audit.



**1 Business partners** refer to organizations and individuals outside the Ricoh Group which perform services that contribute to the profits of any Ricoh Group company or that represent any Ricoh Group company.

## ■ Compliance><sup>1</sup>

We believe that it is important for every employee to adhere strictly to laws, company regulations and corporate ethics in their daily activities.

All Ricoh Group executives and employees in Japan receive annual training via e-learning on the Ricoh Group Code of Conduct, which provides principles of conduct in daily activities. Equivalent training is given to all overseas Ricoh Group companies.

An integrated internal audit checks the status of compliance in every organization.

### Anti-corruption initiatives

The Ricoh Group stipulates its basic anti-corruption policy in the Ricoh Group Code of Conduct and promotes it across the Group through Code of Conduct education. In 2013, the Ricoh Group Standard for Bribery Prevention became a part of the RGS to help ensure total compliance with laws and regulations that prevent illegal transactions, such as the Foreign Corrupt Practices Act of the United States and the Bribery Act (2010) of the United Kingdom. In addition, the Ricoh Group Bribery Prevention Guidelines for Third Parties has been enacted as a means to prevent corruption among Ricoh Group business partners. ><sup>1</sup>

### Hotline system

The Ricoh Group Hotline has been in operation since April 2003 in Japan as a contact point for all directors and employees wishing to report incidents or seek advice. Independent contact points have also been established externally as the first point of contact. To make the Hotline easier for employees to use, we continuously review its hours of operation and procedures. In addition, major Group companies worldwide have established and operate reporting and advice contacts.

Whistleblowers are protected from retaliation by rules prohibiting discriminatory acts against those who have contacted the Hotline.



### ■ Refer to our website

**1 Compliance** [www.ricoh.com/governance/compliance.html](http://www.ricoh.com/governance/compliance.html)

## Risk management

### Total risk management (TRM) system

Based on the Risk Management Principles stipulated in the Ricoh Group Corporate Management Principles, the GMC/Internal Control Committee has established a risk management area of responsibility for each business risk and implemented thorough risk management in daily execution and business operations. In addition, the Group has established a division supporting risk management, which provides comprehensive support for executives, risk management areas, and all divisions within the Group.

### Managerial Risk and Sectoral Risk

In order to secure an effective and efficient risk management operation, risks are categorized and specified as Managerial Risks that threaten human life, greatly impact society, or greatly damage in value in the event they occur; or cause Sectoral Risks which are controlled by each business unit/ Group company. The PDCA (Plan, Do, Check and Act) cycle of risk management is then carried out depending on the importance of each risk.

### Determining and reviewing managerial risks

The Group assigns a risk value based on frequency and degree of impact for external risks such as world trends, incidents and accidents, as well as for internal risks such as changes in the business structure, and creates a two-dimensional risk map to define managerial risks. This is reviewed annually at the time the business plan is being created.

### Major risks

The Ricoh Group pays particular attention to the following types of risk to prevent incidents that may have a major negative impact on corporate business activities, and to minimize the damage in the event they occur.

- Natural disasters • Serious accidents • Exchange rate fluctuations
- Serious quality problems • Difficulty in acquiring raw materials
- Leaks of personal information and corporate secrets • Bribery
- Insider trading • Violation of environmental regulations
- Violation of import/export regulations • Human rights issues
- Fraud in relation to business operations, etc.

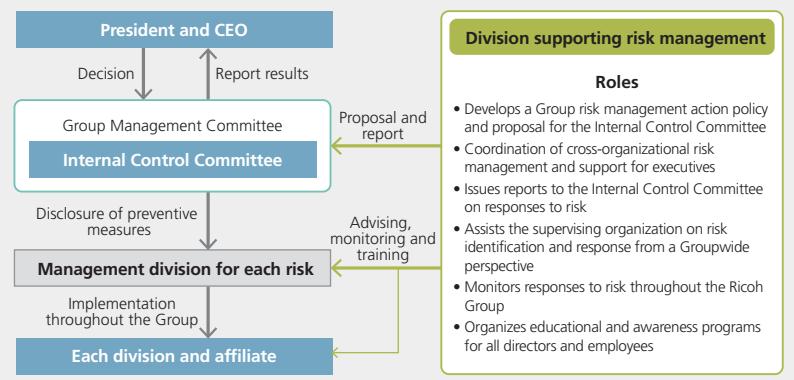
### Responding to incidents and accidents

To respond quickly and appropriately in the event of an incident, we clarify areas of management responsibility and reporting levels according to the nature of the incident. At the same time, we propose the implementation sequence of emergency response procedures and reports to the president and relevant executives based on the president's policies as applied to the RGS.

 Refer to our website

 Risk management [www.ricoh.com/governance/risk.html](http://www.ricoh.com/governance/risk.html)

### Risk management process



During the fiscal year ended March 31, 2016, a major accounting violation occurred in India, requiring disclosures to external organizations.

#### Financial irregularities at Ricoh India

An independent auditor that Ricoh India appointed in 2015 raised concerns regarding reporting, and delayed the publication of the results until the matter could be concluded. Ricoh India's audit committee, together with its accountants and lawyers in India, undertook an internal investigation which revealed that some employees had falsified accounts. Ricoh India announced its fiscal 2016 results on November 18, 2016.

#### Timeline

- Ricoh India bolstered corporate governance by changing its independent auditor after filing its results for the first quarter ended June 30, 2015.
- In the second quarter of that year, the new independent auditor raised concerns toward Ricoh India's management and audit committee regarding financial irregularities on the part of some employees.
- Ricoh India's audit committee appointed external experts and undertook an internal investigation, which heightened concerns that accounting violations had occurred, with the company filing a report with the Bombay Stock Exchange on April 20, 2016.
- On July 19, Ricoh India continued its probe into financial irregularities by some employees, announcing that it projected losses for the year ended March 31, 2016, to reflect corrected results.
- On November 18, Ricoh India announced its results for the year ended March 31, 2016.

Note: We will leverage our website and other vehicles to promptly share any information that should be disclosed regarding Ricoh India.

Ricoh takes the above matter seriously, and will fully cooperate with any continuing oversight by India regulators and courts. Concerning its global systems, it will reflect external expert assessments of the effectiveness of governance and internal controls at overseas subsidiaries in formulating and deploying measures to reinforce internal audits at those subsidiaries and prevent similar incidents from recurring.

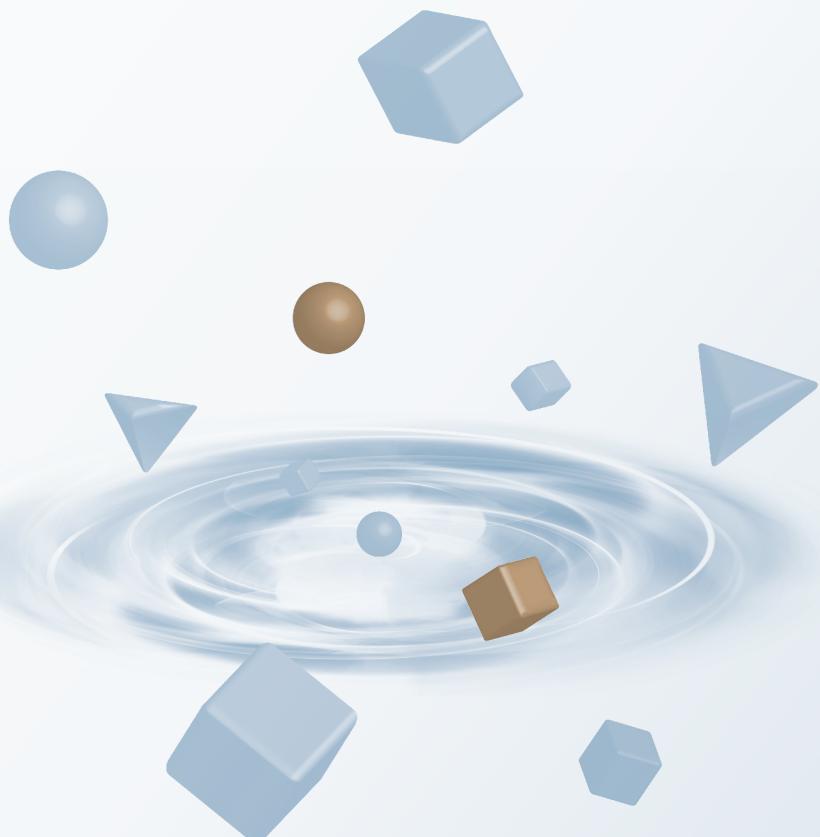
### Business continuity plan

The Ricoh Group has created a business continuity plan (BCP) to enable the business to quickly recover and continue and to minimize the degree of damage in the event of an unanticipated disaster or accident. In addition to the BCP itself, measures are in place throughout the Ricoh Group to facilitate responses within the scope of business continuity management (BCM), covering implementation, application, education, training, correction and revision of prevailing BCPs, which include the current BCP implemented throughout the Group to ensure a common response to new strains of influenza and widespread natural disasters in Japan.

# DATA & PROFILE

The information in this section enhances understanding of what we do.

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## Operating Results

Ricoh's consolidated sales for fiscal 2016 (April 1, 2015 to March 31, 2016) increased 2.7% compared with the previous fiscal year, to ¥2,209.0 billion. During this period, the average exchange rates of the Japanese yen against the U.S. dollar and the euro were ¥120.12 (down ¥10.23 from the previous fiscal year) and ¥132.68 (up ¥6.17), respectively.

The Japanese economy continued to maintain its gradual recovery by the improvement in corporate profits and labor market, but the unpredictable economy has been caused by strengthening of the yen and low stock price from the beginning of this year. Under such market conditions, as for the sales in the domestic market, sales in the Imaging & Solutions and the Industrial Products segment increased through the increase in sales of Network System Solutions and so on, but was offset by the sales decrease in the Other segment derived from sale of San-ai apparel business and so on. As a result, the sales in the overall domestic market increased by 0.3% as compared to the previous corresponding period.

As for the overseas market, the U.S. economy continued to show a solid recovery, but the outlook of the overall global economy remains uncertain with the increasing European geopolitical risk and the continuous slowdown in the growth of the emerging markets including China. Even under such market conditions, in addition to the increase in the sales of color MFP models, the weak yen against U.S. dollar and the acquisition have contributed to the overall increase in Ricoh's overseas sales.

As for overseas sales by region, sales in the Americas increased by 7.0% (a decrease of 2.1% excluding foreign currency exchange fluctuation), sales in Europe, Middle East and Africa decreased by 0.3% (an increase of 4.3% excluding foreign currency exchange fluctuation) and sales in Other region, which includes China, South East Asia and Oceania, increased by 5.6% (an increase of 5.1% excluding foreign currency exchange fluctuation).

Owing to these factors, sales in overseas markets increased 4.0% (an increase of 1.4% excluding foreign currency exchange fluctuations) compared with the previous fiscal year.

Although sales increased, gross profit decreased by 2.8% as compared to the previous corresponding period, to ¥881.9 billion, due to unit price declines caused by the deteriorated market conditions and the intensification of market competition. Although group-wide activities to streamline costs have contributed in controlling selling, general and administrative expenses, these expenses have increased by 0.7% as compared to the previous corresponding period, to ¥799.4 billion, due mainly to the weakening of the yen against U.S.

dollar and acquisitions.

As a result, operating profit decreased 11.6% compared with the previous fiscal year, to ¥102.2 billion.

As for finance income and costs, foreign exchange loss increased as compared to the previous corresponding period.

Profit before income tax expenses decreased by 14.8% as compared to the previous corresponding period, to ¥95.6 billion.

As a result, profit attributable to owners of the parent decreased by 8.1% as compared to the previous corresponding period, to ¥62.9 billion.

## Financial Position

### Assets, Liabilities, and Equity at Year-End

Total assets increased by ¥46.2 billion as compared to the previous corresponding period, to ¥2,776.4 billion, mainly due to the increase in "other financial assets" including "lease receivables."

Total liabilities increased by ¥52.8 billion as compared to the previous corresponding period, to ¥1,628.6 billion, mainly due to the increase in "bonds and borrowings" to meet the demand for working capital along with the increase of lease receivables.

Total equity decreased by ¥6.5 billion as compared to the previous corresponding period, to ¥1,147.7 billion, mainly due to the decrease in "other components of equity."

## Cash Flows

Net cash provided by operating activities decreased by ¥2.6 billion, to ¥99.8 billion, primarily due to decrease in profit by unit price declines caused by the deteriorated market conditions and the intensification of market competition.

Net cash used in investing activities decreased by ¥39.3 billion, to ¥104.1 billion, primarily due to gains on sales of idle places and offices as a result of group-wide activities to streamline costs such as reorganization. Net cash used in investing activities consisted mainly of ¥83.7 billion of expenditures for property, plant and equipment, ¥28.9 billion of expenditures for intangible fixed assets and ¥5.6 billion for business acquisitions. Expenditures for property, plant and equipment consisted primarily of increases in the production capacity and improvement of the production efficiency for office equipment, network system and purchase of rental assets.

Net cash provided by financing activities is ¥42.6 billion. Net cash provided by financing activities consisted primarily of ¥84.4 billion to repay long-term debt and ¥25.0 billion to pay dividends, which were partially offset by ¥20.0 billion of proceeds received from the issuance of bonds and ¥198.8 billion of proceeds received from the issuance of long-term indebtedness.

## Refer to our website

Investor relations [www.ricoh.com/IR/](http://www.ricoh.com/IR/)

Securities report for the fiscal year ended March 31, 2016 [www.ricoh.com/IR/financial\\_data/securities\\_report/pdf/AnnualSecuritiesReport\\_116th.pdf](http://www.ricoh.com/IR/financial_data/securities_report/pdf/AnnualSecuritiesReport_116th.pdf)

Flash report for the fiscal year ended March 31, 2016 [www.ricoh.com/IR/financial\\_data/financial\\_result/data/28/q4\\_report.pdf](http://www.ricoh.com/IR/financial_data/financial_result/data/28/q4_report.pdf)

## ■ Consolidated Statements of Profit or Loss

Ricoh Company, Ltd. and Consolidated Subsidiaries  
For the Years Ended March 31, 2015 and 2016

	Millions of Yen	Thousands of U.S. Dollars
	2015	2016
	2016	
<b>Sales:</b>		
Products	990,908	<b>1,018,979</b>
Post sales and rentals	1,068,678	<b>1,092,245</b>
Other revenue	91,818	<b>97,804</b>
Total sales	2,151,404	<b>2,209,028</b>
<b>Cost of sales:</b>		
Products	704,036	<b>768,209</b>
Post sales and rentals	485,957	<b>504,375</b>
Other revenue	54,493	<b>54,480</b>
Total cost of sales	1,244,486	<b>1,327,064</b>
<b>Gross profit</b>		
Selling, general and administrative expenses	906,918	<b>881,964</b>
Other income	794,014	<b>799,406</b>
	2,861	<b>19,737</b>
<b>Operating profit</b>		
Finance income	115,765	<b>102,295</b>
Finance costs	3,963	<b>5,091</b>
Share of profit (loss) of investments accounted for using the equity method	7,381	<b>11,757</b>
(50)		<b>55</b>
<b>Profit before income tax expenses</b>	112,297	<b>95,684</b>
Income tax expenses	38,598	<b>28,378</b>
<b>Profit</b>	73,699	<b>67,306</b>
Profit attributable to:		
Owners of the parent	68,562	<b>62,975</b>
Non-controlling interests	5,137	<b>4,331</b>
<b>Per share of common stock:</b>	Yen	U.S. Dollars
	2015	2016
Earnings per share attributable to owners of the parent:		
Basic	94.58	<b>86.87</b>
Diluted	—	—
Cash dividends, applicable to the year	34.00	<b>35.00</b>
<b>Per American Depository Share, each representing 1 share of common stock:</b>	Yen	U.S. Dollars
	2015	2016
Earnings per ADR share attributable to owners of the parent:		
Basic	94.58	<b>86.87</b>
Diluted	—	—
Cash dividends, paid	34.00	<b>35.00</b>
	0.78	—
	—	—
	0.31	—
	0.78	—
	—	—
	0.31	—

Ricoh's consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") from the fiscal year ended March 31, 2014.

Figures for fiscal 2015 have been adjusted due to the partial change in presentation of lease transactions from a gross basis to a net basis.  
To see Critical Accounting Policies and Notes to Consolidated Financial Statements, refer to the URL [www.ricoh.com/IR/financial\\_data/securities\\_report/](http://www.ricoh.com/IR/financial_data/securities_report/)

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**Investor relations** [www.ricoh.com/IR/](http://www.ricoh.com/IR/)  
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**Flash report for the fiscal year ended March 31, 2016** [www.ricoh.com/IR/financial\\_data/financial\\_result/data/28/q4\\_report.pdf](http://www.ricoh.com/IR/financial_data/financial_result/data/28/q4_report.pdf)  
**Financial data** [www.ricoh.com/IR/financial\\_data/financial\\_indicators/data5.html](http://www.ricoh.com/IR/financial_data/financial_indicators/data5.html)  
**Per share data** [www.ricoh.com/IR/financial\\_data/financial\\_indicators/data7.html](http://www.ricoh.com/IR/financial_data/financial_indicators/data7.html)

## ■ Consolidated Statements of Comprehensive Income

Ricoh Company, Ltd. and Consolidated Subsidiaries  
For the Years Ended March 31, 2015 and 2016

	Millions of Yen	2016	Thousands of U.S. Dollars
	2015	2016	2016
<b>Profit</b>	73,699	<b>67,306</b>	<b>600,946</b>
<b>Other comprehensive income (loss):</b>			
Components that will not be reclassified subsequently to profit or loss:			
Remeasurement of defined benefit plan	(23,135)	<b>(6,039)</b>	<b>(53,920)</b>
Components that will be reclassified subsequently to profit or loss:			
Net gain on fair value of available-for-sale financial assets	5,316	<b>6,457</b>	<b>57,652</b>
Net gain on fair value of cash flow hedges	1,838	<b>(1,916)</b>	<b>(17,107)</b>
Exchange differences on translation of foreign operations	27,224	<b>(44,180)</b>	<b>(394,464)</b>
<b>Total other comprehensive income</b>	11,243	<b>(45,678)</b>	<b>(407,839)</b>
<b>Comprehensive income</b>	84,942	<b>21,628</b>	<b>193,107</b>
Comprehensive income attributable to:			
Owners of the parent	79,056	<b>18,332</b>	<b>163,679</b>
Non-controlling interests	5,886	<b>3,296</b>	<b>29,428</b>

Ricoh's consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") from the fiscal year ended March 31, 2014. Figures for fiscal 2015 have been adjusted due to the partial change in presentation of lease transactions from a gross basis to a net basis. To see Critical Accounting Policies and Notes to Consolidated Financial Statements, refer to the URL [www.ricoh.com/IR/financial\\_data/securities\\_report/](http://www.ricoh.com/IR/financial_data/securities_report/)

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**Flash report for the fiscal year ended March 31, 2016** [www.ricoh.com/IR/financial\\_data/financial\\_result/data/28/q4\\_report.pdf](http://www.ricoh.com/IR/financial_data/financial_result/data/28/q4_report.pdf)

**Financial data** [www.ricoh.com/IR/financial\\_data/financial\\_indicators/data5.html](http://www.ricoh.com/IR/financial_data/financial_indicators/data5.html)

**Per share data** [www.ricoh.com/IR/financial\\_data/financial\\_indicators/data7.html](http://www.ricoh.com/IR/financial_data/financial_indicators/data7.html)

## ■ Consolidated Statements of Financial Position

Ricoh Company, Ltd. and Consolidated Subsidiaries  
March 31, 2015 and 2016

	Millions of Yen	Thousands of U.S. Dollars
	2015	2016
<b>Assets</b>		
<b>Current assets:</b>		
Cash and cash equivalents	137,722	<b>167,547</b>
Time deposits	927	<b>973</b>
Trade and other receivables	553,534	<b>564,204</b>
Other financial assets	260,056	<b>272,347</b>
Inventories	224,481	<b>207,092</b>
Other current assets	39,662	<b>61,032</b>
Total current assets	1,216,382	<b>1,273,195</b>
<b>Non-current assets:</b>		
Property, plant and equipment	276,617	<b>276,551</b>
Goodwill and intangible assets	435,752	<b>413,836</b>
Other financial assets	601,797	<b>620,171</b>
Investments accounted for using the equity method	450	<b>935</b>
Other investments	58,237	<b>67,084</b>
Other non-current assets	44,119	<b>38,905</b>
Deferred tax assets	96,853	<b>85,784</b>
Total non-current assets	1,513,825	<b>1,503,266</b>
Total assets	2,730,207	<b>2,776,461</b>
		<b>24,789,830</b>

	Millions of Yen		Thousands of U.S. Dollars
	2015	2016	2016
<b>Liabilities and Equity</b>			
<b>Current liabilities:</b>			
Bonds and borrowings	222,065	<b>260,755</b>	<b>2,328,170</b>
Trade and other payables	276,986	<b>286,123</b>	<b>2,554,670</b>
Other financial liabilities	1,800	<b>1,820</b>	<b>16,250</b>
Income tax payables	13,683	<b>15,220</b>	<b>135,893</b>
Other current liabilities	257,605	<b>242,950</b>	<b>2,169,196</b>
Total current liabilities	772,139	<b>806,868</b>	<b>7,204,179</b>
<b>Non-current liabilities:</b>			
Bonds and borrowings	568,515	<b>592,045</b>	<b>5,286,115</b>
Other financial liabilities	1,537	<b>3,745</b>	<b>33,438</b>
Accrued pension and retirement benefits	144,153	<b>139,049</b>	<b>1,241,509</b>
Other non-current liabilities	84,721	<b>82,392</b>	<b>735,643</b>
Deferred tax liabilities	4,830	<b>4,598</b>	<b>41,054</b>
Total non-current liabilities	803,756	<b>821,829</b>	<b>7,337,759</b>
Total liabilities	1,575,895	<b>1,628,697</b>	<b>14,541,938</b>
<b>Equity:</b>			
Common stock	135,364	<b>135,364</b>	<b>1,208,607</b>
Authorized —			
1,500,000,000 shares as of March 31, 2015 and			
1,500,000,000 shares as of March 31, 2016			
Issued and outstanding —			
744,912,078 shares and 724,900,878 shares as of March 31, 2015 and			
744,912,078 shares and 724,888,649 shares as of March 31, 2016			
Additional paid-in capital	186,083	<b>186,423</b>	<b>1,664,491</b>
Treasury stock	(37,295)	<b>(37,312)</b>	<b>(333,143)</b>
Other components of equity	153,547	<b>114,914</b>	<b>1,026,018</b>
Retained earnings	646,468	<b>678,424</b>	<b>6,057,357</b>
Total equity attributable to owners of the parent	1,084,167	<b>1,077,813</b>	<b>9,623,330</b>
Non-controlling interests	70,145	<b>69,951</b>	<b>624,562</b>
Total equity	1,154,312	<b>1,147,764</b>	<b>10,247,892</b>
Total liabilities and equity	2,730,207	<b>2,776,461</b>	<b>24,789,830</b>

Ricoh's consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") from the fiscal year ended March 31, 2014. To see Critical Accounting Policies and Notes to Consolidated Financial Statements, refer to the URL [www.ricoh.com/IR/financial\\_data/securities\\_report/](http://www.ricoh.com/IR/financial_data/securities_report/)

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## Consolidated Statements of Changes in Equity

Ricoh Company, Ltd. and Consolidated Subsidiaries  
For the Years Ended March 31, 2015 and 2016

						Millions of Yen
	Common stock	Additional paid-in capital	Treasury stock	Remeasurement of defined benefit plan	Net gain on fair value of available-for-sale financial assets	Net gain (loss) on fair value of cash flow hedges
Balance at April 1, 2014	135,364	186,083	(37,278)	—	11,848	(221)
Profit						
Other comprehensive income (loss)				(23,149)	5,234	1,024
Comprehensive income	—	—	—	(23,149)	5,234	1,024
Net change in treasury stock			(17)			
Dividends declared and approved to owners						
Transfer from other components of equity to retained earnings					23,149	
Acquisition of non-controlling interests		—				
Total transactions with owners	—	—	(17)	23,149	—	—
Balance at March 31, 2015	135,364	186,083	(37,295)	—	17,082	803
Profit						
Other comprehensive income (loss)				(6,010)	6,535	(1,070)
Comprehensive income	—	—	—	(6,010)	6,535	(1,070)
Net change in treasury stock			(17)			
Dividends declared and approved to owners						
Transfer from other components of equity to retained earnings					6,010	
Acquisition of non-controlling interests		340				
Total transactions with owners	—	340	(17)	6,010	—	—
Balance at March 31, 2016	135,364	186,423	(37,312)	—	23,617	(267)
						Thousands of U.S. Dollars
	Common stock	Additional paid-in capital	Treasury stock	Remeasurement of defined benefit plan	Net gain on fair value of available-for-sale financial assets	Net gain (loss) on fair value of cash flow hedges
Balance at March 31, 2015	1,208,607	1,661,455	(332,991)	—	152,518	7,170
Profit						
Other comprehensive income (loss)				(53,661)	58,348	(9,554)
Comprehensive income	—	—	—	(53,661)	58,348	(9,554)
Net change in treasury stock			(152)			
Dividends declared and approved to owners						
Transfer from other components of equity to retained earnings					53,661	
Acquisition of non-controlling interests		3,036				
Total transactions with owners	—	3,036	(152)	53,661	—	—
Balance at March 31, 2016	1,208,607	1,664,491	(333,143)	—	210,866	(2,384)
						Millions of Yen
	Other components of equity					
	Exchange differences on translation of foreign operations	Total other components of equity	Retained earnings	Equity attributable to owners of the parent	Non-controlling interests	Total equity
Balance at April 1, 2014	108,277	119,904	625,340	1,029,413	64,983	1,094,396
Profit			68,562	68,562	5,137	73,699
Other comprehensive income (loss)	27,385	10,494		10,494	749	11,243
Comprehensive income	27,385	10,494	68,562	79,056	5,886	84,942
Net change in treasury stock				(17)		(17)
Dividends declared and approved to owners			(24,285)	(24,285)	(724)	(25,009)
Transfer from other components of equity to retained earnings		23,149	(23,149)	—	—	—
Acquisition of non-controlling interests						
Total transactions with owners	—	23,149	(47,434)	(24,302)	(724)	(25,026)
Balance at March 31, 2015	135,662	153,547	646,468	1,084,167	70,145	1,154,312
Profit						
Other comprehensive income (loss)	(44,098)	(44,643)	62,975	62,975	4,331	67,306
Comprehensive income	(44,098)	(44,643)	62,975	18,332	3,296	21,628
Net change in treasury stock				(17)		(17)
Dividends declared and approved to owners			(25,009)	(25,009)	(882)	(25,891)
Transfer from other components of equity to retained earnings		6,010	(6,010)	—	—	—
Acquisition of non-controlling interests				340	(2,608)	(2,268)
Total transactions with owners	—	6,010	(31,019)	(24,686)	(3,490)	(28,176)
Balance at March 31, 2016	91,564	114,914	678,424	1,077,813	69,951	1,147,764
						Thousands of U.S. Dollars
	Other components of equity					
	Exchange differences on translation of foreign operations	Total other components of equity	Retained earnings	Equity attributable to owners of the parent	Non-controlling interests	Total equity
Balance at March 31, 2015	1,211,267	1,370,955	5,772,036	9,680,062	626,295	10,306,357
Profit			562,277	562,277	38,669	600,946
Other comprehensive income (loss)	(393,731)	(398,598)		(398,598)	(9,241)	(407,839)
Comprehensive income	(393,731)	(398,598)	562,277	163,679	29,428	193,107
Net change in treasury stock				(152)		(152)
Dividends declared and approved to owners			(223,295)	(223,295)	(7,875)	(231,170)
Transfer from other components of equity to retained earnings		53,661	(53,661)	—	—	—
Acquisition of non-controlling interests				3,036	(23,286)	(20,250)
Total transactions with owners	—	53,661	(276,956)	(220,411)	(31,161)	(251,572)
Balance at March 31, 2016	817,536	1,026,018	6,057,357	9,623,330	624,562	10,247,892

Ricoh's consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") from the fiscal year ended March 31, 2014.  
To see Critical Accounting Policies and Notes to Consolidated Financial Statements, refer to the URL [www.ricoh.com/IR/financial\\_data/securities\\_report/](http://www.ricoh.com/IR/financial_data/securities_report/)

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Securities report for the fiscal year ended March 31, 2016 [www.ricoh.com/IR/financial\\_data/securities\\_report/pdf/AnnualSecuritiesReport\\_116th.pdf](http://www.ricoh.com/IR/financial_data/securities_report/pdf/AnnualSecuritiesReport_116th.pdf)  
Flash report for the fiscal year ended March 31, 2016 [www.ricoh.com/IR/financial\\_data/financial\\_result/data/28/q4\\_report.pdf](http://www.ricoh.com/IR/financial_data/financial_result/data/28/q4_report.pdf)

## Consolidated Statements of Cash Flows

Ricoh Company, Ltd. and Consolidated Subsidiaries  
For the Years Ended March 31, 2015 and 2016

	Millions of Yen	Thousands of U.S. Dollars
	2015	2016
<b>Cash Flows from Operating Activities:</b>		
Profit	73,699	<b>67,306</b>
Adjustments to reconcile profit to net cash provided by operating activities		
Depreciation and amortization	107,836	<b>107,366</b>
Other income	(2,861)	<b>(19,737)</b>
Share of profit (loss) of investments accounted for using the equity method	50	<b>(55)</b>
Finance income and costs	3,418	<b>6,666</b>
Income tax expenses	38,598	<b>28,378</b>
Increase in trade and other receivables	(2,574)	<b>(23,376)</b>
(Increase) decrease in inventories	(18,562)	<b>9,595</b>
Increase in lease receivables	(42,886)	<b>(35,683)</b>
Decrease (increase) in trade and other payables	(11,177)	<b>11,992</b>
Decrease in accrued pension and retirement benefits	(17,146)	<b>(9,107)</b>
Other, net	7,344	<b>(14,323)</b>
Interest and dividends received	2,724	<b>2,350</b>
Interest paid	(7,518)	<b>(6,916)</b>
Income taxes paid	(28,401)	<b>(24,598)</b>
Net cash provided by operating activities	102,544	<b>99,858</b>
<b>Cash Flows from Investing Activities:</b>		
Proceeds from sales of property, plant and equipment	3,018	<b>20,997</b>
Expenditures for property, plant and equipment	(75,976)	<b>(83,778)</b>
Expenditures for intangible assets	(36,008)	<b>(28,968)</b>
Payments for purchases of available-for-sale securities	(546)	<b>(799)</b>
Proceeds from sales of available-for-sale securities	158	<b>3,244</b>
Decrease (increase) in time deposits	3,573	<b>(163)</b>
Purchase of business, net of cash acquired	(9,772)	<b>(5,687)</b>
Others, net	(27,904)	<b>(8,984)</b>
Net cash used in investing activities	(143,457)	<b>(104,138)</b>
<b>Cash Flows from Financing Activities:</b>		
Net proceeds of short-term debt	880	<b>(3,620)</b>
Proceeds from long-term debt	272,587	<b>198,895</b>
Repayments of long-term debt	(203,527)	<b>(84,432)</b>
Proceeds from issuance of bonds	20,000	<b>20,000</b>
Repayments of bonds	(35,000)	<b>(60,000)</b>
Dividends paid	(24,285)	<b>(25,009)</b>
Payments for purchase of treasury stock	(19)	<b>(16)</b>
Others, net	(700)	<b>(3,149)</b>
Net cash provided by financing activities	29,936	<b>42,669</b>
<b>Effect of Exchange Rate Change on Cash and Cash Equivalents</b>		
<b>Net Decrease (Increase) in Cash and Cash Equivalents</b>	<b>8,652</b>	<b>(8,564)</b>
<b>Cash and Cash Equivalents at Beginning of Year</b>	<b>140,047</b>	<b>137,722</b>
<b>Cash and Cash Equivalents at End of Year</b>	<b>137,722</b>	<b>167,547</b>

Ricoh's consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") from the fiscal year ended March 31, 2014.  
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**Securities report for the fiscal year ended March 31, 2016** [www.ricoh.com/IR/financial\\_data/securities\\_report/pdf/AnnualSecuritiesReport\\_116th.pdf](http://www.ricoh.com/IR/financial_data/securities_report/pdf/AnnualSecuritiesReport_116th.pdf)  
**Flash report for the fiscal year ended March 31, 2016** [www.ricoh.com/IR/financial\\_data/financial\\_result/data/28/q4\\_report.pdf](http://www.ricoh.com/IR/financial_data/financial_result/data/28/q4_report.pdf)  
**Financial data** [www.ricoh.com/IR/financial\\_statement/financial.html](http://www.ricoh.com/IR/financial_statement/financial.html)

## Selected Financial Data

Ricoh Company, Ltd. and Consolidated Subsidiaries  
For the Years Ended March 31

### U.S. GAAP

		2007	2008	2009	2010	2011	2012
<b>Related Consolidated Profit and Loss</b>	Sales	2,068,925	2,219,989	2,091,696	2,015,811	1,941,336	1,903,477
	Cost of sales	1,206,519	1,292,262	1,237,310	1,194,272	1,152,395	1,150,855
	Gross profit	862,406	927,727	854,386	821,539	788,941	752,622
	Selling, general and administrative expenses	688,026	746,221	779,850	755,638	730,870	770,690
	Operating income (loss)	174,380	181,506	74,536	65,901	58,071	(18,068)
	Income (loss) before income taxes	174,519	174,669	30,939	57,082	44,169	(31,937)
	Provision for income taxes	64,326	63,396	22,158	28,065	22,410	8,223
	Net income (loss) attributable to Ricoh Company, Ltd.	111,724	106,463	6,530	27,044	18,630	(44,560)
	Net income (loss) attributable to Ricoh Company, Ltd. shareholders per share [in yen]						
	Basic	153.10	146.04	9.02	37.27	25.68	(61.42)
	Diluted	151.89	142.15	8.75	36.25	25.15	(61.42)
	R&D expenditure	114,985	126,033	124,406	109,346	110,553	119,027
	Depreciation for tangible fixed assets	72,432	72,762	74,886	70,394	67,231	64,984
	Capital investments	85,800	85,215	96,958	66,886	66,875	73,271
	Free cash flow	51,865	(3,987)	(195,684)	97,765	36,730	(101,237)
	Debt (Short-term borrowings and Long-term indebtedness)	415,648	384,372	779,195	684,454	629,624	741,867
	Total assets	2,243,406	2,214,368	2,513,495	2,377,983	2,255,564	2,289,358
	Shareholders' equity	1,070,913	1,080,196	975,373	969,358	925,243	822,704
	Exchange rate [yen/US\$]	117.02	114.40	100.55	92.91	85.77	79.08
	[yen/euro]	150.08	161.69	143.74	131.21	113.28	109.05

		Millions of Yen				
<b>Sales by Category</b>	Imaging & Solutions	1,774,467	1,909,573	1,833,098	1,789,717	1,712,630
	Office Imaging	1,580,155	1,709,491	1,598,614	1,614,347	1,381,175
	Production Printing					150,044
	Network System Solutions	194,312	200,082	234,484	175,370	181,411
	Industrial Products	133,387	144,340	115,550	101,692	107,032
	Other	161,071	166,076	143,048	124,402	121,674
						134,325

		Millions of Yen				
<b>Sales by Geographic Area</b>	Japan	1,002,251	1,016,034	938,331	876,498	875,819
	Overseas	1,066,674	1,203,955	1,153,365	1,139,313	1,065,517
	The Americas	426,453	434,799	502,862	558,942	520,000
	Europe	507,158	603,219	523,407	456,563	428,519
	Other	133,063	165,937	127,096	123,808	116,998
						126,951

We have restated the consolidated financial statements due to changing the fiscal year-ends of our subsidiaries from fiscal 2012. We also recalculated the figures for fiscal 2010 and fiscal 2011 for reference purposes.

Product lines included in the product categories were changed from fiscal 2013. We also recalculated the figures for fiscal 2011 and fiscal 2012 for reference purposes.

Middle East and Africa sales have shifted from Other to Europe as of fiscal 2013. We also recalculated the figures for fiscal 2011 and fiscal 2012 for reference purposes.

The compilation method has been changed from fiscal 2015, such as the reclassification of certain products, e.g., from Production Printing to Industrial Products. We also recalculated the figures for fiscal 2014 for reference purposes.

We have retroactively adjusted the IFRS-based data from fiscal 2013 due to the change in reporting of some lease transactions from a gross basis to a net basis as of fiscal 2016.

### Refer to our website

Investor relations [www.ricoh.com/IR/](http://www.ricoh.com/IR/)

Key financial figures [www.ricoh.com/IR/financial\\_data/financial\\_indicators/data5.html](http://www.ricoh.com/IR/financial_data/financial_indicators/data5.html)

Per share data [www.ricoh.com/IR/financial\\_data/financial\\_indicators/data7.html](http://www.ricoh.com/IR/financial_data/financial_indicators/data7.html)

Sales by product category and area [www.ricoh.com/IR/financial\\_data/financial\\_indicators/data6.html](http://www.ricoh.com/IR/financial_data/financial_indicators/data6.html)

**International Financial Reporting Standards (IFRS)**

		Millions of Yen				Thousands of U.S. Dollars
		2013	2014	2015	2016	
1,924,497	<b>Related Consolidated Profit and Loss</b>	Sales	1,811,814	2,108,475	2,151,404	<b>2,209,028</b>
1,155,896		Cost of sales	1,062,204	1,235,250	1,244,486	<b>1,327,064</b>
768,601		Gross profit	749,610	873,225	906,918	<b>881,964</b>
705,167		Selling, general and administrative expenses	676,055	752,880	794,014	<b>799,406</b>
63,434		Operating profit	73,555	120,345	115,765	<b>102,295</b>
58,173		Profit before income tax expenses	68,082	118,063	112,297	<b>95,684</b>
20,838		Income tax expenses	24,264	39,611	38,598	<b>28,378</b>
32,467		Profit attributable to owners of the parent	38,915	72,818	68,562	<b>62,975</b>
		Earnings per share attributable to owners of the parent [in yen and US\$]				
44.78		Basic	53.67	100.44	94.58	<b>86.87</b>
—		Diluted	—	—	—	—
112,006		R&D expenditures	112,006	116,222	118,782	<b>118,583</b>
60,471		Depreciation for tangible fixed assets	54,376	63,305	70,924	<b>68,740</b>
86,569		Capital expenditures	79,287	72,993	75,976	<b>83,778</b>
18,059		Free cash flow	15,575	23,956	(40,913)	<b>(4,280)</b>
702,780		Interest-bearing debt	702,335	724,164	790,580	<b>852,800</b>
2,360,697		Total assets	2,391,163	2,596,618	2,730,207	<b>2,776,461</b>
897,996		Total equity attributable to owners of the parent	913,705	1,029,413	1,084,167	<b>1,077,813</b>
83.06		Exchange rate [yen/US\$]	83.06	100.29	109.89	<b>120.12</b>
107.08		[yen/euro]	107.08	134.47	138.85	<b>132.68</b>
			Millions of Yen			
1,685,391	<b>Sales by Category</b>	Imaging & Solutions	1,611,210	1,877,668	1,916,676	<b>1,974,510</b>
1,329,608		Office Imaging	1,264,286	1,406,736	1,439,723	<b>1,432,065</b>
147,040		Production Printing	147,040	180,092	191,991	<b>223,815</b>
208,743		Network System Solutions	199,884	290,840	284,962	<b>318,630</b>
93,094		Industrial Products	93,094	110,007	117,772	<b>125,465</b>
146,012		Other	110,893	120,800	116,956	<b>109,053</b>
			Millions of Yen			
870,397	<b>Sales by Geographic Area</b>	Japan	760,885	817,964	759,580	<b>761,590</b>
1,054,100		Overseas	1,050,929	1,290,511	1,391,824	<b>1,447,438</b>
496,605		The Americas	496,857	589,160	648,545	<b>693,786</b>
421,740		Europe, Middle East and Africa	418,418	519,103	532,375	<b>531,002</b>
135,755		Other	135,654	182,248	210,904	<b>222,650</b>
			Millions of Yen			

## Our Performance Against Major CSR Indicators

Indicator	Scope of Survey	Performance			Items Relating to Major Initiatives* <sup>1</sup>	Note
		Year ended Mar. 31, 2014	Year ended Mar. 31, 2015	Year ended Mar. 31, 2016		

### Governance

1	Number of outside directors (total number of directors)	Ricoh Co., Ltd.	2 (10)	3 (9)	3 (10)	GRI: 38 ISO26000: 6.2 SDGs: 16	
2	Response rate for CSR self-assessments by suppliers (%) ( ) indicates number of suppliers asked to respond	Japan	—	—	100 (13)	GRI: HR10, HR11 GC: 1, 2, 4-8 ISO26000: 6.3, 6.4, 6.5, 6.6, 6.7, 6.8	Implemented for new suppliers in FY2016
		China	—	100 (560)	—		
		Thailand	100 (67)	—	—		
3	Cases of serious accidents involving products* <sup>2</sup>	Ricoh Group	0	0	0	GRI: PR1, PR2 ISO26000: 6.7 SDGs: 16	Number of serious accidents involving products which jeopardize the life or physical health of consumers (which may result in death, serious injury, residual disorder, or cause carbon monoxide poisoning or fires, etc.) For more details: <a href="http://www.ricoh.com/csr/consumer/">www.ricoh.com/csr/consumer/</a>
4	Number of serious incidents and accidents involving information security	Ricoh Group	1	0	2	GRI: PR8 ISO26000: 6.7 SDGs: 16	Number of serious violations of law or incidents and accidents that must be made public 2013: Website falsification 2015: Laptop computer theft and service issues owing to system failure
5	Number of serious violations of law or incidents and accidents* <sup>2</sup>	Ricoh Group	0	0	1	GRI: SO5, SO7, SO8 GC: 1, 2, 4-8, 10 ISO26000: 6.3, 6.4, 6.5, 6.6, 6.7 SDGs: 16	Number of serious violations of law or incidents and accidents that must be made public Number excludes any serious product accidents noted in 3 above, and any serious information security accidents or incidents noted in 4 above For more details: <a href="http://www.ricoh.com/governance/risk.html">www.ricoh.com/governance/risk.html</a> 2016: Fraudulent accounting at Ricoh India

### Environment

6	Energy consumption	Total calories (TJ)	Ricoh Group	5,027	4,915	4,712	GRI: EN3 GC: 7, 8 ISO26000: 6.5 SDGs: 7, 12, 13	Third-party inspection ratio* <sup>3</sup> : 83%		
7	GHG emissions	Scope1	Ricoh Group	158.4	153.6	147.5	GRI: EN15 GC: 7, 8 ISO26000: 6.5 SDGs: 3, 12, 13, 15	Third-party inspection ratio* <sup>3</sup> : 68%		
				29.0	31.7	30.7	GRI: EN15 GC: 7, 8 ISO26000: 6.5 SDGs: 3, 12, 13, 15	Third-party inspection ratio* <sup>3</sup> : 100%		
		Scope2		307.5	337.5	320.1	GRI: EN16 GC: 7, 8 ISO26000: 6.5 SDGs: 3, 12, 13, 15	Third-party inspection ratio* <sup>3</sup> : 93%		
				491.0	518.5	498.3	GRI: EN15, 16 GC: 7, 8 ISO26000: 6.5 SDGs: 3, 12, 13, 15	Third-party inspection ratio* <sup>3</sup> : 86%		
8	CO <sub>2</sub> emissions during product use	Scope3	CO <sub>2</sub> (kt)	Ricoh Group	606.0	612.5	563.8	GRI: EN17 GC: 7, 8, 9 ISO26000: 6.5, 6.7 SDGs: 3, 12, 13, 15	Third-party inspection ratio* <sup>3</sup> : 95% CO <sub>2</sub> emissions based on lifecycle estimations of equipment sold in each year (Subject products: imaging equipment, projectors, videoconferencing/webconferencing systems, LED lighting)	
9	CO <sub>2</sub> reduction contribution	CO <sub>2</sub> (kt)		Global	395	374	453	GRI: EN27 GC: 7, 8, 9 ISO26000: 6.5, 6.7 SDGs: 6, 8, 12, 13, 15	Reduction of CO <sub>2</sub> emissions due to the use of Ricoh products and/or solutions	
10	Water use	Total (km <sup>3</sup> )		Ricoh Group	4,087	4,252	4,475	GRI: EN8 GC: 7, 8 ISO26000: 6.5 SDGs: 3, 6, 12	Third-party inspection ratio* <sup>3</sup> : 100%	
11	Wastes	Total amount (t)		Ricoh Co., Ltd. and manufacturing subsidiaries	64,949	61,555	61,357	GRI: EN23 GC: 7, 8 ISO26000: 6.5 SDGs: 3, 6, 8, 12	Third-party inspection ratio* <sup>3</sup> : 100%	
		Final disposal amount (t)			390	356	375	GRI: EN23 GC: 7, 8 ISO26000: 6.5 SDGs: 3, 6, 8, 12	Third-party inspection ratio* <sup>3</sup> : 100%	
		Resource recovery rate (%)			98.6	98.3	98.5	GRI: EN23 GC: 7, 8 ISO26000: 6.5 SDGs: 3, 6, 8, 12	Third-party inspection ratio* <sup>3</sup> : 100%	

\*<sup>1</sup> Major initiatives GRI: Global Reporting Initiative (GRI) Sustainability Reporting Guidelines (G4), GC: Global Compact, SDGs: Sustainable Development Goals, ISO 26000: International standards for SR

\*<sup>2</sup> Third-party inspections conducted during FY2016 by SGS Japan Inc.

For more details > WEB: [www.ricoh.com/environment/data/third.html](http://www.ricoh.com/environment/data/third.html)

\*<sup>3</sup> Third-party inspections conducted during FY2016 by SGS Japan Inc.

For more details > WEB: [www.ricoh.com/environment/data/third.html](http://www.ricoh.com/environment/data/third.html)

(The ratios listed in the "Note" column are for FY2016.)

 For more information about environmental data > WEB: [www.ricoh.com/environment/data/](http://www.ricoh.com/environment/data/)

Indicator	Scope of Survey	Performance			Items Relating to Major Initiatives* <sup>1</sup>	Note	
		Year ended Mar. 31, 2014	Year ended Mar. 31, 2015	Year ended Mar. 31, 2016			
<b>Society*<sup>4</sup></b>							
12	Number of regular employees	Ricoh Group	108,195	109,951	109,361	GRI: 9	
13	Gender ratio (male:female)	Ricoh Group (Domestic)	85:15	84:16	84:16	GRI: 10 GC: 6 ISO26000: 6.4 SDGs: 5, 8	
14	Average years of service	Ricoh Co., Ltd.	Male Female	17.1 17.1	17.6 17.7	17.9 18.3	GRI: N/A GC: 6 ISO26000: 6.4 SDGs: 5, 8
15	Average age	Ricoh Co., Ltd.	Male Female	42.4 39.7	42.7 40.3	43.0 41.0	GRI: LA10 GC: 6 ISO26000: 6.4 SDGs: 5, 8
16	Percentage of female workers in management positions* <sup>5</sup>	Ricoh Group (Domestic)		3.0	3.2	3.6	GRI: LA12 GC: 6 ISO26000: 6.4 SDGs: 5, 8
17	Percentage of female workers in executive management positions* <sup>5</sup>	Ricoh Group (Domestic)		1.3	1.6	1.8	GRI: LA12 GC: 6 ISO26000: 6.4 SDGs: 5, 8
18	Employee turnover ratio	Ricoh Co., Ltd.		2.1	1.9	1.9	GRI: LA1 ISO26000: 6.4 SDGs: 5, 8
19	Number of people taking childcare leave	Ricoh Co., Ltd.		120	146	144	GRI: LA3 ISO26000: 6.4 GC: 1 SDGs: 5, 8
20	Number of people taking nursing care leave	Ricoh Co., Ltd.		6	6	8	GRI: N/A ISO26000: 6.4 GC: 1 SDGs: 8
21	Percentage of locally hired presidents	Overseas subsidiaries (Major subsidiaries)		51.4	57.1	61.3	GRI: LA12 GC: 6 ISO26000: 6.4 SDGs: 8
22	Number of industrial accidents	Ricoh Group (Domestic)		107	108	130	GRI: LA6 GC: 1 ISO26000: 6.4 SDGs: 3, 8
23	Implementation rate of employee awareness surveys	Ricoh Group	—	87.4	—	GRI: N/A ISO26000: N/A SDGs: 8	
24	Amount of charitable donations* <sup>5</sup> (JPY million)	Ricoh Group	207	166	170		• Collected amounts at 54 Ricoh Group companies • Amounts are based on exchange rates for each fiscal year as determined in-house
25	Hours spent for social contribution activities	Ricoh Group	45,465	36,081	28,159	GRI: SO1 ISO26000: 6.8 SDGs: 1-17	
26	Total contributions to society (JPY million)	Ricoh Group	504	430	363		

\*<sup>4</sup> For a breakdown on the item "Society," for Ricoh Company, Ltd., domestic subsidiaries and overseas subsidiaries ➤ WEB: [www.ricoh.com/csr/data.html](http://www.ricoh.com/csr/data.html)

\*<sup>5</sup> Third-party inspections conducted during FY2015 by SGS Japan Inc.

For more details ➤ WEB: [www.ricoh.com/environment/data/third.html](http://www.ricoh.com/environment/data/third.html)

# Commitment and Recognition



This is our Communication on Progress  
in implementing the principles of the  
United Nations Global Compact and  
supporting broader UN goals.

We welcome feedback on its contents.

## ■ Commitment to Society ▶

A signatory to international agreements and policy guidelines, the Ricoh Group is fully committed to achieving a sustainable society.

<b>April</b>	<b>2002</b>	Becomes the second Japanese company to sign the UN Global Compact
<b>June</b>	<b>2007</b>	Signs Caring for Climate: The Business Leadership Platform of the UN Global Compact
<b>May</b>	<b>2008</b>	Signs the Japan Business Initiative for Biodiversity
<b>December</b>	<b>2008</b>	Signs the CEO Statement for the 60th Anniversary of the Universal Declaration of Human Rights by the UN
<b>July</b>	<b>2009</b>	Participates in the Japan Climate Leaders' Partnership as a founding member
<b>December</b>	<b>2010</b>	Announces its support for The Cancun Communiqué on Climate Change
<b>February</b>	<b>2011</b>	Signs a statement of support for the Women's Empowerment Principles by the UN Global Compact
<b>November</b>	<b>2012</b>	Announces its support for The Carbon Price Communiqué to counter climate change
<b>September</b>	<b>2014</b>	Announces its endorsement of the Initiative to Support the World Bank Group's Carbon Pricing
<b>September</b>	<b>2014</b>	Announces its support for The Trillion Tonne Communiqué, a call to keep cumulative CO <sub>2</sub> emissions below a trillion tonnes

## ■ Major Awards and Recognition

Many international awards attest to the excellence of Ricoh Group products and business operations.

<b>January</b>	<b>2013</b>	Ricoh's CSR activities are given the 10th Corporate Philanthropy Award
<b>March</b>	<b>2013</b>	Included in the Ministry of Economy, Trade and Industry's Diversity Management Selection 100
<b>July</b>	<b>2013</b>	Designated a Leader in Worldwide Managed Print Services by IDC MarketScape Analysis for the third straight year
<b>January</b>	<b>2014</b>	Receives Bronze Award in RobecoSAM's survey of corporate sustainability
<b>January</b>	<b>2014</b>	Selected as one of the Global 100 Most Sustainable Corporations for the 10th consecutive year
<b>May</b>	<b>2014</b>	Selected for inclusion in the FTSE4Good Global Index <sup>▶4</sup> , a leading stock index for sustainability investment, for 11 years in a row
<b>October</b>	<b>2014</b>	Receives Singapore Sustainability Award
<b>November</b>	<b>2014</b>	Named to "2014 Top 100 Global Innovators" list
<b>December</b>	<b>2014</b>	Ricoh Asia Pacific Pte Ltd. recognized at Singapore Sustainability Awards 2014
<b>December</b>	<b>2014</b>	Awarded 2014 Environment Minister's Award for Global Warming Prevention Activity
<b>December</b>	<b>2014</b>	Becomes a constituent of the FTSE4Good Index Series
<b>January</b>	<b>2015</b>	Receives the Chairman's Prize of ECCJ in the Energy Conservation Grand Prize for excellent energy conservation equipment
<b>January</b>	<b>2015</b>	Recognized as "Prime" on the oekom <sup>▶3</sup> sustainability rating
<b>April</b>	<b>2015</b>	Receives the Prize for Science and Technology in the Commendation for Science and Technology by the Minister of Education, Culture, Sports, Science and Technology
<b>September</b>	<b>2015</b>	Becomes a component of the Dow Jones Sustainability World Indices for socially responsible investment for the third year in a row
<b>November</b>	<b>2015</b>	Recognized by CDP as a leading company in Climate Change Disclosure for the second straight year
<b>January</b>	<b>2016</b>	Awarded the top "Gold Rating" in EcoVadis supplier survey for the second straight year Selected for the Silver Class in RobecoSAM sustainability ratings for the second consecutive year
<b>March</b>	<b>2016</b>	Named as one of the "2016 World's Most Ethical Companies" by Ethisphere Institute for the seventh time

## ■ Sponsorships to Develop Future Leaders

The Ricoh Group is a leading sponsor of student technology competitions.



Intel\* International Science & Engineering Fair<sup>▶4</sup>  
[U.S.]

## ■ Refer to our website

<sup>1</sup> Commitment to society [www.ricoh.com/csr/vision/concept.html](http://www.ricoh.com/csr/vision/concept.html)

<sup>2</sup> FTSE4Good [www.ftse.com/products/indices/FTSE4Good](http://www.ftse.com/products/indices/FTSE4Good)

<sup>3</sup> oekom [www.oekom-research.com](http://www.oekom-research.com)

<sup>4</sup> Intel International Science & Engineering Fair [www.ricoh.com/environment/communication/stakeholders/05\\_01.html](http://www.ricoh.com/environment/communication/stakeholders/05_01.html)

<b>Company Name</b>	Ricoh Company, Ltd.
<b>Date of Establishment</b>	February 6, 1936
<b>Head Office</b>	8-13-1 Ginza, Chuo-ku, Tokyo 104-8222, Japan Phone: +81-3-6278-2111
<b>Representative Directors</b>	Shiro Kondo Chairman Zenji Miura President and CEO
<b>Capitalization</b>	135.3 billion yen (as of March 31, 2016)
<b>Consolidated Sales</b>	2,209.0 billion yen (year ended March 31, 2016)
<b>Number of Consolidated Companies</b>	230 companies (as of March 31, 2016)
<b>Main Business</b>	<p><b>Imaging and Solutions</b></p> <ul style="list-style-type: none"> <li>• <b>Office Imaging</b> MFPs (multifunction printers), copiers, laser printers, digital duplicators, facsimiles, scanners, related parts and supplies, services, support and software</li> <li>• <b>Production Printing</b> Cut sheet printer, continuous feed printer, related parts and supplies, services, support and software</li> <li>• <b>Network System Solutions</b> Personal computers, servers, network equipment, related services, support and software</li> </ul> <p><b>Industrial Products</b> Thermal media, optical equipment, electronic components, semiconductor devices and inkjet head</p> <p><b>Other</b> Digital cameras</p>
<b>Number of Employees</b>	109,361 (as of March 31, 2016)
<b>Stock Listings</b>	Tokyo, Nagoya, Fukuoka, Sapporo
<b>Independent Public Accountant</b>	KPMG AZSA LLC
<b>Shareholders' Register Agent</b>	Sumitomo Mitsui Trust Bank, Limited 1-4-1, Marunouchi, Chiyoda-ku, Tokyo
<b>Depository for American Depository Receipts</b>	The Bank of New York Mellon 101 Barclay Street, New York, NY 10286, U.S.A. Phone: +1-201-680-6825 U.S. toll free: +1-888-269-2377 (1-888-bny-adrs) Website: <a href="http://www.adrbnvmellon.com">http://www.adrbnvmellon.com</a>

# Featured Information in Online Version of Sustainability Report

Beginning in 2015, the Ricoh Group Sustainability Report is available in a booklet version (printed and PDF\*), which offers a concise account of stories and measures aimed at boosting corporate value, with specific activities and systems for realizing these objectives as well as associated results described in the online version.

Our objective is to provide readers with effective access to information and enable them to gain cross-sectional insight into the financial and non-financial activities of the Ricoh Group.

\* Adobe PDF is a trademark or a registered trademark of Adobe Systems Incorporated in the United States and other countries.

## Online version >

[www.ricoh.com/sustainability/report/](http://www.ricoh.com/sustainability/report/)

The screenshot shows the Ricoh Group Sustainability Report 2016 website. It includes sections such as 'Integrated Report' (with a 'Creating Value' section), 'Value Creation' (featuring a 'Conversation with Our CEO'), 'Business Strategy' (with 'Office' and 'Industrial' sections), 'Value Drivers' (with 'Technological Strengths', 'Customer Contact Strategy', and 'Sustainable Environmental Management'), 'Governance' (with 'Corporate governance' and 'Risk management'), 'Action' (with icons for Respect for human rights, Information security, Technology, Customer satisfaction, Supply-chain management, Human resource management, Sustainable environmental management, and CSR/Social contribution activities), and 'Data & Profile' (with sections for Business Areas, Our performance against major CSR indicators, Commitment and recognition, Executives, Investor relations, Corporate social responsibility, and Sustainable environmental management). The footer contains links to Executive Message, The RICOH Way, Brand Message, The Board, Company Data, Business, Company History, Global Network, and Company History, along with standard links for Contact, Privacy, Stamp, Terms of use, and Page Top.

## Sections only available in the online version

The grid displays eight sections available online:

- Respect for Human Rights
- Information Security
- Technology
- Customer Satisfaction
- Supply Chain Management
- Human Resource Management
- Sustainable Environmental Management
- Social Contribution Activities



- For comments and inquiries concerning this report, please contact us at the address below.

**Ricoh Co., Ltd.**

Corporate Communication Center,  
8-13-1 Ginza, Chuo-ku,  
Tokyo 104-8222, Japan  
Tel: +81-3-6278-2111 (switchboard)  
[www-admin@ricoh.co.jp](mailto:www-admin@ricoh.co.jp)

- Global regional headquarters

**The Americas**

Ricoh USA, Inc.  
70 Valley Stream Parkway  
Malvern, Pennsylvania 19355, U.S.A.  
Tel: +1 610-296-8000

**Europe, the Middle East and Africa**

Ricoh Europe PLC  
20 Triton Street, London. NW1 3BF, UK  
Tel: +44 20-7465-1000

**Asia and Oceania**

Ricoh Asia Pacific Pte, Ltd.  
103 Penang Road #08-01/07 VISIONCREST Commercial  
Singapore 238467  
Tel: +65 6830-5888



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We welcome feedback on its contents.