

## To Our Shareholders

We wish to express our sympathy to those affected by the recent Kumamoto Earthquake and we pray for a swift recovery in the region.

We would like to take this opportunity to express our sincere appreciation for our shareholders' continuous support to us in presenting our business report for the 116th business term, from April 1, 2015 to March 31, 2016.

Consolidated sales of the Ricoh Group for the fiscal year amounted to ¥2,209.0 billion, which represents an increase of 2.7% from the previous fiscal year, while profit attributable to owners of the parent company amounted to ¥62.9 billion, which represents a decrease of 8.1% from the previous fiscal year. While sales increased, profits declined due to the influence of a deteriorated market environment and intensified competition. However, we have steadily implemented various measures for providing new value to customers and we have steadily improved efficiency through structural reform.

With regard to dividends, in consideration of the consolidated dividend payout ratio and our stance of providing stable dividends, we will be proposing a year-end dividend of ¥17.5 per share at the 116th Ordinary General Meeting of Shareholders. In addition to the interim dividend already disbursed, the annual dividend for the fiscal year under review would amount to ¥35 per share, an increase of ¥1 from the previous fiscal year.

In the fiscal year ending March 31, 2017, the Ricoh Group will promote the reinforcement of the earning power of core businesses and the creation of new profit generators and deploy measures for structural reform. From this, due to the influence of exchange rate fluctuations, the Ricoh Group seeks to achieve sales of ¥2,170.0 billion, and profit attributable to owners of the parent company of ¥44.0 billion.

We look forward to your continued support and encouragement to the Ricoh Group.

Sincerely,

May 2016

Shiro Kondo,  
*Representative Director,  
Chairman*

Zenji Miura,  
*Representative Director,  
President and CEO*

## **The RICOH Way**

### **Founding Principles – The Spirit of Three Loves**

**“Love your neighbor”**

**“Love your country”**

**“Love your work”**

The Ricoh Group takes as its founding principle “the spirit of three loves” put forward by the company founder, Kiyoshi Ichimura, in 1946. This concept informs the work of all Group employees, as we are guided at every level of business by the pursuit of well-being for ourselves, our families, our customers, related parties such as suppliers, and society at large.

### **Management Principles**

#### **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 one 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.

(Translation)

(Securities Code: 7752)

May 30, 2016

**NOTICE OF  
116TH ORDINARY GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholder,

The Company would like to express its sympathy to those affected by the recent Kumamoto Earthquake and pray for a swift recovery in the region.

The Company would hereby like to inform you that the 116th Ordinary General Meeting of Shareholders will be held as below, and would be grateful if you could attend the meeting.

Those who will not be able to attend the meeting on the day are kindly requested to consider the appended "Reference Material for Ordinary General Meeting of Shareholders" and exercise their voting rights in writing or via the Internet by no later than 5:30 p.m., Thursday, June 16, 2016.

Yours faithfully,  
Zenji Miura,  
*Representative Director,  
President and CEO*  
Ricoh Company, Ltd.  
1-3-6 Nakamagome, Ohta-ku, Tokyo

- \* The Company positions General Meetings of Shareholders as a place to actively communicate with shareholders. To this end, an investors' meeting and gathering are scheduled following this General Meeting of Shareholders.

- 1. Date and Time:** Friday, June 17, 2016, from 10:00 a.m.  
(Reception will start at 9:00 a.m.)
- 2. Venue:** Prince Hall, 5th floor of Annex Tower, Shinagawa Prince Hotel  
10-30 Takanawa 4-chome, Minato-ku, Tokyo

We recommend that you confirm the location in advance.

**3. Purpose:**

- Items to be reported:**
1. The Business Report, Consolidated Financial Statements and the results of the audit of the Consolidated Financial Statements by Independent Auditor and the Audit & Supervisory Board for the fiscal year ended March 31, 2016 (from April 1, 2015 to March 31, 2016)
  2. The Non-Consolidated Financial Statements for the fiscal year ended March 31, 2016 (from April 1, 2015 to March 31, 2016)

**Items to be resolved:**

- Agenda 1: Appropriation of surplus  
Agenda 2: Election of eleven (11) Directors  
Agenda 3: Election of three (3) Audit & Supervisory Board Members  
Agenda 4: Payment of bonuses to Directors  
Agenda 5: Revision of Remuneration for Directors

**4. Treatment of voting rights**

- (1) When voting rights are exercised both in writing and via the Internet, the vote received later shall be deemed effective. However, if votes are received on the same day, the vote registered via the Internet shall be deemed effective.
- (2) When voting rights are exercised via the Internet more than once, the last vote shall be deemed effective.

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- If there is any revision to the Reference Material for Ordinary General Meeting of Shareholders, Business Report, Consolidated and Non-consolidated Financial Statements, notification of the content of such revision will be given on the Company's website in the column "To Our Shareholders (Investor Relations / Financial Data)." (<http://jp.ricoh.com/IR/>)

This English translation is an abridged version of the original notice in Japanese. In the event of any discrepancy, the Japanese version shall prevail.

## Reference Material for Ordinary General Meeting of Shareholders

### Agenda 1: Appropriation of surplus

The appropriation of surplus will be as follows:

The Company's basic policy on the distribution of profits to shareholders is to deliver stable dividend payments in consideration of an appropriate level of the dividend payout ratio but also it aims to enhance its retained earnings in pursuit of the strengthening of our corporate structure and new development of operations.

In specific terms, we endeavor to stably increase dividends, maintaining a consolidated payout ratio of 30% to 50%.

The Company intends to use internal reserve funds intensively for the further development of its core businesses and for investment in growing business areas, with a medium to long-term objective of achieving prosperity.

The year-end dividend for the current fiscal year will be ¥17.5 per share.

#### 1. Year-end dividends

(1) Type of dividend assets

Cash

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

We propose a year-end dividend of ¥17.5 per common share of the Company.

The total amount of dividends will be ¥12,685,551,358.

Accordingly, the annual dividend for the current fiscal year, being the total of the interim and year-end dividends, amounts to ¥35 per share, an increase of ¥1 compared to the previous fiscal year.

(3) Effective date of the surplus distribution

We propose that the effective date of the surplus distribution be June 20, 2016.

#### 2. Other appropriation of surplus

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

(i) Retained earnings brought forward: ¥19,901,999,509

(ii) Reserve for social contribution: ¥ 98,000,491

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

(i) General reserve: ¥ 20,000,000,000

**Agenda 2: Election of eleven (11) Directors**

The tenure of office of all the ten (10) Directors will expire at the conclusion of this Ordinary General Meeting of Shareholders.

Accordingly, the Company proposes the appointment of eleven (11) Directors, including four (4) Outside Directors. In order to further enhance the Company's corporate governance system, the number of Outside Directors is increased by one (1).

The candidates for Directors are as follows:

No.	Name		Position and responsibilities at the Company*	Board of Directors meeting attendance
1	Shiro Kondo	Reappointment candidate	Representative Director, Chairman Chairman of the Board	100% (11/11)
2	Zenji Miura	Reappointment candidate	Representative Director, President CEO	100% (11/11)
3	Nobuo Inaba	Reappointment candidate	Director	100% (11/11)
4	Yohzoh Matsuura	Reappointment candidate	Director, Corporate Executive Vice President In charge of Research and Development General Manager of Intellectual Property Division	91% (10/11)
5	Yoshinori Yamashita	Reappointment candidate	Director, Corporate Executive Vice President In charge of core business General Manager of Business Solutions Group	100% (11/11)
6	Kunihiko Satoh	Reappointment candidate	Director, Corporate Executive Vice President In charge of optical-related business In charge of global new business promotion General Manager of New Business Development Division	100% (11/11)
7	Akira Oyama	Reappointment candidate	Director, Corporate Senior Vice President Corporate Human Resource Executive General Manager of Corporate Division	100% (9/9) *Appointed as a Director at the Ordinary General Meeting of Shareholders in June 2015.
8	Kunio Noji	Reappointment candidate Candidate for Outside Director Independent Director	Outside Director	100% (11/11)
9	Makoto Azuma	Reappointment candidate Candidate for Outside Director Independent Director	Outside Director	100% (11/11)

No.	Name	Position and responsibilities at the Company*	Board of Directors meeting attendance
10	Masami Iijima	Newly appointment candidate Candidate for Outside Director Independent Director (planned)	—
11	Mutsuko Hatano	Newly appointment candidate Candidate for Outside Director Independent Director (planned)	—

\*As of June 15, 2016

No.	Name (Date of birth)	Brief personal profile, position and responsibilities at the Company and significant concurrent positions	Number of the Company's shares held
1	Shiro Kondo (October 7, 1949)  Reappointment Candidate	<p>Apr. 1973    Joined the Company</p> <p>June 2000    Senior Vice President</p> <p>Oct. 2000    General Manager of Imaging System Business Group</p> <p>June 2002    Executive Vice President</p> <p>June 2003    Managing Director</p> <p>Oct. 2004    General Manager of MFP (Multi Function Printer) Business Group</p> <p>June 2005    Director</p> <p>                  Corporate Executive Vice President</p> <p>Apr. 2007    Representative Director (Current)</p> <p>                  President</p> <p>                  CEO (Chief Executive Officer)</p> <p>Apr. 2013    Chairman</p> <p>                  Chairman of the Board (Current)</p> <p>Apr. 2016    Chairman (Current)</p> <p>[Reasons for nomination as a candidate for Director] With his experience as Representative Director, President and CEO of the Company, Mr. Shiro Kondo brings extensive experience and deep insight as a longtime management executive. We propose his continued appointment as a Director of the Company based on the determination that, by being an "Internal Director who does not execute business of the company" in line with the Company's new corporate governance system, he will contribute to improving corporate value for the Ricoh Group, leveraging his experience and insight to deliberate and oversee the execution of important matters with respect to the Company's management from a neutral stance.</p>	67,300

No.	Name (Date of birth)	Brief personal profile, position and responsibilities at the Company and significant concurrent positions	Number of the Company's shares held
2	<p>Zenji Miura (January 5, 1950)</p> <p>Reappointment Candidate</p>	<p>Apr. 1976    Joined the Company</p> <p>Jan. 1993    President of Ricoh France S.A.</p> <p>Oct. 2000    Senior Vice President General Manager of Finance and Accounting Division</p> <p>June 2003    Executive Vice President</p> <p>June 2004    Managing Director</p> <p>June 2005    Director Corporate Executive Vice President CFO (Chief Financial Officer)</p> <p>Apr. 2006    CIO (Chief Information Officer) General Manager of Corporate Planning Division</p> <p>Apr. 2009    CSO (Chief Strategy Officer)</p> <p>Apr. 2011    Representative Director (Current) Deputy President</p> <p>Oct. 2011    General Manager of Imaging Systems Business Group</p> <p>Apr. 2012    Chairman and CEO (Chief Executive Officer) of Ricoh Americas Holdings, Inc.</p> <p>May 2012    General Manager of Americas Marketing Group</p> <p>Apr. 2013    President (Current) CEO (Chief Executive Officer) (Current)</p> <p>[Reasons for nomination as a candidate for Director] Mr. Zenji Miura has extensive experience and deep insight as a longtime management executive. Given his efforts to improve corporate value and commitment to achieve fundamental corporate reform since his appointment as Representative Director, President and CEO in fiscal 2013, we propose his continued appointment as a Director of the Company so that he would make an ever greater contribution to further ensuring the improvement of the corporate value of the Ricoh Group.</p>	74,000

No.	Name (Date of birth)	Brief personal profile, position and responsibilities at the Company and significant concurrent positions	Number of the Company's shares held
3	<p data-bbox="252 846 497 913">Nobuo Inaba (November 11, 1950)</p> <p data-bbox="284 936 466 1003">Reappointment Candidate</p>	<p data-bbox="520 271 1198 1122"> Apr. 1974    Joined the Bank of Japan  May 1992    Director, Head of Securities Division,                    Credit and Market Management                    Department of the Bank of Japan  May 1994    Director, Head of Planning Division Policy                    Planning Office of the Bank of Japan  May 1996    Deputy Director-General, Policy Planning                    Office of the Bank of Japan  Apr. 1998    Deputy Director-General (Adviser), Policy                    Planning Office of the Bank of Japan  Apr. 2000    Adviser to the Governor Monetary Policy                    Studies Department, Policy Planning Office                    of the Bank of Japan  June 2001    Director-General, Information System                    Services Department of the Bank of Japan  June 2002    Director-General, Bank Examination and                    Surveillance Department of the Bank of                    Japan  May 2004    Executive Director of the Bank of Japan  May 2008    Joined the Company                    Executive Adviser  Apr. 2010    President of Ricoh Institute of                    Sustainability and Business  June 2010    Director (Current)                    Corporate Executive Vice President  June 2012    CIO (Chief Information Officer)  Sep. 2015    In charge of corporate governance                    promotion </p> <p data-bbox="520 1155 1198 1547"> [Reasons for nomination as a candidate for Director]  Mr. Nobuo Inaba brings deep insight concerning socioeconomic matters through extensive experience as a top executive involved with the Company's think tank function for many years. We propose his continued appointment as a Director of the Company based on the determination that, by being an "Internal Director who does not execute business of the company", he will contribute to improving corporate value for the Ricoh Group, leveraging his experience and insight to deliberate and oversee the execution of important matters with respect to the Company's management from a neutral stance. </p>	20,700

No.	Name (Date of birth)	Brief personal profile, position and responsibilities at the Company and significant concurrent positions	Number of the Company's shares held
4	Yohzoh Matsuura (April 15, 1956)  Reappointment Candidate	<p>Mar. 1980    Joined the Company</p> <p>Oct. 2004    General Manager of Imaging Engine Development Division</p> <p>Apr. 2008    Corporate Vice President</p> <p>Apr. 2010    Corporate Senior Vice President</p> <p>July 2010    General Manager of MFP Business Group</p> <p>Apr. 2011    General Manager of Controller Development Division</p> <p>June 2012    Director (Current) Corporate Executive Vice President (Current) In charge of environmental management</p> <p>Apr. 2013    General Manager of Research and Development Group</p> <p>Aug. 2013    General Manager of Imaging Systems Development Division</p> <p>Apr. 2014    General Manager of Ricoh Institute of Technology</p> <p>Feb. 2015    In charge of Research and Development (Current)</p> <p>Apr. 2016    General Manager of Intellectual Property Division (Current)</p> <p>[Reasons for nomination as a candidate for Director] Mr. Yohzoh Matsuura brings extensive experience and deep insight into managing research and development and managing the design and development of core businesses through many years of service. We propose his continued appointment as a Director of the Company based on the determination that he will contribute to improving the corporate value of the Ricoh Group by leveraging his experience and insight to accelerate growth by developing new technologies that will support both core and new businesses.</p>	10,900

No.	Name (Date of birth)	Brief personal profile, position and responsibilities at the Company and significant concurrent positions	Number of the Company's shares held
5	Yoshinori Yamashita (August 22, 1957)  Reappointment Candidate	<p>Mar. 1980    Joined the Company</p> <p>Apr. 2008    President of Ricoh Electronics, Inc.</p> <p>Apr. 2010    Group Executive Officer</p> <p>Apr. 2011    Corporate Senior Vice President General Manager of Corporate Planning Division</p> <p>June 2012    Director (Current) Corporate Executive Vice President (Current)</p> <p>Apr. 2013    In charge of Internal Management and Control</p> <p>Apr. 2014    General Manager of Business Solutions Group (Current)</p> <p>Apr. 2015    In charge of core business (Current)</p> <p>[Reasons for nomination as a candidate for Director] Mr. Yoshinori Yamashita brings extensive experience and deep insight into managing production and global marketing through many years of service. We propose his continued appointment as a Director of the Company based on the determination that he will contribute to improving the corporate value of the Ricoh Group by leveraging his experience and insight to improve the profitability of core businesses and accelerate growth.</p>	15,500
6	Kunihiko Satoh (October 21, 1956)  Reappointment Candidate	<p>Mar. 1979    Joined the Company</p> <p>June 2005    Corporate Vice President</p> <p>Apr. 2007    Group Executive Officer</p> <p>Apr. 2009    Representative Director, President of Ricoh Kansai Co., Ltd.</p> <p>Oct. 2011    Corporate Senior Vice President Representative Director, President and CEO of Ricoh Japan Corporation General Manager of Japan Marketing Group</p> <p>June 2012    Director (Current) Corporate Executive Vice President (Current)</p> <p>Feb. 2014    Representative Director, President of Ricoh Technosystems Co., Ltd. Representative Director, President of Ricoh Business Expert Co., Ltd.</p> <p>May 2016    In charge of optical-related business (Current) In charge of global new business promotion (Current) General Manager of New Business Development Division (Current)</p> <p>[Reasons for nomination as a candidate for Director] Mr. Kunihiko Satoh brings extensive experience and deep insight into managing marketing operations through many years of service. We propose his continued appointment as a Director based on the determination that he will contribute to improving the corporate value of the Ricoh Group by leveraging his experience and insight to accelerate growth by building new profit generators.</p>	17,000

No.	Name (Date of birth)	Brief personal profile, position and responsibilities at the Company and significant concurrent positions	Number of the Company's shares held
7	Akira Oyama (January 6, 1961)  Reappointment Candidate	<p>July 1986    Joined the Company Apr. 2011    President and COO of Ricoh Europe Plc Aug. 2012    Group Executive Officer, Corporate Vice President                   General Manager of Europe Marketing Group                   CEO of Ricoh Europe Plc                   Chairman of Ricoh Europe B.V. Apr. 2014    Corporate Senior Vice President (Current)                   General Manager of Corporate Division (Current) Apr. 2015    Corporate Human Resource Executive (Current)                   President of Ricoh Americas Holdings, Inc. (Current) June 2015    Director (Current) Sep. 2015    General Manager of New Business Development Division</p> <p>[Reasons for nomination as a candidate for Director] Mr. Akira Oyama brings extensive experience and deep insight into corporate planning and global marketing through many years of service. We propose his continued appointment as a Director based on the determination that he will contribute to improving the corporate value of the Ricoh Group by leveraging his experience and insight to achieve structural reform and transformation on a global scale.</p>	11,000
8	Kunio Noji (November 17, 1946)  Candidate for Outside Director  Reappointment Candidate  Independent Director  Years of service as Outside Director 4 years (at the conclusion of this General Meeting of Shareholders)  Board of Directors meeting attendance 11/11 (100%)	<p>Apr. 1969    Joined Komatsu Ltd. June 1997    Director of Komatsu Ltd. June 2001    Managing Director and President of Production Division and e-Komatsu Technical Center of Komatsu Ltd. Apr. 2003    Director and Senior Executive Officer, President of Construction &amp; Mining Equipment Marketing Division of Komatsu Ltd. Apr. 2005    Supervising Construction &amp; Mining Equipment Business and e-Komatsu Technical Center of Komatsu Ltd. July 2006    General Manager of KOMATSU Way Division of Komatsu Ltd. June 2007    President and CEO of Komatsu Ltd. June 2012    Outside Director (Current) Apr. 2013    Chairman of the Board of Komatsu Ltd. (Current) June 2013    Outside Director of NEC Corporation (Current)</p> <p>[Reasons for nomination as a candidate for Director] We propose the continued appointment of Mr. Kunio Noji based on the determination that he is an appropriate person to be a Director of the Company given his extensive experience as a management executive at Komatsu Ltd.</p>	7,700

No.	Name (Date of birth)	Brief personal profile, position and responsibilities at the Company and significant concurrent positions	Number of the Company's shares held
9	<p>Makoto Azuma (May 25, 1945)</p> <p>Candidate for Outside Director</p> <p>Reappointment Candidate</p> <p>Independent Director</p> <p>Years of service as Outside Director 2 years (at the conclusion of this General Meeting of Shareholders)</p> <p>Board of Directors meeting attendance 11/11 (100%)</p>	<p>Apr. 1972    Joined TOSHIBA CORPORATION</p> <p>Apr. 1989    Director of Basic Research Laboratory, Research and Development Center of TOSHIBA CORPORATION</p> <p>Apr. 1994    Director of Materials and Devices Laboratory, Corporate Research &amp; Development Center of TOSHIBA CORPORATION</p> <p>July 1998    Chief Technology Executive of Storage Media Business Group of TOSHIBA CORPORATION</p> <p>Apr. 1999    Director of Corporate Research &amp; Development Center of TOSHIBA CORPORATION</p> <p>June 2000    Corporate Vice President (Director of Corporate Research &amp; Development Center) of TOSHIBA CORPORATION</p> <p>June 2003    Executive Officer, Corporate Senior Vice President (General Executive of Technology) of TOSHIBA CORPORATION</p> <p>June 2005    Executive Officer, Corporate Executive Vice President (Chief Technology Officer) of TOSHIBA CORPORATION</p> <p>Dec. 2005    Advisory Professor of Tsing Hua University (China) (Current)</p> <p>June 2008    Adviser to TOSHIBA CORPORATION</p> <p>Aug. 2008    Councilor of TOSHIBA INTERNATIONAL FOUNDATION (Current)</p> <p>Apr. 2010    Advisor of TDK Corporation (Current)</p> <p>June 2011    Professor of Graduate School of Innovation Studies, Tokyo University of Science</p> <p>Oct. 2011    Member of Science Council of Japan (Current)</p> <p>June 2014    Outside Director (Current)</p> <p>[Reasons for nomination as a candidate for Director] We propose the continued appointment of Mr. Makoto Azuma based on the determination that he is an appropriate person to be a Director of the Company given his considerable managerial competence and wide-ranging technological knowledge and experience from his time as Corporate Executive Vice President and Chief Technology Officer of TOSHIBA CORPORATION and as a professor at the Graduate School of Innovation Studies of Tokyo University of Science.</p>	3,200

No.	Name (Date of birth)	Brief personal profile, position and responsibilities at the Company and significant concurrent positions	Number of the Company's shares held
10	Masami Iijima (September 23, 1950) Candidate for Outside Director Newly Appointment Candidate Independent Director (planned)	<p>Apr. 1974    Joined MITSUI &amp; CO., LTD. June 2000    General Manager of Ferrous Raw Materials Division, Iron &amp; Steel Raw Materials Business Unit of MITSUI &amp; CO., LTD. Apr. 2004    General Manager of Metals Administrative Division of MITSUI &amp; CO., LTD. Apr. 2005    General Manager of Metals &amp; Energy Administrative Division of MITSUI &amp; CO., LTD. Apr. 2006    Managing Officer, Chief Operating Officer of Iron &amp; Steel Raw Materials and Non-Ferrous Metals Business Unit of MITSUI &amp; CO., LTD. Apr. 2007    Managing Officer, Chief Operating Officer of Mineral &amp; Metal Resources Business Unit of MITSUI &amp; CO., LTD. Apr. 2008    Executive Managing Officer of MITSUI &amp; CO., LTD. June 2008    Representative Director, Executive Managing Officer of MITSUI &amp; CO., LTD. Oct. 2008    Representative Director, Senior Executive Managing Officer of MITSUI &amp; CO., LTD. Apr. 2009    Representative Director, President and Chief Executive Officer of MITSUI &amp; CO., LTD. Apr. 2015    Representative Director, Chairman of the Board of Directors of MITSUI &amp; CO., LTD. (Current)</p> <p>[Reasons for nomination as a candidate for Director] We propose the appointment of Mr. Masami Iijima based on the determination that he is an appropriate person to be a Director of the Company given his extensive experience as a management executive at MITSUI &amp; CO., LTD.</p>	0
11	Mutsuko Hatano (October 1, 1960) Candidate for Outside Director Newly Appointment Candidate Independent Director (planned)	<p>Apr. 1983    Joined Hitachi, Ltd. Sep. 1997    Visiting Researcher at the University of California, Berkeley (UCB) (until August 2000) Apr. 2005    Chief Researcher of Central Research Laboratory, Hitachi, Ltd. July 2010    Professor at the Department of Electrical and Electronic Engineering, School of Engineering, Tokyo Institute of Technology (Current) Oct. 2014    Council Member of Science Council of Japan (Current)</p> <p>[Reasons for nomination as a candidate for Director] We propose the appointment of Ms. Mutsuko Hatano based on the determination that she is an appropriate person to be a Director of the Company given her experience, which includes working as a professor at the Department of Electrical and Electronic Engineering, School of Engineering, Tokyo Institute of Technology and serving as a committee member of many administrative bodies.</p>	0

Notes:

1. There are no special interests between any of the candidates for Directors and the Company.  
Mr. Kunio Noji is Chairman of the Board of Komatsu Ltd. The Company has business relations with Komatsu Ltd. such as product sales, with the relevant transactional amounts totaling less than 1% of the consolidated net sales of the Company and Komatsu Ltd., respectively, which is considered extremely insignificant. Thus, there are no special business relation that could affect him in executing his duties as Outside Director.  
Mr. Masami Iijima is Representative Director, Chairman of the Board of Directors of MITSUI & CO., LTD. The Company has business relations with MITSUI & CO., LTD. such as product sales, with the relevant transactional amounts totaling less than 1% of the consolidated net sales of the Company and MITSUI & CO., LTD., respectively, which is considered extremely insignificant. Thus, there are no special business relation that could affect him in executing his duties as Outside Director.  
The Company has entered into a consignment contract with Ms. Mutsuko Hatano, under which she is to attend the Group Technology Management Meeting to provide advice and recommendations, from an outsider's point of view, on the management of technology at the Company. The Company pays Ms. Hatano a commission based on the contract, which will expire on June 16, 2016.
2. The tenure of office of the eleven (11) candidates for Directors will expire at the conclusion of the Ordinary General Meeting of Shareholders for the last fiscal year ending within a two year period after their appointment, in accordance with the Company's Articles of Incorporation.
3. With the expectation that Outside Directors can fully fulfill the roles associated with their positions, the Company has executed contracts with Mr. Kunio Noji and Mr. Makoto Azuma to limit liability for damages as stipulated in Article 423, Paragraph 1 of the Companies Act, to the higher of ¥10 million or the minimum liability limit amount stipulated in Article 425, Paragraph 1 of the Companies Act. If approval is given for them to be reappointed as Outside Directors, the Company plans to execute a similar liability limitation contract with each of them. In addition, if approval is given for Mr. Masami Iijima and Ms. Mutsuko Hatano to be appointed as Outside Directors, the Company plans to execute a similar liability limitation contract with each of them.
4. Mr. Kunio Noji and Mr. Makoto Azuma have been registered as Independent Directors as stipulated in Rule 436-2 of the Securities Listing Regulations of the Tokyo Stock Exchange, and if approval is given for them to be reappointed as Outside Directors, they will remain registered as Independent Directors. In addition, if approval is given for Mr. Masami Iijima and Ms. Mutsuko Hatano to be appointed as Outside Directors, they will become Independent Directors as stipulated in Rule 436-2 of the Securities Listing Regulations of the Tokyo Stock Exchange.
5. The numbers of the Company's shares held by each of the candidates for Directors are as of March 31, 2016.

(Reference) Standards for Independence of Outside Directors

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

## (Reference) Reforms of Corporate Governance System

Toward sustainable growth and the further enhancement of corporate value, the Company made revisions to its governance system effective from April 2016.

### Backdrop to the Reform

The operating climate is changing rapidly in many respects. For example, the evolution of network technologies is diversifying customers' office environments, lifestyles, and value requirements. The accompanying challenges present new business opportunities on which Ricoh seeks to capitalize in order to generate new growth.

Companies are deploying the Stewardship Code and Corporate Governance Code, as the perspectives of shareholders and other stakeholders are more important than ever.

Ricoh is addressing such changes by building a governance system that balances growth and defensive elements and is commensurate with its business activities.

### Objectives

#### 1. Decisive decision-making to meet new challenges

Ricoh has positioned the Board of Directors as its supreme decision-making body. The Company is leveraging the expertise and experience of its Outside Directors, Internal Non-executive Directors, both of whom are independent from operational activities, and its Board members. They have executive powers to thoroughly debate important matters and thereby build a structure in which it pursues new challenges to generate growth.

#### 2. Implement highly transparent management oversight

Ricoh is building a structure to oversee management from the perspectives of shareholders and diverse other stakeholders by augmenting resolutions of the Board of Directors and committees with contributions from Outside Directors and Non-executive Directors.

### Details

#### 1. Chairman of the Board to be a Non-executive Director

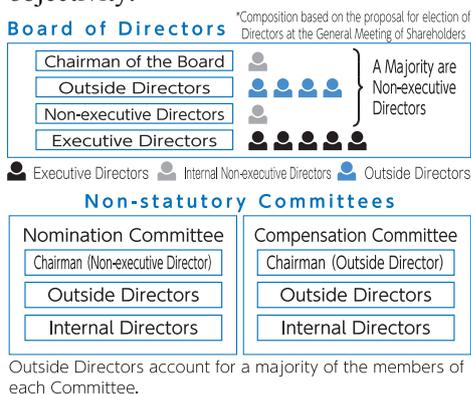
As a Non-executive Director, the Chairman of the Board of Directors shall lead that team from a neutral stance, encouraging deep discussions about important matters and driving robust decision-making.

#### 2. A majority of the members of the Board of Directors shall be Non-executive Directors

As Outside Directors and Internal Non-executive Directors will make the majority of the members of the Board of Directors, Ricoh aims to reinforce the management oversight function as well as enhance objectivity further in making decisions on important execution issues.

#### 3. Divide the Nomination and Compensation Committee into two, appointing Non-executive Directors to chair them, with Non-executive Directors accounting for majorities on both bodies

Ricoh will have separate committees for nomination and remuneration, with an Outside Director chairing the Compensation Committee and a Non-executive Director chairing the Nomination Committee. Outside Directors will account for majorities on both bodies, thereby enhancing management transparency and objectivity.



**Agenda 3: Election of three (3) Audit & Supervisory Board Members**

Audit & Supervisory Board Members Mr. Mitsuhiro Shinoda and Mr. Takao Yuhara will retire from the office of Audit & Supervisory Board Member at the conclusion of this Ordinary General Meeting of Shareholders.

Accordingly, the Company proposes the newly appointment of three (3) Audit & Supervisory Board Members, including two (2) Outside Audit & Supervisory Board Members. In order to further enhance the Company's corporate governance system, the number of Outside Audit & Supervisory Board Members is increased by one (1).

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

The candidates for Audit & Supervisory Board Members are as follows:

No.	Name (Date of birth)	Brief personal profile and position at the Company and significant concurrent positions	Number of the Company's shares held
1	Katsumi Kurihara (March 24, 1956)  Newly Appointment Candidate	<p>Apr. 1978    Joined the Company</p> <p>Apr. 2006    General Manager of Development Process Innovation Center, MFP Business Group</p> <p>Apr. 2007    Deputy General Manager of Office Business Planning Center</p> <p>Apr. 2008    Associate Director</p> <p>Apr. 2009    General Manager of Quality Management Division</p> <p>Apr. 2010    Corporate Vice President</p> <p>Apr. 2012    Corporate Senior Vice President (Current)</p> <p>June 2012    General Manager of Process Innovation Group</p> <p>Apr. 2014    General Manager of Development Process Innovation Group</p> <p>Apr. 2015    General Manager of Manufacturing Quality Assurance Center, Manufacturing Division (Current)</p> <p>[Reasons for nomination as a candidate for Audit &amp; Supervisory Board Member] We propose the appointment of Mr. Katsumi Kurihara based on the determination that he is an appropriate person to be an Audit &amp; Supervisory Board Member of the Company given his experience working within our design and development, production, and quality assurance divisions, among others, as well as his in-depth knowledge of business processes in the Company's core businesses.</p>	5,300

No.	Name (Date of birth)	Brief personal profile and position at the Company and significant concurrent positions	Number of the Company's shares held
2	<p>Takashi Narusawa (December 8, 1949)</p> <p>Candidate for Outside Audit &amp; Supervisory Board Member</p> <p>Newly Appointment Candidate</p> <p>Independent Audit &amp; Supervisory Board Member (planned)</p>	<p>Oct. 1973    Joined Nomura Research Institute, Ltd. as Investment Analyst (Japanese, US &amp; European Equities)</p> <p>Nov. 1983    Director of Investment Research of NRI Europe Ltd, London, UK</p> <p>Apr. 1990    President of NRI Deutschland GmbH, Frankfurt, Germany</p> <p>June 1991    Manager of Corporate Planning Department of Nomura Research Institute, Ltd.</p> <p>June 1994    Director, Department Manager of Management Systems Consulting Department of Nomura Research Institute, Ltd.</p> <p>June 1997    Director, Division Manager of Consulting Division of Nomura Research Institute, Ltd.</p> <p>June 2000    Managing Director, Divisional Director of Consulting Division of Nomura Research Institute, Ltd.</p> <p>Apr. 2002    Representative Director, Corporate Executive Vice President, Divisional Director of Consulting Division of Nomura Research Institute, Ltd.</p> <p>Apr. 2004    Representative Director, Corporate Executive Vice President, Business Operations of Nomura Research Institute, Ltd.</p> <p>Apr. 2007    Representative Director, Corporate Senior Executive Vice President, Business Operations of Nomura Research Institute, Ltd.</p> <p>Apr. 2008    Representative Director, Vice Chairman of Nomura Research Institute, Ltd.</p> <p>Mar. 2009    Outside Director of Tokyo Coca-Cola Bottling Co., Ltd.</p> <p>Apr. 2009    Vice Chairman, Director of Nomura Research Institute, Ltd.</p> <p>June 2011    Outside Director of The Nisshin OilliO Group, Ltd. (Current)</p> <p>July 2012    Corporate Executive Vice President, General Manager of International Division of Starts Corporation Inc.</p> <p>Apr. 2015    Advisor of Starts Corporation Inc.</p> <p>[Reasons for nomination as a candidate for Audit &amp; Supervisory Board Member] We propose the appointment of Mr. Takashi Narusawa based on the determination that he is an appropriate person to be an Audit &amp; Supervisory Board Member of the Company given his experience as a securities analyst and management consultant and in management at Nomura Research Institute, Ltd.</p>	0

No.	Name (Date of birth)	Brief personal profile and position at the Company and significant concurrent positions	Number of the Company's shares held
3	Shigeru Nishiyama (October 27, 1961)  Candidate for Outside Audit & Supervisory Board Member  Newly Appointment Candidate  Independent Audit & Supervisory Board Member (planned)	<p>Apr. 1984    Joined Sanwa &amp; Co. (currently: Deloitte Touche Tohmatsu LLC)</p> <p>Sep. 1995    CEO of Nishiyama Associates Co., Ltd.</p> <p>Apr. 2003    Outside Audit &amp; Supervisory Board Member of Pigeon Corporation (Current)</p> <p>Apr. 2006    Professor at Graduate School of Asia-Pacific Studies, Waseda University</p> <p>Apr. 2008    Professor at Graduate School of Commerce, Waseda University</p> <p>June 2012    Outside Audit &amp; Supervisory Board Member of Astellas Pharma Inc. (Current)</p> <p>June 2015    Outside Audit &amp; Supervisory Board Member of UNIPRES CORPORATION (Current)</p> <p>Apr. 2016    Professor at Waseda Business School (Graduate School of Business and Finance) (Current)</p> <p>[Reasons for nomination as a candidate for Audit &amp; Supervisory Board Member] We propose the appointment of Mr. Shigeru Nishiyama based on the determination that he is an appropriate person to be an Audit &amp; Supervisory Board Member of the Company given his experience working as a professional in the finance and accounting fields, such as a certified public accountant, and a professor at the Waseda Business School (Graduate School of Business and Finance).</p>	0

Notes:

1. There are no special interests between any of the candidates for Audit & Supervisory Board Members and the Company.
2. The tenure of office of the three (3) candidates for Audit & Supervisory Board Members will expire at the conclusion of the Ordinary General Meeting of Shareholders for the last fiscal year ending within a four-year period after their appointment, in accordance with the Company's Articles of Incorporation.
3. With the expectation that Outside Audit & Supervisory Board Members can fully fulfill the roles associated with their positions, the Company has executed contracts with Outside Audit & Supervisory Board Members to limit liability for damages as stipulated in Article 423, Paragraph 1 of the Companies Act, to the higher of ¥5 million or the minimum liability limit amount stipulated in Article 425, Paragraph 1 of the Companies Act. If approval is given for Mr. Takashi Narusawa and Mr. Shigeru Nishiyama to be appointed as Outside Audit & Supervisory Board Members, the Company is scheduled to execute a similar liability limitation contract with each of them.
4. If approval is given for Mr. Takashi Narusawa and Mr. Shigeru Nishiyama to be appointed as Outside Audit & Supervisory Board Members, they will become Independent Audit & Supervisory Board Members as stipulated in Rule 436-2 of the Securities Listing Regulations of the Tokyo Stock Exchange.
5. The numbers of the Company's shares held by each of the candidates for Audit & Supervisory Board Members are as of March 31, 2016.

#### **Agenda 4: Payment of bonuses to Directors**

The Company proposes that bonuses amounting to ¥122.99 million be paid to the seven (7) Directors (excluding Outside Directors) who are at the office of Directors during the current fiscal year, based on the Company's earnings results and other factors. The Company requests that the details such as specific amount to be paid to each Director, timing and manner of payment be left to the decision of the Board of Directors.

Note: As for the previous fiscal year, bonuses amounting to ¥124.55 million were paid to six (6) Directors (excluding Outside Directors).

#### <Policy of Remuneration for Directors>

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

- 1) Remuneration must appropriately reflect roles, responsibilities, performance, etc. that officers are expected to perform, as well as business results and shareholder value of the Company.
- 2) When remuneration levels are set up and individual remunerations are determined, objectivity, transparency and validity must be secured through proper external benchmarks and deliberation by the Compensation Committee.

#### [Components and determination of remuneration]

##### 1) Basic remuneration

The amount of basic remuneration paid to Directors is determined based on their roles, importance of responsibilities, and stock price performance.

The basic remuneration for Directors consists of remuneration pertaining to management oversight, remuneration reflecting the importance of their individual roles and responsibilities, remuneration for the purpose of purchasing the Company's stocks, and variable remuneration linked to stock price performance during the relevant business year.

##### 2) Bonuses

The amount of bonuses paid to Directors is determined based on the achievement of key performance indicators such as sales, operating income, and ROA, which pertain to improvement of shareholder value and enhancement of the Company's competitiveness. Proposed bonuses are brought before the General Meeting of Shareholders every time for approval.

**Agenda 5: Revision of Remuneration for Directors**

The total amount of remuneration for Directors of the Company was approved at within ¥46.0 million per month (of which, within ¥4.0 million per month for Outside Directors) at the 107th Ordinary General Meeting of Shareholders on June 27, 2007. However, in due consideration of the recently increased number of Outside Directors with an aim of enhancing corporate governance among other factors, the Company proposes that the total amount of remuneration for Outside Directors be revised to within ¥7.0 million per month. The total amount of remuneration for Directors will remain at within the current ¥46.0 million per month. The amount of remuneration for Directors, as in the past, does not include employee wages for Directors who are also employees.

At present, the number of Directors is ten (10), including three (3) Outside Directors. If Agenda No. 2 is approved as originally proposed, the number of Directors will be eleven (11), including four (4) Outside Directors.

## **Business Report for 116th Business Term**

(April 1, 2015 - March 31, 2016)

*(The following is an unofficial English translation of the Reports for the 116th Fiscal Year of the Company. The Company provides this translation for your reference and convenience only and without any warranty as to its accuracy or otherwise.)*

### **1. Business condition of the Ricoh Group**

#### **(1) Operating conditions for the fiscal year**

##### **Operating progress and results**

###### **■ Overview**

###### **Business Environment**

In the global economy during the fiscal year, a dark sign has been seen in the gradual recovery trend of overall economy. Outside of the domestic market, while the U.S. economy continued to show a gradual recovery, effects of the continuing uncertainties in the European economy and the continuous slowdown in the growth of the emerging markets including China has affected the developed economy. In the domestic market, while improvements were seen in corporate profits and labor market, the outlook is unclear due to the effects of appreciation of the yen and low stock price from the beginning of this year.

###### **The RICOH Way**

Aiming “to be the most trusted brand with irresistible appeal in the global market”, the Ricoh Group is charged with its mission “We are committed to providing excellence to improve the quality of living and to drive sustainability”.

For this to be possible, we hold and implement our value of “dedicating 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”. Accordingly we strive to provide innovative products and services.

###### **Medium and Long Term Management Strategy**

The business environment surrounding the Ricoh Group has drastically changed in the past several years and we are currently at a turning point for our core Imaging & Solutions business. In order to create lasting new value in such an environment, the Ricoh Group has determined the ideal it should aim for with an eye on the year 2020 and beyond as “an environmentally friendly company that makes customers feel ‘confident, comfortable, and convenient’ while exceeding their expectations and to support lifestyle transformation”. To reach this ideal, we continuously pursue the three fundamental initiatives, namely, “actionable strategies”, “management systems”, and “transformation”.

Especially for actionable strategies we have specified two basic strategies of “Reinforce and develop earnings power for core businesses” and “Achieve growth by creating new profit generators”. The current

status of the two basic strategies in the fiscal year under review is as follows:

### **Reinforce and develop earnings power for core businesses**

In our core business, the Imaging & Solutions business, in addition to introducing various new products, we have developed a number of measures for enhancing profitability, including expanding our sales and service system.

In Office Imaging, we launched 3 models of A4 monochrome multifunction printers and 1 model of A4 full-color multifunction printers as new products in our line of digital multifunction printers. With the compact body appearance, RICOH MP C306 series, an A4 full-color multifunctional printer, has attained high productivity, enabling simplex and duplex copying/printing at the same speed of 30 pages per minute (A4 portrait). Also, cooperating with optional personal authentication systems and other various solutions, it supports the improvement of customers' business with its services that are the same with those of A3 models provide.

As for printers, we released RICOH SP C740, a new A4 color printer, as well as 3 new A4 monochrome printers and expanded our lineup.

In addition, for the growth in emerging markets, we acquired 2 affiliates of IMPROMAT in Czech Republic and Slovak Republic, which is a distributing company of office devices in Eastern Europe. By further reinforcing the cooperation of the specialty of the locally rooted distributing company and our products and services, we provide customers with higher quality services and added values.

In addition, as part of approaches for the environmental management, which intended to attain environmental conservation and profit generation at the same time, we started a recycling multifunctional printer business in China as well. We are the first among multifunctional printer manufacturers to obtain the permission to import used multifunctional printers into China and manufacture recycled multifunctional printers, and we will expand the recycling multifunctional printer business we have cultivated in developed markets to emerging markets as well.

In the Production Printing, we released new color production printers RICOH Pro C9110/C9100. As the flagship models of our color print on-demand machines, these models have realized the top print quality, paper-size compatibility, and productivity, enabling the production of various prints such as packages, catalogs, book covers, banners and so on. Also, we released Ricoh-developed printer controllers TotalFlow Print Server R-60/R-60A. This provides excellent performance for a variety of customer needs by responding to small lot multi-kind on-demand printing, which is the requirement of the commercial printing market.

In Network System Solutions, as a new option for our domestic IT services, we launched the "remote network service", which enables safe and flexible creation, maintenance, and operation of our customers' network environment. We also enhanced our services to support customer needs, such as by launching cloud-based security services. In Visual Communication as well, we launched the electronic whiteboard RICOH Interactive Whiteboard D6500 which supports the use of ICT in the education field, as well as the RICOH PJ WUL6280/WXL6280, a new projector that is our first such product to employ a laser light source.

### **Achieve growth by creating new profit generators**

In the Industrial Printing segment, we enhanced and expanded our ink jet business in the industrial printing market, which is expected to grow in the future. In collaboration with Hitachi High-Tech Fine Systems Corporation, we will manufacture high-precision, high-efficiency industrial ink jet print systems, and provide new value to customers in various fields, including construction materials, interior design, housing facilities, and automotive interiors. In addition, we acquired AnaJet, Inc, a manufacturer and seller of printers that print directly to garment fabrics such as T-shirts. We will use this to expand sales to customers including leading apparel manufacturers, printing companies, and apparel stores.

In the Thermal business, we established a new company that locally processes and sells thermal transfer ribbons for barcode labels in Indonesia, where the market is expected to grow along with increased consumption. In the future, we will provide products to meet local needs in industrial applications, food, and logistics.

In the Additive Manufacturing, a 3D printer related business, we started to release new 3D print-related services for manufacturing scenes. We provide manufacturing services through making customers' parts or products on the spot by utilizing experts and multiple 3D printers at RICOH Rapid Fab Atsugi in Atsugi, Kanagawa Prefecture. Further, we have released the first Ricoh brand 3D printer RICOH AM S5500P. The RICOH AM S5500P will realize package molding of large parts that support high-performance materials.

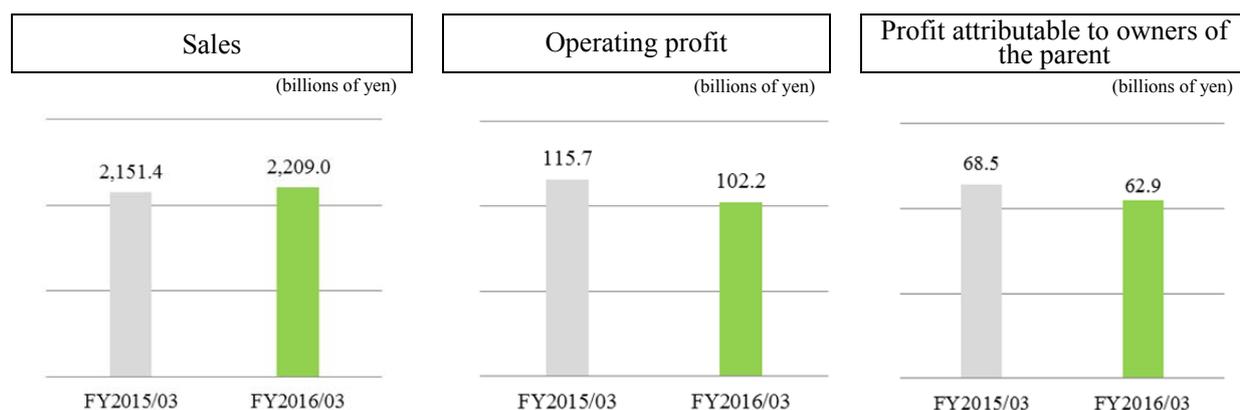
In Other segment, as the higher model of RICOH THETA that allows photographers to perform one-shot shooting for the spherical image around them, we released RICOH THETA S that supports high definition still images, high quality movie shooting, and live view functions. It satisfies not only requests from users demanding higher resolution image quality, but also high requirements for increasing business purposes, and has won popularity. Also, for digital cameras, we released GR II as the successor to GR that many fans enjoy using. GR II is a model that users can enjoy in various scenes by widening the range of usability and shooting expression.

Additionally, as approaches to new businesses, we opened at the west exit of Ebina Station in Kanagawa Prefecture the commercial facility RICOH Future House with the concept "a place where people gather, learn, grow, and create the future". We aim to create new businesses that contribute to invigorating communities, such as next-generation education.

In addition, we have been working on development of biomagnetism measuring apparatus (magnetoencephalography) for visualizing biomagnetic fields generated by neural activity, and have now inherited a magnetoencephalograph business from Yokogawa Electric Corporation, marking our full-scale entry to the healthcare field. Moving forward, we will accelerate our research and development and business development in the diagnostic imaging equipment business.

## Performance in the fiscal year

As for the sales, while the sales decreased in the Other segment derived from the impact of sale of the apparel business and others, sales in the Imaging & Solutions increased and the Industrial Products segment increased as well, due to the increase in sales of color multifunctional printers, Production Printing and Network System Solutions and others. In addition, due to the effects of the weak yen against U.S. dollar, total sales increased by 2.7% year-on-year to ¥2,209.0 billion. Gross profit decreased by 2.8% year-on-year to ¥881.9 billion, due to 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% year-on-year to ¥799.4 billion, due mainly to the weakening of the yen against U.S. dollar and acquisitions. Other income includes gains on sales of idle places and offices as a result of group-wide activities to streamline costs such as reorganization and integration of domestic sales bases. In addition, there were issues such as a delay in disclosure of financial reports at local listed sales subsidiary in India. Consequently, operating profit grew to ¥102.2 billion, a decrease of 11.6% compared to the previous fiscal year, and profit attributable to owners of the parent decreased by 8.1% year-on-year to ¥62.9 billion.

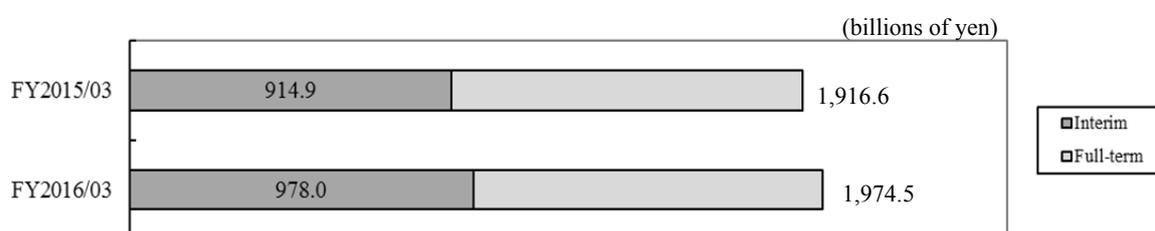


■ Consolidated sales by category (consolidated basis)

Category	Sales (billions of yen)	Percentage of total (%)	Change (%)
Office Imaging	1,432.0	64.8	(0.5)
Production Printing	223.8	10.1	16.6
Network System Solutions	318.6	14.4	11.8
Imaging & Solutions	1,974.5	89.3	3.0
Industrial Products	125.4	5.7	6.5
Other	109.0	5.0	(6.8)
Total	2,209.0	100.0	2.7

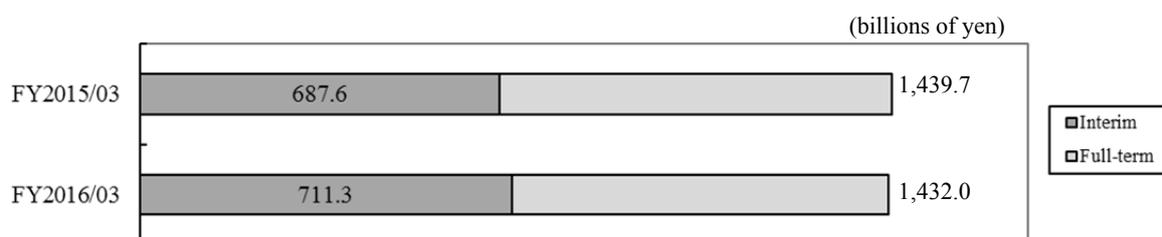
**Imaging & Solutions** (Sales up 3.0% year on year to ¥1,974.5 billion)

The Imaging & Solutions segment consists of Office Imaging, Production Printing and Network System Solutions. The overall sales in this segment increased by 3.0% from the previous fiscal year to ¥1,974.5 billion.



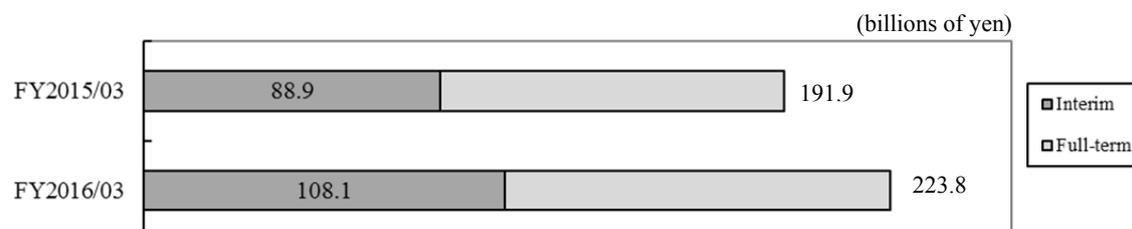
*Office Imaging* (Sales down 0.5% year on year to ¥1,432.0 billion)

Sales of Office Imaging category decreased by 0.5% compared to the previous fiscal year to ¥1,432.0 billion. Sales decreased due to the deteriorated market conditions and the intensification of market competition, the weakening of the yen against U.S. dollar, though sales of color multifunctional printer models increased in both domestic and overseas market.



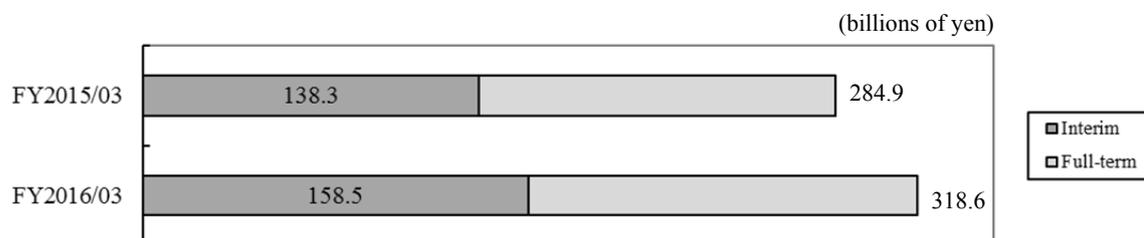
*Production printing* (Sales up 16.6% year on year to ¥223.8 billion)

Sales of Production Printing category increased by 16.6% compared to the previous fiscal year to ¥223.8 billion. The increase was achieved through the increase in sales of color cut sheet printers, along with the increase in sales of related supplies and services in both domestic and overseas market mainly European market.



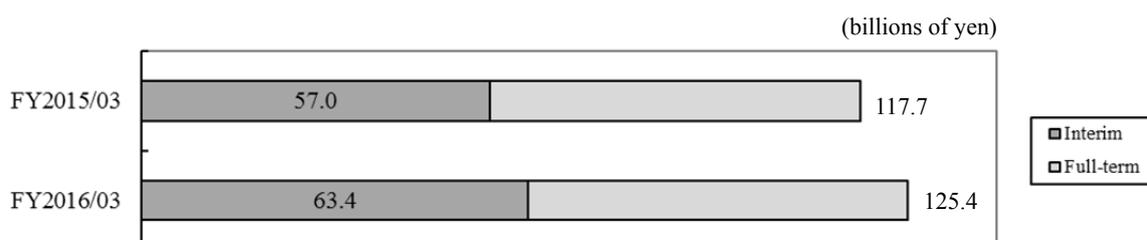
*Network System solutions* (Sales up 11.8% year on year to ¥318.6 billion)

Sales of Network System Solutions category increased by 11.8% compared to the previous fiscal year to ¥318.6 billion. Overall sales in this category increased through the increase of solution category sales and the business acquisitions in the overseas in spite of the rebound from the special demand for personal computers at the end of previous fiscal year in the domestic market.



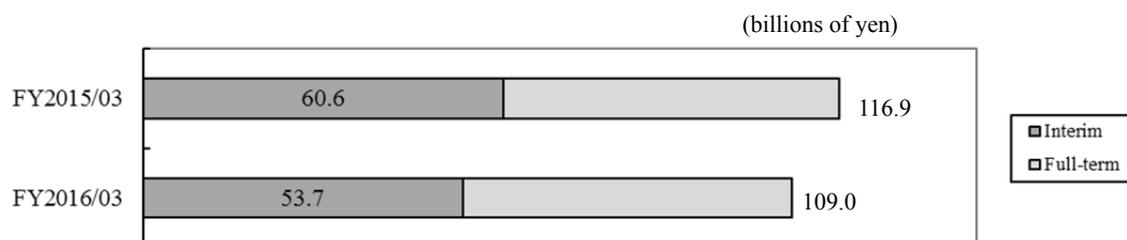
**Industrial Products** (Sales up 6.5% year on year to ¥125.4 billion)

Sales in the Industrial Products segment increased by 6.5% compared to the previous fiscal year to ¥125.4 billion. Sales of Thermal and Inkjet business increased from the previous fiscal year.



**Other** (Sales down 6.8% year on year to ¥109.0 billion)

Sales in the Other segment decreased by 6.8% compared to the previous fiscal year to ¥109.0 billion. Sales decreased due to sale of the apparel business in addition to decreased sales in Camera business from the previous fiscal year.



■ **Consolidated sales by region (consolidated basis)**

Region	Sales (billions of yen)	Percentage of total (%)	Change (%)
Japan	761.5	34.5	0.3
Overseas	1,447.4	65.5	4.0
The Americas	693.7	31.4	7.0
Europe, Middle East and Africa	531.0	24.0	(0.3)
Other	222.6	10.1	5.6
Total	2,209.0	100.0	2.7

**Japan** (Sales up 0.3% year on year to ¥761.5 billion)

Sales in the Imaging & Solutions and the Industrial Products segment increased through the increase in Network System Solutions, despite a sales decrease in the Other segment derived from sale of the apparel business and other factors. As a result, sales in Japan increased by 0.3% from the previous fiscal year to ¥761.5 billion.

**The Americas** (Sales up 7.0% year on year to ¥693.7 billion)

In the Americas, in addition to the depreciation of the yen against the U.S. dollar and impact of acquisition, the increase in sales of color cut sheet printers along with related supplies and services in the Production Printing business have contributed to the increase in sales. As a result, sales increased by 7.0% from the previous fiscal year to ¥693.7 billion.

**Europe, Middle East and Africa** (Sales down 0.3% year on year to ¥531.0 billion)

Sales decreased due to the appreciation of yen against the Euro, despite the increase in sales of color cut sheet printers along with related supplies and services in the Production Printing business as well as the growth achieved through impact of acquisitions. As a result, sales decreased by 0.3% from the previous fiscal year to ¥531.0 billion.

**Other** (Sales up 5.6% year on year to ¥222.6 billion)

In the Other area, the economy of the emerging markets including China showed the slowdown in growth. Even under such conditions, the increase in sales of the Network System Solutions achieved through acquisitions and the increase in sales of color cut sheet printers in the Production Printing business have contributed to the increase in sales. As a result, sales increased by 5.6% from the previous fiscal year to ¥222.6 billion.

## **(2) Issues that the Ricoh Group faces**

The world economy has been witnessing falling stock prices in developed markets since the beginning of this year, and the long-term interest rate declined to the historically low level. The prices of crude oil and other primary products as a whole have dropped to extremely low levels. On the other hand, the yen was considered to be a safe currency, and it has been appreciated in the foreign exchange market. In developed markets, while the U.S. economy has continuously been expanding moderately, in Europe, amid the continuing uncertain economic environment, gradually increasing downward pressures have been exerted on commodity prices. Also, in the emerging economies, while the Chinese, Russian, and Brazilian economy has been slowing down, growth is maintained in other Asian countries. Although the Japanese economy is sluggish, enterprises have been more emphasizing strategic investment that leads to the companies' improved performance and new business generation, rather than investment for rationalization.

In these changing environment, Ricoh Group concentrates on the following three points as issues that Ricoh Group faces.

### **1. Reinforce earnings power for core businesses**

- For Office Imaging products, we intend to continue releasing new attractive products with extended capability that contributes to improvement of business efficiency and we will keep our top global market share in A3 multifunction printer market. Further, in addition to reducing product costs, we will also optimize value chain from sales to support services to improve profitability. Amid the increasingly harsh market competition in Americas, we will reinforce approach by type of business and operations to provide values that meet the business characteristics of customers and improve profitability.
- In the Network System Solutions, we have been expanding services businesses as we planned. In the future, while utilizing characteristics of each region, we will globally expand our service menus. Also for infrastructures that have already been invested, we will promote standardization of overlapping areas and enhance profitability of the business.
- For Production Printing, in addition to the expansion of the product lineup, we have developed structures to provide one-stop support for a series of processes from planning to development and production of advertising media and sales promotion materials. In the future, we will speed up the business expansion of commercial printing area in addition to in-house intensive printing. Further, utilizing the know-how of Ricoh as a manufacturer, we will support the improvement of business processes of customers in the printing business.

### **2. Accelerate growth in new businesses**

In growth and new businesses we will focus our investment on the targeted markets and achieve solid business growth.

- The needs are rising for digital printing where printing is performed on various media such as industrial products other than paper. We intend to expand our business in the industrial printing market with ink jet technology, which we have accumulated for years, as its core. In addition, we will aggressively promote

alliances with other companies in order to accelerate business growth.

- We are also introducing a variety of new products and services to the Industrial Products and Additive Manufacturing (3D-printing-related business), leveraging strong customer contact capabilities of the Ricoh Group to actively expand sales.

### 3. Continuation of efforts towards companywide structure reform

- Without losing momentum in the efforts we have made thus far to strengthen our management structure including re-examination of our assets, we will further promote activities to increase productivity of all functions, including development, production, sales, purchasing and head offices, as well as activities to contribute to profits. We will also globally promote the creation of a resilient management base that is not susceptible to changes in the external environment.
- In addition, under our revised corporate governance structure, we will conduct business operations with integrity and further strengthen managerial transparency and effectiveness.

Finally, in order for Ricoh Group to survive permanently, we need to continue to provide society with new customer values while adapting to environmental changes. We will strive to imagine the futures of our customers and society from three aspects of “confidence”, “comfort”, and “convenience”, and contribute to its realization. To realize this contribution, we will implement self-reforms that we ought to perform now.

### (3) Status of plant and equipment investment and fund procurement

#### (i) Plant and equipment investment

In the fiscal period under review, the Ricoh Group invested a total of ¥83.7 billion (including an investment of ¥20.6 billion by the Company) in plant and equipment, mainly comprising the following.

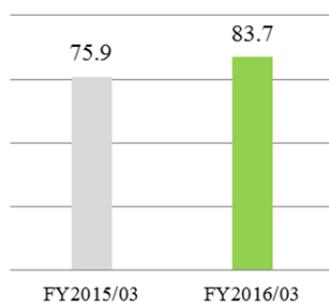
(a) Major equipment and facility expansions completed during the fiscal year:

- Equipment-related supplies plant (Numazu Plant)

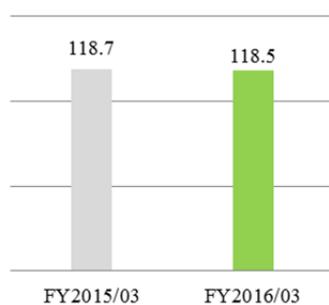
(b) Major equipment and facility expansions in progress in the fiscal year:

- Research and development base building (Ricoch Technology Center)

Plant and equipment investment  
(billions of yen)



R&D expenditures  
(billions of yen)



#### (ii) Fund procurement

None applicable.

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

##### ■ Transition of assets and profit of the Ricoh Group

Items	Fiscal year ended March 2013	Fiscal year ended March 2014		Fiscal year ended March 2015	Fiscal year ended March 2016
	U.S. GAAP	U.S. GAAP	IFRS	IFRS	IFRS
Net sales (billions of yen)	1,850.3	2,149.6	2,108.4	2,151.4	2,209.0
Income before income taxes and equity in earnings of affiliates (billions of yen)	58.1	117.2	118.0	112.2	95.6
Net income attributable to Ricoh Company, Ltd. (billions of yen)	32.4	72.8	72.8	68.5	62.9
Net income per share attributable to Ricoh shareholders (yen)	44.78	100.46	100.44	94.58	86.87
Total assets (billions of yen)	2,360.6	2,556.9	2,596.6	2,730.2	2,776.4
Total Ricoh shareholders' equity (billions of yen)	897.9	1,017.9	1,029.4	1,084.1	1,077.8

##### Notes:

- The consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) from the fiscal year ended March 2015.  
IFRS based numbers of the fiscal year ended March 2014 are also shown as a reference.
- From the fiscal year under review, presentation for some of the lease transactions was changed from total amount basis to net amount basis.  
Due to this change, figures for the previous fiscal year and prior years are presented in those after retrospective application.

##### ■ Transition of assets and profit/loss of the Company

Items	Fiscal year ended March 2013	Fiscal year ended March 2014	Fiscal year ended March 2015	Fiscal year ended March 2016
Net sales (billions of yen)	803.8	918.8	923.4	903.0
Ordinary income (loss) (billions of yen)	18.6	34.5	49.1	(1.6)
Net income (loss) (billions of yen)	15.8	13.1	40.0	7.1
Basic earnings per share (yen)	21.86	18.17	55.21	9.80
Total assets (billions of yen)	1,110.0	1,056.4	1,058.9	1,087.0
Net assets (billions of yen)	603.0	586.5	593.1	572.5

## (5) Major subsidiaries

### ■ Major subsidiaries (as of March 31, 2016)

Name	Paid-in capital	Investment ratio (%)	Principle business
Ricoh Industry Co., Ltd.	100 million JPY	100.0	Manufacturing of office equipment
Ricoh Japan Corporation	2,517 million JPY	100.0	Sale of office equipment and provision of maintenance service
Ricoh Leasing Company, Ltd.	7,896 million JPY	52.9	General leasing
RICOH ELECTRONICS, INC. (Note)	27 million USD	100.0	Manufacturing of office equipment and related supplies
RICOH USA INC. (Note)	1,086 million USD	100.0	Sale of office equipment
RICOH EUROPE HOLDINGS PLC	2.4 million GBP	100.0	Holding company of sales in the European region
RICOH ASIA PACIFIC PTE LTD.	31 million SGD	100.0	Sale of office equipment
RICOH ASIA INDUSTRY LTD.	180 million HKD	100.0	Sale of office equipment
RICOH ASIA INDUSTRY (SHENZHEN) LTD. (Note)	35 million USD	100.0	Manufacturing of office equipment and related supplies

Note:

The respective percentage of total investment ratio for RICOH ELECTRONICS, INC., RICOH USA INC., and RICOH ASIA INDUSTRY (SHENZHEN) LTD. include voting rights of those shares held by subsidiaries.

## (6) Main business (as of March 31, 2016)

Imaging & Solutions	Office Imaging Multifunctional products (multifunctional printers), copiers, printers, digital duplicators, facsimile machines, scanners, as well as related supplies, customer service, support and software, etc.
	Production Printing Cut sheet printer, continuous feed printer, related supplies, customer service, support and software, etc.
	Network System Solutions Personal computers, PC servers, network equipment, related customer service, support and software, etc.
Industrial Products	Thermal media, optical equipment, electronic components, semiconductors and ink jet heads, etc.
Other	Digital cameras, etc.

## (7) Principal offices and plants (as of March 31, 2016)

### ■ Major domestic offices and plants

The Company (location)	Subsidiaries (location)
Head Office (Tokyo)	Ricoh Industrial Solutions Inc. (Kanagawa Pref.)
Omori Office (Tokyo)	Ricoh Industry Co., Ltd. (Kanagawa Pref.)
Shin-Yokohama Office (Kanagawa Pref.)	Ricoh Elemex Corporation (Aichi Pref.)
Ricoh Technology Center (Kanagawa Pref.)	Ricoh Japan Corporation (Tokyo)
Research and Development Center (Kanagawa Pref.)	Ricoh Leasing Company, Ltd. (Tokyo)
Atsugi Plant (Kanagawa Pref.)	
Numazu Plant (Shizuoka Pref.)	
Fukui Plant (Fukui Pref.)	

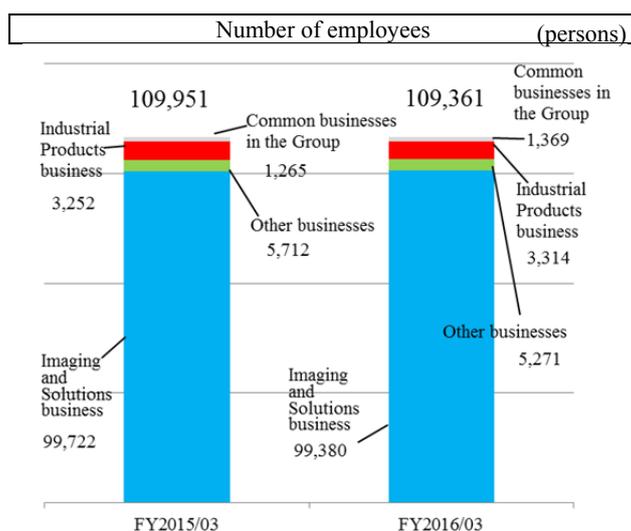
### ■ Major overseas offices and plants

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

## (8) Status of employees (as of March 31, 2016)

### (i) Employees of the Ricoh Group

Categories	Number of employees
Imaging & Solutions business	99,380
Industrial Products business	3,314
Other businesses	5,271
Common businesses in the Ricoh Group	1,396
Total	109,361



**(ii) Employees of the Company**

Categories	
Number of employees	8,169
Change from the end of the previous fiscal year	37 (Decrease)
Average age	43.0
Average length of service	18.0 years

**(9) Main creditors (as of March 31, 2016)**

Creditors	Amounts borrowed (million yen)
Syndicated loans	105,225
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	93,007
Mizuho Bank, Ltd.	57,505

Note:

Syndicated loans are financed by the managing banks of the Bank of Tokyo-Mitsubishi UFJ, Ltd. and Mizuho Bank, Ltd.

## 2. Shareholders' Equity (as of March 31, 2016)

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

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

(3) Number of shareholders: **51,011**

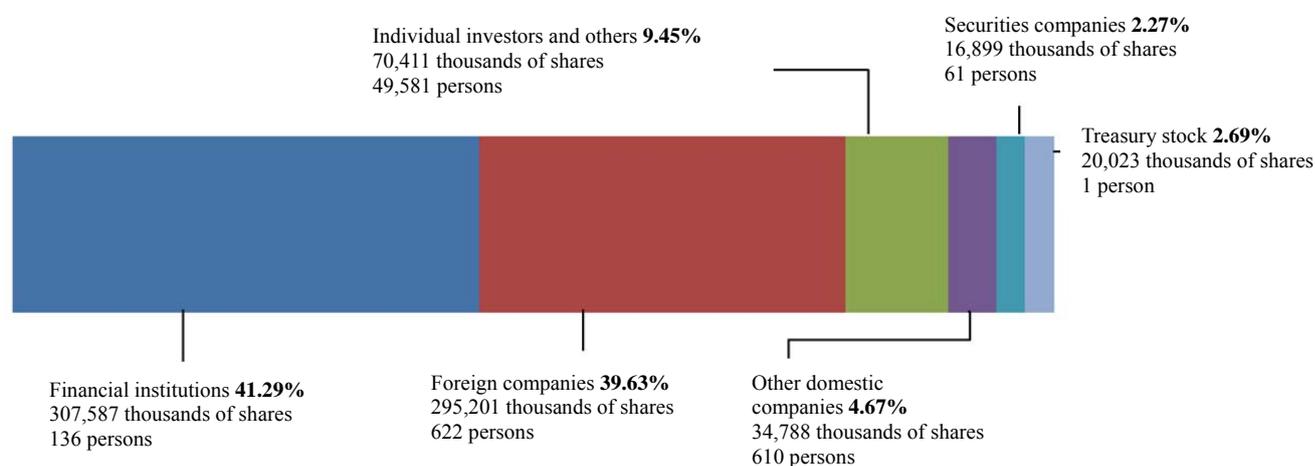
### (4) Major shareholders:

Name	The shareholders' stake in the Company	
	Thousands of shares	Percentage of ownership (%)
The Masters Trust Bank of Japan, Ltd. (Trust Account)	58,912	8.12
GOLDMAN SACHS INTERNATIONAL	45,338	6.25
Japan Trustee Services Bank, Ltd. (Trust Account)	43,671	6.02
Nippon Life Insurance Company	29,441	4.06
Japan Trustee Services Bank, Ltd. (Trust Account 9)	25,298	3.49
ROYAL BANK OF CANADA TRUST COMPANY (CAYMAN) LIMITED	24,499	3.37
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	21,573	2.97
BNYML-NON TREATY ACCOUNT	17,115	2.36
THE NEW TECHNOLOGY DEVELOPMENT FOUNDATION	15,839	2.18
Sompo Japan Nipponkoa Insurance Inc.	13,399	1.84

#### Notes:

- The number of treasury stocks (20,023 thousands of shares) is not included in the chart above.
- In addition to the above, stakes in the Company include 1,000 thousands of shares (0.13%) that Sompo Japan Nipponkoa Insurance Inc. owns and has entrusted with The Master Trust Bank of Japan, Ltd. These shares are registered in the name of The Masters Trust Bank of Japan, Ltd. as the owner, but Sompo Japan Nipponkoa Insurance Inc. reserves the right to instruct on exercising voting rights on these shares.
- The percentage of ownership is calculated after deducting treasury stock.

#### ■ Breakdown of shareholders



### Policy Regarding Cross-Shareholdings of Listed Shares

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

For the number of major shares held, medium- to long-term economic rationality and other factors shall be verified by the Board of Directors and the holdings shall be kept at minimum amount necessary.

### 3. Status of Corporate Officers

#### (1) Directors and Audit & Supervisory Board Members (as of March 31, 2016)

Position	Name	Principal duty and significant concurrent positions	
		(as of March 31, 2016)	(Reference: as of June 15, 2016)
Representative Director:	Shiro Kondo	Chairman of the Board	(Same as on the left)
Representative Director:	Zenji Miura	CEO (Chief Executive Officer) Coca-Cola West Co., Ltd. (Outside Director)	(Same as on the left)
Director:	Nobuo Inaba	In charge of corporate governance promotion President of Ricoh Institute of Sustainability and Business	-
Director:	Yohzoh Matsuura	In charge of Research and Development	In charge of Research and Development General Manager of Intellectual Property Division
Director:	Yoshinori Yamashita	In charge of core business General Manager of Business Solutions Group	(Same as on the left)
Director:	Kunihiko Satoh	Ricoh Japan Corporation (President and CEO) Ricoh Leasing Company, Ltd. (Director) General Manager of Japan Marketing Group	In charge of optical-related business In charge of global new business promotion General Manager of New Business Development Division Ricoh Leasing Company, Ltd. (Director)
Director:	Akira Oyama	Corporate Human Resource Executive General Manager of Corporate Division General Manager of New Business Development Division Ricoh Americas Holdings, Inc. (President)	Corporate Human Resource Executive General Manager of Corporate Division President of Ricoh Americas Holdings, Inc.
Director:	Mochio Umeda	MUSE Associates, LLC (USA) (President) MUSE ASSOCIATES INC. (President) Pacifica Fund I, LP. (Managing Director) B innovation Co., Ltd. (Director)	(Same as on the left)
Director:	Kunio Noji	Komatsu Ltd. (Chairman of the Board) NEC Corporation (Outside Director)	(Same as on the left)

Position	Name	Principal duty and significant concurrent positions	
		(as of March 31, 2016)	(Reference: as of June 15, 2016)
Director	Makoto Azuma	Graduate School of Innovation Studies, Tokyo University of Science (Professor) Tsing Hua University (Advisory Professor) Science Council of Japan (Member) TDK Corporation (Advisor) TOSHIBA INTERNATIONAL FOUNDATION (Councilor)	Tsing Hua University (Advisory Professor) Science Council of Japan (Member) TDK Corporation (Advisor) TOSHIBA INTERNATIONAL FOUNDATION (Councilor)
Audit & Supervisory Board Member:	Kunihito Minakawa	(Full-time) Ricoh Leasing Company, Ltd. (Outside Corporate Auditor)	(Full-time)
Audit & Supervisory Board Member:	Mitsuhiro Shinoda	(Full-time)	(Same as on the left)
Audit & Supervisory Board Member:	Takao Yuhara	mofria Corporation (Outside Audit & Supervisory Board Member) KAMEDA SEIKA CO., LTD. (Outside Audit & Supervisory Board Member) Leopalace21 Corporation (Outside Audit & Supervisory Board Member) T. HASEGAWA CO., LTD. (Outside Audit & Supervisory Board Member)	(Same as on the left)
Audit & Supervisory Board Member:	Kimitoshi Yabuki	Attorney-at-law Sumitomo Life Insurance Company (Outside Director)	(Same as on the left)

Notes:

1. Directors Mochio Umeda, Kunio Noji and Makoto Azuma are Outside Directors stipulated in Article 2-15 of the Companies Act.
2. Audit & Supervisory Board Members Takao Yuhara and Kimitoshi Yabuki are Outside Audit & Supervisory Board Members stipulated in Article 2-16 of the Companies Act.
3. Engaged in the Company's accounting and finance as well as overseas operations, Audit & Supervisory Board Member Kunihito Minakawa has considerable knowledge about finance and accounting.
4. Serving at the Company's corporate planning and internal management and control sectors for many years, Audit & Supervisory Board Member Mitsuhiro Shinoda has considerable knowledge about finance and accounting.
5. Audit & Supervisory Board Member Takao Yuhara served as an executive in charge of finance of SONY CORPORATION, etc. and has considerable knowledge about finance and accounting.
6. Audit & Supervisory Board Member Kimitoshi Yabuki has been engaged in global corporate management as a legal expert and has considerable knowledge about corporate legal matters.
7. Director Kunio Noji and Makoto Azuma, Audit & Supervisory Board Members Takao Yuhara and Kimitoshi Yabuki are Independent Directors / Audit & Supervisory Board Members stipulated in Rule 436-2 of the Securities Listing Regulations of Tokyo Stock Exchange.
8. Director Mochio Umeda concurrently serves as president of MUSE ASSOCIATES INC., which has business relations with the Company on the basis of a consignment contract, albeit involving transactions amount less than 0.01% of the Company's consolidated selling, general and administrative expenses, posing no material impact.  
Director Kunio Noji serves as Chairman of the Board of Komatsu Ltd. Although there are transactions such as sales of products between the Company and Komatsu Ltd., the total amount of such transactions is extremely small accounting for less than 1% of the consolidated net sales of both the Company and Komatsu Ltd. and thus there is no business relationship to be specified that affects the performance of duties as an Outside Director.  
There is no special relationship to note between the Company and each of companies above in which other Outside Directors and Audit & Supervisory Board Members have significant positions.

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

Category	Number of recipients	Total remuneration, etc. (million yen)
Directors (Outside Directors)	10 (3)	523 (43)
Audit & Supervisory Board Members (Outside Audit & Supervisory Board Members)	4 (2)	68 (16)
Total	14	591

Notes:

1. It was decided that aggregate basic remuneration of Directors should not exceed ¥46 million per month, according to the resolution of the 107th Ordinary General Meeting of Shareholders held on June 27, 2007. It was decided that aggregate basic remuneration of Audit & Supervisory Board Members should not exceed ¥9 million per month, according to the resolution of the 84th Ordinary General Meeting of Shareholders held on June 29, 1984.
2. The remuneration, etc. paid to Directors excludes employee wages for Directors who are also employees.
3. The remuneration, etc. paid to Directors include allowance for Directors' bonuses based on the proposal, "Payment of bonuses to Directors" to be submitted to the 116th Ordinary General Meeting of Shareholders to be held on June 17, 2016, amounting to ¥122 million.

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

#### (i) Significant concurrent jobs Outside Directors and Audit & Supervisory Board Members are engaged in at other companies

Name	Significant concurrent positions
Outside Director Mochio Umeda	MUSE Associates, LLC (USA) (President) MUSE ASSOCIATES INC. (President) Pacifica Fund I, LP. (Managing Director) B innovation Co., Ltd. (Director)
Outside Director Kunio Noji	Komatsu Ltd. (Chairman of the Board) NEC Corporation (Outside Director)
Outside Director Makoto Azuma	Graduate School of Innovation Studies, Tokyo University of Science (Professor) Tsing Hua University (Advisory Professor) Science Council of Japan (Member) TDK Corporation (Advisor) TOSHIBA INTERNATIONAL FOUNDATION (Councilor)
Outside Audit & Supervisory Board Member Takao Yuhara	mofiria Corporation (Outside Audit & Supervisory Board Member) KAMEDA SEIKA CO., LTD. (Outside Audit & Supervisory Board Member) Leopalace21 Corporation (Outside Audit & Supervisory Board Member) T. HASEGAWA CO., LTD. (Outside Audit & Supervisory Board Member)
Outside Audit & Supervisory Board Member Kimitoshi Yabuki	Attorney-at-law Sumitomo Life Insurance Company (Outside Director)

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

Name	Main activities
Outside Director Mochio Umeda	Participated in all of the 11 Board of Directors meetings (100% attendance rate) held during the fiscal year under review and proactively made statements, mainly from his perspective based on his advanced knowledge in the IT field and his experience in global business.
Outside Director Kunio Noji	Participated in all of the 11 Board of Directors meetings (100% attendance rate) held during the fiscal year under review, and proactively made statements, mainly from his expert perspective based on his outstanding record and abundant experience as a management member at Komatsu Ltd., which operates on a global scale.
Outside Director Makoto Azuma	Participated in all of the 11 Board of Directors meetings (100% attendance rate) held during the fiscal year under review, and proactively made statements, mainly from his vast knowledge and experience mainly on management and technologies.
Outside Audit & Supervisory Board Member Takao Yuhara	Participated in 10 of the 11 Board of Directors meetings (91% attendance rate) and all of the 11 Audit & Supervisory Board meetings (100% attendance rate), held during the fiscal year under review, and proactively made statements, whenever necessary, from his wealth of experience as financial officer of SONY CORPORATION, etc.
Outside Audit & Supervisory Board Member Kimitoshi Yabuki	Participated in 9 of the 11 Board of Directors meetings (82% attendance rate) and 9 of the 11 Audit & Supervisory Board meetings (82% attendance rate), held during the fiscal year under review after being appointed as Outside Audit & Supervisory Board Member, and proactively made statements, mainly from his perspective as a legal expert acting globally as well as his perspective of high management oversight capabilities obtained from years of experience in corporate management through activities related to corporate legal matters and as an outside officer.

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

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

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

(a) Liability limitation contracts with Outside Directors

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

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

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

#### 4. Independent auditor

(1) Name: KPMG AZSA LLC

(2) Remuneration, etc.:

	Amount to be paid
Remuneration, etc. to be paid to the independent auditor by the Company	¥207 million
Total sum of remuneration, etc. to be paid to the independent auditor by the Company and its subsidiaries	¥333 million

Notes:

1. In the audit contract signed between the Company and the independent auditor, there is no classification between remuneration for audit services pursuant to the Companies Act and that in accordance with the Financial Instruments and Exchange Law. Accordingly, the above “Remuneration, etc. to be paid to the independent auditor by the Company” above represent the sum of these remunerations.
2. Among the Company’s major subsidiaries, RICOH ELECTRONICS, INC. and 5 other subsidiaries are audited by KPMG.
3. The Audit & Supervisory Board conducted necessary verifications to determine whether the details of the audit plan for auditing by the Independent Auditor, the state of execution of accounting audit duties, and the calculation basis for remuneration estimates are appropriate or not. Upon these verifications, the Audit & Supervisory Board concluded that the amount of remuneration, etc., of the Independent Auditor is reasonable and consent has been given to it.

(3) Non-audit work

None applicable.

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

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

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

## **5. Systems to secure appropriateness of operations and their operating status**

Resolutions adopted by the Board of Directors for systems to secure the appropriateness of the Company's operations are as follows. The resolutions will be reviewed regularly on an ongoing basis in response to changes in the business environment. (The content was revised according to the resolution by the Board of Directors meeting held on April 28, 2016.)

### **Internal Control System Basic Policy**

The RICOH Way, which comprises our founding principles and Management Philosophy (Mission Statement, Vision Statement and Values Statement), is the foundation of the Ricoh Group's management policy, strategy and internal control system.

Inspired by the values incorporated in The RICOH Way, we are working to establish and implement an internal control system aimed at strengthening competitiveness and continuously improving the system while ensuring transparency based on corporate ethics and legal compliance.

#### **(1) System to ensure appropriate compliance with laws and Articles of Incorporation concerning the implementation of Directors' and employees' duties**

Based on the principle of autonomous corporate governance, the Company promotes a corporate culture that values both a sense of duty to meet the various expectations of stakeholders and high ethics suited to good social conscience.

1) Systems to ensure appropriate compliance with laws and Articles of Incorporation concerning the implementation of Directors' duties

- (i) Management transparency and fairness of decision-making are strengthened by the presence of Outside Directors. In addition, the Board of Directors is composed of a majority of non-executive directors to strengthen functions of overseeing from different perspectives.
- (ii) The Board of Directors is positioned as the highest decision-making organization for business management and is chaired by a non-executive director, who leads the Board from a neutral position, in order to facilitate in-depth discussions for important matters to reach robust decisions.
- (iii) As part of the strengthening of management oversight functions by the Board of Directors, the "Nomination Committee", which is chaired by a non-executive director and composed of a majority of Outside Directors, and the "Compensation Committee", which is chaired by an Outside Director and composed of a half of Outside Directors, have been established to secure transparency and objectivity of nomination, dismissal and compensation of Directors and executive officers, etc.
- (iv) The "Disclosure Committee" is an independent organization that assures the accuracy, timeliness and comprehensiveness of disclosure of corporate information, and it verifies the process of disclosure.

2) Systems to ensure appropriate compliance with laws and Articles of Incorporation concerning the implementation of employees' duties

- (i) In order to thoroughly implement the "Ricoh Group Corporate Social Responsibility (CSR) Charter" which sets forth the principles of corporate behavior including compliance, and the "Ricoh Group Code

of Conduct” which articulates the general rules of conduct for Group employees, the Specialty Committee and a “Hot Line” for reporting incidents and seeking advice have been established. Also various training programs are set up to enhance compliance domestically and overseas. The Company prohibits unfavorable treatments of anyone who made the report to the “Hot Line” due to such reporting.

- (ii) Efforts are being made to improve business processes and construct a framework for standardized internal control throughout the entire Group, with the goal of “complying with laws, norms and internal rules”, “improvement of business effectiveness and efficiency”, “maintaining high reliability of financial reporting” and “securing of assets”, including compliance to the Financial Instruments and Exchange Law and other relevant laws and regulations.
- (iii) To ensure appropriate internal auditing, a division of internal management and control shall perform fair and objective examination and evaluation of how each division is executing its business based on legal compliance and rational criteria, and provide advice or recommendation for improvement.
- (iv) The Company shall establish a department specializing in enhancing and promoting the functions of (i), (ii) and (iii) above on an integrated basis. To establish and improve an internal control system of the Ricoh Group, the Company shall institute an “Internal Control Committee” within the Group Management Committee (GMC), which is expected to convene regularly to deliberate and decide on relevant matters.

**(2) Systems related to the retention and management of information related to the implementation of Directors’ duties**

Records and proposals related to decisions by Directors in the course of their duties are created, retained and managed in compliance with applicable laws, regulations and internal rules. Documents are kept so that they can be retrieved and reviewed when a request from Directors and Audit & Supervisory Board Members is made.

**(3) Regulations and other systems regarding risk management for losses**

- (i) The occurrence of losses shall be proactively prevented based on risk management regulations.
- (ii) Should losses nevertheless arise, efforts shall be made to minimize damage (loss) based on standards for initial reaction.
- (iii) In order to manage losses as a Group, comprehensively and in a unified fashion, a division responsible for integrated management has been created to thoroughly cover all aspects globally.

**(4) System to ensure the efficient implementation of Directors’ duties**

- (i) The executive officer system, its division of duties clarified, speeds up the decision-making process through the delegation of authority to each business division.
- (ii) The “Group Management Committee” (GMC) is a decision-making organization delegated by the Board of Directors, and composed of executive officers who meet specific criteria. The GMC operates so as to accelerate deliberation and decision-making from the perspective of the optimum management of the

entire Group, concerning the most appropriate strategies for direction of each business division and the entire Group, within the powers granted to it.

- (iii) The “Board of Directors office” realizes robust decision-making and management oversight with high transparency by supporting the Board of Directors.

**(5) Systems to ensure correct business standards at Ricoh and its affiliates**

The Company and each affiliate in the Ricoh Group shall devise a system that ensures the adherence to correct business standards to improve business performance and enhance the prosperity of each Group company, while respecting each other’s independence, as follows:

- (i) The Company’s Board of Directors and the “Group Management Committee” (GMC) make decisions and perform management oversight for the Ricoh Group as a whole.
- (ii) The Company establishes its management regulations concerning affiliate companies, and prescribes a system for reporting matters regarding the performance of duties of the Directors of each affiliate in the Ricoh Group, and the Directors’ authority for conducting such duties efficiently.
- (iii) Each Group company conducts risk management for losses relating to the company. Should any incident arise, the company should strive to minimize damage and recover quickly, and promptly report to the Company.
- (iv) To ensure that the duties of each Group company’s Directors and employees are performed in compliance with laws and Articles of Incorporation, we formulate a set of common rules which shall be followed as a Group as the Ricoh Group’s common standards, the “Ricoh Group Standard” (RGS), and promote compliance across the Ricoh Group.

**(6) Systems established to ensure the effective performance of duties by Audit & Supervisory Board Members**

**1) Matters regarding measures to secure independence of employees whom Audit & Supervisory Board Members request to assist them in the performance of their duties from Directors and efficacy of instructions given to such employees**

- (i) The Company shall establish an Audit & Supervisory Board office, where exclusively assigned employees assist Audit & Supervisory Board Members in performing their duties under their command.
- (ii) Personal assessments regarding said employees shall be made by full-time Audit & Supervisory Board Members. Furthermore, personnel changes regarding said employees shall be made only after gaining agreement of full-time Audit & Supervisory Board Members.

**2) Systems for Directors and employees of the Company and each affiliate in the Ricoh Group to report to Audit & Supervisory Board Members and other systems related to the reporting to Audit & Supervisory Board Members**

- (i) Directors or employees shall promptly report to Audit & Supervisory Board Members concerning material violations of laws and the Articles of Incorporation at the Company and each affiliate in the Ricoh Group, as well as matters concerning wrongful acts or the possibility of significant damage to the Company or each affiliate in the Ricoh Group at the time of their discovery.

- (ii) Directors and employees shall cooperate when they are requested to report matters concerning operations required for auditing by Audit & Supervisory Board Members.
- (iii) Directors shall provide Audit & Supervisory Board Members with minutes and materials of important meetings, as well as important resolution documents for their review.
- (iv) The Company prohibits unfavorable treatments of any Directors or employees of the Company or each affiliate in the Ricoh Group, who made the report to Audit & Supervisory Board Members due to such reporting.

**3) Other systems established to ensure effective performance of duties by Audit & Supervisory Board Members**

Directors and employees of the Company and each affiliate in the Ricoh Group shall cooperate in facilitating the performance of the following items by Audit & Supervisory Board Members.

- (i) Audit & Supervisory Board Members attends important meetings such as The Ricoh Group Management Committee (GMC) and regularly exchange opinions with Representative Directors.
- (ii) Establish a cooperation system for effective auditing of each division of the Company and each affiliate in the Ricoh Group by Audit & Supervisory Board Members at the time of such audit.
- (iii) Create an environment that enables Audit & Supervisory Board Members to conduct effective auditing through mutual cooperation with the Independent Auditor and the division of internal management and control.
- (iv) The Company shall pay expenses incurred from the performance of duties of Audit & Supervisory Board Members.

The Company takes an uncompromising attitude toward antisocial activities and any organizations engaged therein in an effort to eradicate any antisocial activities and will not have any relationship with antisocial entities. This is stipulated in the “Rico Group Code of Conduct”, which stipulates correct behaviors for all corporate officers and employees of the Ricoh Group.

Also, the Company has established an internal hotline and has been working closely with outside agencies, such as the police, and relevant organizations as well as making efforts to build trust with such organizations. In the future also, the Company will continue to strengthen its internal system so as to eradicate any antisocial activities or relationships with antisocial entities.

**Operating Status of Internal Control System**

**(1) Systems to ensure appropriate compliance with laws and Articles of Incorporation concerning the implementation of Directors’ and employees’ duties**

- 1) Systems to ensure appropriate compliance with laws and Articles of Incorporation concerning the implementation of Directors’ duties
  - (i) The Board of Directors consists of 10 members, including 3 Outside Directors, and held 11 meetings during the fiscal year under review.
  - (ii) The Nomination and Compensation Committee held 7 meetings and the 3 Outside Directors attended 20 times in total.

2) Systems to ensure appropriate compliance with laws and Articles of Incorporation concerning the implementation of employees' duties

- (i) With regard to the "Ricoh Group Code of Conduct", in Japan, education is provided on an annual basis and signatures are collected from all employees of the Group to comply with the Code of Conduct. Overseas, conforming to the local customs and laws, education is provided and signatures are collected.
- (ii) The division of internal management and control conducts audit for the entire Ricoh Group, and provides advice to improve effectiveness and efficiency of compliance and business.

**(2) Systems related to the retention and management of information related to the implementation of Directors' duties**

Information related to Directors' duties and other important information are appropriately retained and managed in compliance with internal regulations.

**(3) Regulations and other systems regarding risk management for losses**

The Company has established the "Ricoh Group Total Risk Management Basic Rules" to promote risk management effectively and efficiently and make preventive measures for the risk of loss. Additionally, the occurrences of and responses to incidents were reported to the Internal Control Committee and the Board of Directors twice during the fiscal year under review. Risk management promotion plans are formulated each year and measures to prevent the occurrence of incidents are formulated and put into practice.

**(4) System to ensure the efficient implementation of Directors' duties**

Deliberation details of the Group Management Committee (GMC) are reported on a quarterly basis to the Board of Directors and the Directors monitor the status of implementation.

**(5) Systems to ensure correct business standards at Ricoh and its affiliates**

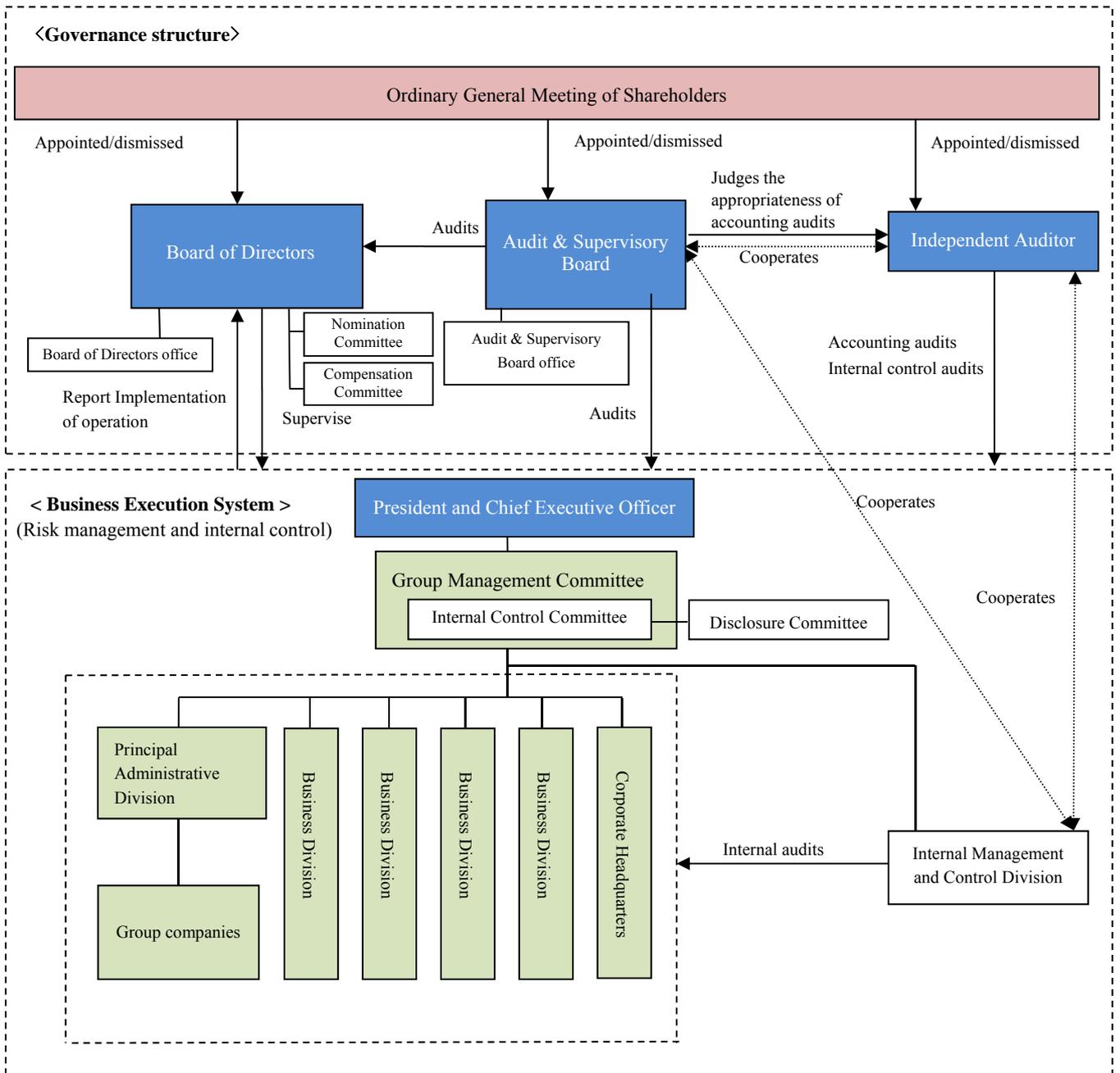
In compliance with the "Corporate Management Regulations for Ricoh Affiliates", the Company receives reports on the implementation of duties of Directors of the affiliates in the Ricoh Group and such Directors efficiently conduct their duties subject to their authorities. Each company in the Ricoh Group strives to ensure that incident responses and reports are made pursuant to the "Incident Management Standard". In addition, audit for compliance to the "Ricoh Group Standard", the Ricoh Group's common standards, is conducted by the division of internal management and control.

**(6) Systems established to ensure the effective performance of duties by Audit & Supervisory Board Members**

The Audit & Supervisory Board office, which is composed of employees exclusively assigned to assist Audit & Supervisory Board Members, acts under the command of Audit & Supervisory Board Members. Auditing by Audit & Supervisory Board Members are conducted for each division within Ricoh, affiliates in Japan, and overseas affiliates, and at the same time, regular meetings with the GMC (including Internal Control Committee), Representative Director and Independent Auditor are carried out, as well as monthly meeting

with the division of internal management and control to exchange opinions.

**Reference: Corporate Governance structure**



**Consolidated Statements of Financial Position** (as of March 31, 2016)

	Millions of yen	
	As of March 31,	
	<b>2016</b>	2015
<b>ASSETS</b>		
Current Assets:	<b>1,273,195</b>	1,216,382
Cash and cash equivalents	<b>167,547</b>	137,722
Time deposits	<b>973</b>	927
Trade and other receivables	<b>564,204</b>	553,534
Other financial assets	<b>272,347</b>	260,056
Inventories	<b>207,092</b>	224,481
Other current assets	<b>61,032</b>	39,662
Non-Current Assets:	<b>1,503,266</b>	1,513,825
Property, plant and equipment	<b>276,551</b>	276,617
Goodwill and intangible assets	<b>413,836</b>	435,752
Other financial assets	<b>620,171</b>	601,797
Investments accounted for using the equity method	<b>935</b>	450
Other investments	<b>67,084</b>	58,237
Other non-current assets	<b>38,905</b>	44,119
Deferred tax assets	<b>85,784</b>	96,853
Total Assets	<b>2,776,461</b>	2,730,207

**Consolidated Statements of Financial Position** (as of March 31, 2016)

	Millions of yen	
	As of March 31,	
	2016	2015
<b>LIABILITIES</b>		
Current Liabilities:	<b>806,868</b>	772,139
Bonds and borrowings	<b>260,755</b>	222,065
Trade and other payables	<b>286,123</b>	276,986
Other financial liabilities	<b>1,820</b>	1,800
Income tax payables	<b>15,220</b>	13,683
Other current liabilities	<b>242,950</b>	257,605
Non-Current Liabilities	<b>821,829</b>	803,756
Bonds and borrowings	<b>592,045</b>	568,515
Other financial liabilities	<b>3,745</b>	1,537
Accrued pension and retirement benefits	<b>139,049</b>	144,153
Other non-current liabilities	<b>82,392</b>	84,721
Deferred tax liabilities	<b>4,598</b>	4,830
Total Liabilities	<b>1,628,697</b>	1,575,895
<b>EQUITY</b>		
Equity attributable to owners of the parent:	<b>1,077,813</b>	1,084,167
Common stock	<b>135,364</b>	135,364
Additional paid-in capital	<b>186,423</b>	186,083
Treasury stock	<b>(37,312)</b>	(37,295)
Other components of equity	<b>114,914</b>	153,547
Retained earnings	<b>678,424</b>	646,468
Non-controlling interests	<b>69,951</b>	70,145
Total Equity	<b>1,147,764</b>	1,154,312
Total Liabilities and Equity	<b>2,776,461</b>	2,730,207

**Consolidated Statements of Profit or Loss** (for the year ended March 31, 2016)

	Millions of yen	
	For the year ended March 31,	
	<b>2016</b>	2015
Sales	<b>2,209,028</b>	2,151,404
Cost of sales	<b>1,327,064</b>	1,244,486
Gross profit	<b>881,964</b>	906,918
Selling, general and administrative expenses	<b>799,406</b>	794,014
Other revenue	<b>19,737</b>	2,861
Operating profit	<b>102,295</b>	115,765
Finance income	<b>5,091</b>	3,963
Finance costs	<b>(11,757)</b>	(7,381)
Share of loss of investments accounted for using the equity method	<b>55</b>	(50)
Profit before income tax expenses	<b>95,684</b>	112,297
Income tax expenses	<b>28,378</b>	38,598
Profit	<b>67,306</b>	73,699
Profit attributable to:		
Owners of the parent	<b>62,975</b>	68,562
Non-controlling interests	<b>4,331</b>	5,137

(Note) Other revenue includes gain on sale of property, plant and equipment, etc. The figures for the previous fiscal year have been reclassified in the same manner.

(Note) From the fiscal year under review, presentation for some of the lease transactions was changed from total amount basis to net amount basis. Due to this change, the figure for the previous fiscal year is presented after retrospective application.

**Consolidated Statements of Comprehensive Income (Unaudited)** (for the year ended March 31, 2016)

	Millions of yen	
	For the year ended March 31,	
	<b>2016</b>	2015
Profit	<b>67,306</b>	73,699
Other comprehensive income (loss)		
Components that will not be reclassified subsequently to profit or loss:		
Remeasurement of defined benefit plan	<b>(6,039)</b>	(23,135)
Components that will be reclassified subsequently to profit or loss:		
Net gain on fair value of available-for-sale financial assets	<b>6,457</b>	5,316
Net gain on fair value of cash flow hedges	<b>(1,916)</b>	1,838
Exchange differences on translation of foreign operations	<b>(44,180)</b>	27,224
Total other comprehensive income (loss)	<b>(45,678)</b>	11,243
Comprehensive income	<b>21,628</b>	84,942
Comprehensive income attributable to:		
Owners of the parent	<b>18,332</b>	79,056
Non-controlling interests	<b>3,296</b>	5,886

## Consolidated Statements of Changes in Equity

(for the year ended March 31, 2016)

(Unit: millions of yen)

	Common stock	Additional paid-in capital	Treasury stock	Other components of equity	Retained earnings	Equity attributable to owners of the parent	Non-controlling interests	Total equity
Balance as of April 1, 2015	135,364	186,083	(37,295)	153,547	646,468	1,084,167	70,145	1,154,312
Profit					62,975	62,975	4,331	67,306
Other comprehensive income				(44,643)		(44,643)	(1,035)	(45,678)
Total comprehensive income	-	-	-	(44,643)	62,975	18,332	3,296	21,628
Net change in treasury stock			(17)			(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				340	(2,608)	(2,268)
Total transactions with owners	-	340	(17)	6,010	(31,019)	(24,686)	(3,490)	(28,176)
Balance as of March 31, 2016	135,364	186,423	(37,312)	114,914	678,424	1,077,813	69,951	1,147,764

## Consolidated Statements of Cash Flows (Unaudited)

	Millions of yen	
	For the year ended March 31,	
	2016	2015
I. Cash flows from operating activities		
Profit	<b>67,306</b>	73,699
Adjustments to reconcile profit to net cash provided by operating activities:		
Depreciation and amortization	<b>107,366</b>	107,836
Other revenue	<b>(19,737)</b>	(2,861)
Share of loss of investments accounted for using the equity method	<b>(55)</b>	50
Finance income and costs	<b>6,666</b>	3,418
Income tax expenses	<b>28,378</b>	38,598
Increase in trade and other receivables	<b>(23,376)</b>	(2,574)
Decrease (increase) in inventories	<b>9,595</b>	(18,562)
Increase in lease receivables	<b>(35,683)</b>	(42,886)
(Decrease) increase in trade and other payables	<b>11,992</b>	(11,177)
Decrease in accrued pension and retirement benefits	<b>(9,107)</b>	(17,146)
Other, net	<b>(14,323)</b>	7,344
Interest and dividends received	<b>2,350</b>	2,724
Interest paid	<b>(6,916)</b>	(7,518)
Income taxes paid	<b>(24,598)</b>	(28,401)
Net cash provided by operating activities	<b>99,858</b>	102,544
II. Cash flows from investing activities		
Proceeds from sales of property, plant and equipment	<b>20,997</b>	3,018
Expenditures for property, plant and equipment	<b>(83,778)</b>	(75,976)
Expenditures for intangible assets	<b>(28,968)</b>	(36,008)
Payments for purchases of available-for-sale securities	<b>(799)</b>	(546)
Proceeds from sales of available-for-sale securities	<b>3,244</b>	158
Decrease (increase) in time deposits	<b>(163)</b>	3,573
Purchase of business, net of cash acquired	<b>(5,687)</b>	(9,772)
Other, net	<b>(8,984)</b>	(27,904)
Net cash used in investing activities	<b>(104,138)</b>	(143,457)
III. Cash flows from financing activities		
Net proceeds of short-term debt	<b>(3,620)</b>	880
Proceeds from long-term debt	<b>198,895</b>	272,587
Repayments of long-term debt	<b>(84,432)</b>	(203,527)
Proceeds from issuance of bonds	<b>20,000</b>	20,000
Repayments of bonds	<b>(60,000)</b>	(35,000)

	Millions of yen	
	For the year ended March 31,	
	<b>2016</b>	2015
Dividends paid	<b>(25,009)</b>	(24,285)
Payment for purchase of treasury stock	<b>(16)</b>	(19)
Other, net	<b>(3,149)</b>	(700)
Net cash provided by financing activities	<b>42,669</b>	29,936
IV. Effect of exchange rate changes on cash and cash equivalents	<b>(8,564)</b>	8,652
V. Net increase (decrease) in cash and cash equivalents	<b>29,825</b>	(2,325)
VI. Cash and cash equivalents at beginning of year	<b>137,722</b>	140,047
VII. Cash and cash equivalents at end of year	<b>167,547</b>	137,722

## Notes to Consolidated Financial Statements

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

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

#### Scope of Consolidation

The number of consolidated subsidiaries is 214 and the number of companies to which the equity method is applied is 11 in the fiscal year under review.

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

#### Significant Accounting Policies

##### 1. Basis of Preparation

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

##### 2. Inventories

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

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

##### 3. Property, Plant and Equipment

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

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

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

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

###### (2) Subsequent costs

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

### (3) Depreciation

Depreciation of property, plant and equipment other than land and construction in progress is mainly computed under the straight-line method based on the estimated useful life of each item. Estimated useful lives for the principal items of property, plant and equipment are 2 to 60 years for buildings and structures, 1 to 20 years for machinery, equipment and vehicles, and 1 to 20 years for tools, furniture and fixtures. Leased assets are depreciated over the shorter of the lease term and their useful lives if there is no reasonable certainty that the Ricoh Group will obtain ownership by the end of the lease term.

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

## 4. Goodwill and Intangible Assets

### (1) Goodwill

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

### (2) Intangible assets

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

#### (i) Software for Internal Use

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

#### (ii) Development assets

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

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

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

(iii) Other intangible assets

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

(iv) Amortization (other than development assets)

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

## 5. Financial Instruments

Non-derivative financial assets of the Ricoh Group are classified as loans and receivables, and available-for-sale financial assets. Non-derivative financial liabilities are classified as other financial liabilities.

(1) Recognition and derecognition of non-derivative financial assets and non-derivative financial liabilities

The Ricoh Group initially recognizes loans, receivables and debt securities on the date that they are originated. All other financial assets and liabilities are recognized initially on the trade date.

The Ricoh Group derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred.

The Ricoh Group derecognizes a financial liability when contractual obligations specified under a contract is discharged, cancelled or expires.

(2) Measurement of non-derivative financial assets

(i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are recognized initially at fair value plus transaction costs that are directly attributable to the acquisition of the financial asset. Subsequent to initial recognition, loans and receivables are measured at amortized cost using the effective interest method.

(ii) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale or are not classified as any of the above categories of financial assets. Available-for-sale financial assets are recognized initially at fair value plus transaction costs that are directly attributable to the acquisition of the financial asset. Subsequent to initial recognition, these are measured at fair value and the subsequent changes in fair value are recognized as “net gain on fair value of available-for-sale financial assets” in other comprehensive income. When objective evidence of impairment exists individually, the impairment loss is recognized in profit or loss. Dividends from

available-for-sale securities are included in profit or loss as part of financial income. When an investment is derecognized, the net gain on fair value of available-for-sale financial assets in other component of equity is reclassified to profit or loss.

(3) Measurement of non-derivative financial liabilities

Non-derivative financial liabilities, including borrowings, are initially recognized at fair value less transaction costs that are directly attributable to issue of financial liability. After initial recognition, non-derivative financial liabilities are measured at amortized cost using the effective interest method.

(4) Derivative financial instruments and hedging activities

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

(i) Fair value hedge

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

(ii) Cash flow hedge

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

(iii) Derivatives not designated as hedging instruments

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

## 6. Provision

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

## 7. Employee Benefits (Post-employment Benefits)

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

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

### Changes in Accounting Policies

The Ricoh Group has applied the following standards and interpretations starting from the fiscal year ended March 31, 2016.

The adoption of the following standards and interpretations has no material impact on the consolidated financial statements.

IFRSs	Title	Summaries of new IFRSs/amendments
IFRS 13	Fair value measurement	Clarification of the scope to which the exceptional provisions are applicable in respect of measurement of the portfolio's fair value
IAS 19	Employee benefits	Clarification of accounting procedures for contributions from employees or third parties required by the provisions of defined benefit plans

## Notes to Consolidated Statements of Financial Position

1. Allowance for doubtful receivables directly deducted from the amount of assets:
  - (1) Current assets:

Trade and other receivables:	¥13,296 million
Other financial assets:	¥3,650 million
  - (2) Non-current assets:

Other financial assets:	¥6,057 million
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2. Pledged assets and liabilities:
  - (1) Pledged assets:

Other financial assets:	¥6 million
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  - (2) Pledged liabilities:

Bonds and borrowings:	¥6 million
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3. Matters related to transfers of financial assets:

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

  - (1) Assets:

Current assets:	
Trade and other receivables:	¥7,480 million
Other financial assets:	¥10,326 million
Non-current assets:	
Other financial assets:	¥16,269 million
  - (2) Liabilities:

Current liabilities:	
Bonds and borrowings:	¥16,118 million
Non-current liabilities:	
Bonds and borrowings:	¥13,475 million
4. Guarantee obligation:

There is no guarantee obligation having significance in terms of value.
5. Accumulated depreciation and accumulated impairment losses on property, plant and equipment: ¥771,647 million

6. Other components of equity include exchange differences on translation of foreign operations, net gain on fair value of available-for-sale financial assets, and net gain on fair value of cash flow hedges.

### Notes to Consolidated Statements of Changes in Equity

1. Details and total number of shares outstanding as of the end of the current fiscal year  
Common stock: 744,912,078 shares
2. Number of treasury stock as of the end of the current fiscal year  
Common stock: 20,023,429 shares
3. Dividends

#### (1) Payment of dividends

Resolution	Total amount of dividends	Dividends per share	Record date
Ordinary General Meeting of Shareholders (June 19, 2015)	¥12,323 million	¥17.00	March 31, 2015
Board of Directors meeting (October 30, 2015)	¥12,686 million	¥17.50	September 30, 2015

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

Resolution (scheduled)	Total amount of dividends	Dividends per share	Record date
Ordinary General Meeting of Shareholders (June 17, 2016)	¥12,686 million	¥17.50	March 31, 2016

### Notes to Financial Instruments

1. Matters concerning the state of financial instruments

#### (1) Capital risk management

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

#### (2) Foreign exchange risk management

A considerable part of the Ricoh Group's production and sales activities are conducted outside of Japan, including the U.S., Europe, China, and other regions. As a consequence, the Ricoh Group's performance results, assets and liabilities denominated in foreign currencies may be impacted by currency rate fluctuation.

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

#### (3) Interest rate risk management

Of the Ricoh Group's interest-bearing debts, those which are at variable interest rates are exposed to

interest rate fluctuation risk.

The Ricoh Group has entered into interest rate swap contracts in order to hedge potential risk, arising from fluctuation in interest rate, on cash flow by payment of interest. The Ricoh Group uses derivatives pursuant to the policy set forth by the Ricoh Group for the purpose of reducing risk.

(4) Credit risk management

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

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

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

(5) Liquidity risk management

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

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

2. Matters concerning fair value of financial instruments

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

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

(2) Trade and other receivables

The receivables settled in a short period of trade and other receivables are not included in the table below, because the carrying amounts approximate fair values due to the short maturities of these instruments.

Fair value of the receivables expected to be recovered or settled after more than 12 months, per each receivable classified per certain business types, are calculated based on present value of such receivable discounted by the interest rate, which takes into account the period to maturity and the credit risk.

(3) Lease receivables and installment loans

Fair value of lease receivables and installment loans, per each receivable classified per certain period, are calculated based on present value of such receivable discounted by the interest rate, which takes into account the period to maturity and the credit risk.

(4) Derivatives

Derivative instruments consist of interest rate swap agreements and foreign currency contracts. Fair values of these instruments are mainly measured by obtaining quotes from brokers.

(5) Securities and bonds

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

(6) Loans, borrowings and lease liabilities

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

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

- Carrying amounts and fair values of the financial instruments on the consolidated statement of financial position as of March 31, 2016 are as follows:

(Unit: millions of yen)

	Carrying amount	Fair value
<b>Assets:</b>		
Trade receivables	82,703	85,827
Other financial assets (current and non-current)		
Lease receivables	778,529	805,923
Derivative assets	4,740	4,740
Installment loans	109,249	109,906
Other investments		
Securities	65,425	65,425
Bonds	1,659	1,659
<b>Liabilities:</b>		
Other financial liabilities (current and non-current)		
Derivative liabilities	3,697	3,697
Lease liabilities	1,868	1,941
Bonds and borrowings	592,045	593,086

#### Notes to Per-share Information

- |   |           |
|---|-----------|
| 1. Equity per share attributable to owners of the parent:         | ¥1,486.87 |
| 2. Earnings per share attributable to owners of the parent-basic: | ¥86.87    |

**Non-consolidated Balance Sheets** (as of March 31, 2016)

	Millions of yen	
	As of March 31,	
	2016	2015
<b>ASSETS</b>		
Current Assets:	<b>401,174</b>	332,564
Cash on hand and in banks	<b>35,554</b>	6,042
Notes receivable – trade	<b>671</b>	616
Accounts receivable – trade	<b>189,327</b>	199,112
Marketable securities	<b>9,000</b>	12,535
Finished goods	<b>29,271</b>	31,488
Raw materials	<b>2,014</b>	1,825
Work in process	<b>3,029</b>	3,056
Supplies	<b>9,984</b>	9,990
Accounts receivable – other	<b>16,488</b>	19,287
Short-term loans receivable	<b>85,639</b>	30,063
Deferred tax assets	<b>7,102</b>	9,115
Other current assets	<b>13,317</b>	9,477
Allowance for doubtful accounts	<b>(228)</b>	(48)
Fixed Assets:	<b>685,890</b>	726,398
Tangible fixed assets:	<b>116,811</b>	123,956
Buildings	<b>51,637</b>	52,720
Structures	<b>2,831</b>	2,814
Machinery and equipment	<b>20,715</b>	22,085
Vehicles	<b>118</b>	30
Tools, furniture and fixtures	<b>13,384</b>	15,474
Land	<b>22,025</b>	27,156
Leased assets	<b>141</b>	173
Construction in progress	<b>5,956</b>	3,500
Intangible fixed assets:	<b>33,167</b>	36,225
Goodwill	<b>5,270</b>	5,890
Leasehold right and others	<b>9,019</b>	9,661
Software	<b>18,877</b>	20,673
Investments and Other Assets:	<b>535,911</b>	566,216
Investment securities	<b>12,637</b>	17,704
Subsidiaries and affiliates' securities	<b>452,840</b>	450,558
Investment in subsidiaries and affiliates	<b>20,611</b>	20,536
Long-term loans receivable	<b>38,220</b>	65,694
Claims provable in bankruptcy, claims provable in rehabilitation and other	<b>126</b>	275
Lease deposit	<b>5,183</b>	6,145
Other investments	<b>6,534</b>	5,698
Allowance for doubtful accounts	<b>(243)</b>	(396)
Total Assets	<b>1,087,064</b>	1,058,962

**Non-consolidated Balance Sheets** (as of March 31, 2016)

	Millions of yen	
	As of March 31,	
	<b>2016</b>	2015
<b>LIABILITIES</b>		
Current Liabilities:	<b>300,375</b>	264,629
Notes payable – trade	<b>280</b>	322
Electronically recorded obligations-operating	<b>11,325</b>	9,978
Accounts payable – trade	<b>100,399</b>	99,804
Bonds maturing within one year	-	40,000
Short-term borrowings	<b>32,733</b>	-
Current maturities of long-term borrowings	<b>42,300</b>	15,500
Leased obligations	<b>379</b>	240
Accounts payable – other	<b>66,625</b>	49,036
Accrued expenses	<b>22,484</b>	25,809
Accrued bonuses	<b>9,613</b>	9,162
Accrued Directors' bonuses	<b>122</b>	124
Warranty reserve	<b>681</b>	803
Other current liabilities	<b>13,429</b>	13,847
Fixed Liabilities:	<b>214,125</b>	201,158
Bonds	<b>35,000</b>	35,000
Long-term borrowings	<b>156,902</b>	150,325
Leased obligations	<b>661</b>	512
Provision for loss on business of subsidiaries and affiliates	<b>1,405</b>	-
Retirement benefit obligation	<b>16,675</b>	11,412
Asset retirement obligations	<b>3,456</b>	3,360
Other fixed liabilities	<b>25</b>	546
Total Liabilities	<b>514,501</b>	465,788
(Net Assets)		
Shareholders' Equity:	<b>567,268</b>	585,187
Common Stock	<b>135,364</b>	135,364
Additional paid-in-capital:	<b>180,804</b>	180,804
Legal capital reserve	<b>180,804</b>	180,804
Retained Earnings:	<b>288,244</b>	306,148
Legal reserve	<b>14,955</b>	14,955
Other retained earnings	<b>273,289</b>	291,193
Reserve for deferral of capital gain on property	<b>4,019</b>	4,209
Reserve for special depreciation	<b>89</b>	138
Reserve for social contribution	<b>101</b>	4
General reserve	<b>255,350</b>	255,350
Retained earnings brought forward	<b>13,728</b>	31,490
Treasury stock	<b>(37,145)</b>	(37,130)
Difference of appreciation and conversion	<b>5,294</b>	7,987
Net unrealized holding gains on securities	<b>5,294</b>	7,987
Total Net Assets	<b>572,562</b>	593,174
Total Liabilities and Net Assets	<b>1,087,064</b>	1,058,962

**Non-consolidated Statements of Operations** (for the year ended March 31, 2016)

	Millions of yen	
	For the year ended March 31,	
	2016	2015
Net sales	<b>903,016</b>	923,482
Cost of sales	<b>707,560</b>	693,519
Gross profit	<b>195,456</b>	229,963
Selling, general and administrative expenses	<b>207,920</b>	211,869
Total operating income (loss)	<b>(12,464)</b>	18,093
Non-operating income:	<b>15,974</b>	35,947
Interest and dividend income	<b>14,699</b>	29,981
Foreign exchange gains	-	3,106
Other revenue	<b>1,275</b>	2,858
Non-operating expenses:	<b>5,191</b>	4,872
Interest expense	<b>1,935</b>	3,154
Foreign exchange loss	<b>741</b>	-
Loss on sales of securities	-	68
Provision for loss on business of subsidiaries and affiliates	<b>1,405</b>	-
Other expenses	<b>1,110</b>	1,648
Ordinary income (loss)	<b>(1,681)</b>	49,168
Extraordinary income	<b>16,382</b>	-
Gain on sales of property, plant and equipment	<b>13,876</b>	-
Gain on sales of investment securities	<b>2,505</b>	-
Extraordinary loss:	<b>2,252</b>	1,049
Difference from asset retirement obligations	-	1,049
Loss on valuation of shares of subsidiaries and affiliates	<b>2,252</b>	-
Income before income taxes	<b>12,447</b>	48,118
Corporate, inhabitant and enterprise taxes	<b>2,739</b>	2,646
Corporate and other tax adjustments	<b>2,602</b>	5,447
Net income	<b>7,105</b>	40,025

Statement of Changes in Shareholders' Equity (for the year ended March 31, 2016)

(Unit: millions of yen)

	Shareholders' equity						Difference of appreciation and conversion	Total net assets
	Common stock	Additional paid-in-capital	Retained earnings		Treasury stock	Total shareholders' equity		
		Legal capital reserve	Legal reserve	Other retained earnings (Note)			Net unrealized holding gains on securities	
Beginning balance	135,364	180,804	14,955	291,193	(37,130)	585,187	7,987	593,174
Changes of items during the period								
Dividends from surplus				(25,008)		(25,008)		(25,008)
Net income				7,105		7,105		7,105
Purchase of treasury stock					(15)	(15)		(15)
Disposal of treasury stock				(0)	0	0		0
Net changes of items other than shareholders' equity							(2,693)	(2,693)
Total changes of items during the period	-	-	-	(17,903)	(15)	(17,918)	(2,693)	(20,611)
Ending balance	135,364	180,804	14,955	273,289	(37,145)	567,268	5,294	572,562

Note: Breakdown of other retained earnings

(Unit: millions of yen)

	Reserve for deferral of capital gain on property	Reserve for special depreciation	Reserve for social contributions	General reserve	Retained earnings brought forward	Total other retained earnings
Beginning balance	4,209	138	4	255,350	31,490	291,193
Changes of items during the period						
Dividends from surplus					(25,008)	(25,008)
Net income					7,105	7,105
Increase in reserve for deferral of capital gain on property resulting from change in tax rate	98				(98)	-
Reversal of reserve for deferral of capital gain on property	(288)				288	-
Increase in reserve for special depreciation resulting from change in tax rate		1			(1)	-
Reversal of reserve for special depreciation		(51)			51	-
Transfer of reserve for social contribution			195		(195)	-
Reversal of reserve for social contribution			(98)		98	-
Disposal of treasury stock					(0)	(0)
Total changes of items during the period	(190)	(49)	97	-	(17,762)	(17,903)
Ending balance	4,019	89	101	255,350	13,728	273,289

## Notes to Non-consolidated Financial Statements

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

### Notes Regarding Significant Accounting Policies

#### 1. Accounting Policy for Securities

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

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

##### (2) Other securities

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

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

#### 2. Accounting Policy for Derivatives

Derivatives are stated at market value.

#### 3. Accounting Policy for Inventories

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

#### 4. Depreciation and Amortization

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

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

Buildings: 5-50 years

Machinery and equipment: 4-12 years

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

Depreciated by using the straight-line method.

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

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

##### (3) Leased assets

Finance leases for which ownership does not transfer to lessees

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

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

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

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

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

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

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

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

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

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

### **(5) Provision for loss on business of subsidiaries and affiliates:**

To cover projected loss on business of subsidiaries and affiliates, the Company records the estimated loss to be borne by the Company taking into account their financial positions.

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

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

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

For actuarial gains or losses, the Company uses straight-line amortization over a certain period of time (13 years) within averaged remaining employment term as incurred in each business year starting from the year following the year of occurrence.

For prior service costs the Company uses straight-line amortization over a certain period of time (13 years) within averaged remaining employment term as incurred in each business year.

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

## **6. Consumption Taxes**

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

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

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

## **8. Hedge Accounting**

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

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

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

Hedging Instruments: Interest swaps  
Hedged items: Interests of long-term borrowings

**(3) Hedging policies:**

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

**(4) Hedge effectiveness:**

The Company assesses the effectiveness of hedges by analyzing the ratios of the total market fluctuations of hedged targets and instruments. Interest rate swaps, which meet the requirements of special treatment, are exempt from the assessment of effectiveness.

**Notes to Changes to the Accounting Estimates**

Due to shortened employees' average remaining service years, the Company, from the fiscal year ended March 31, 2016, changed the amortization period for actuarial gains and losses and for prior service cost from 15 years to 13 years for the accounting treatment of retirement benefits.

As a result, operating loss and ordinary loss increased by ¥3,164 million, and income before income taxes decreased by ¥3,164 million for the fiscal year ended March 31, 2016.

**Notes to Non-consolidated Balance Sheets**

1. Monetary debts and credits for subsidiaries and affiliates:	
Short-term receivable due from subsidiaries and affiliates:	¥281,659 million
Long-term receivable due from subsidiaries and affiliates:	¥38,328 million
Short-term payable due to subsidiaries and affiliates:	¥127,420 million
2. Guarantee obligation:	
Guarantee of employees' housing loans:	¥1 million
Parent company's guarantee for commercial papers issued by subsidiaries and affiliates:	¥33,804 million
Parent company's guarantee for the lease agreement by subsidiaries and affiliates:	¥781 million
3. Accumulated depreciation on tangible fixed assets:	¥397,862 million

## Notes to Non-consolidated Statements of Operations

Transaction with subsidiaries and affiliates:

Sales:	¥858,279 million
Purchase:	¥386,981 million
Other operating transactions:	¥70,069 million
Non-operating transactions:	¥30,084 million

## Notes to Statements of Changes in Shareholders' Equity

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

Common stock:	20,023,429 shares
---------------	-------------------

## Notes to Deferred Tax Accounting

1. Major factors giving rise to deferred tax assets include loss on valuation of stocks of affiliates, accrued bonuses, and denial of reserve for retirement benefits, while major factors giving rise to deferred tax liabilities are gains on establishment of retirement benefit trust and net unrealized holding gains on securities.

2. Revision to the amount of deferred tax assets and deferred tax liabilities due to changes in the rate of income taxes

The “Act for Partial Amendment of the Income Tax Act, etc.” (Act No. 15, 2016) and the “Act for Partial Amendment, etc. of Local Tax Act, etc.” (Act No. 13, 2016) were enacted in the Diet session on March 29, 2016. Accordingly, the income tax rates are to be changed from the fiscal year commencing on or after April 1, 2016. In accordance with these acts, the statutory tax rates used for the calculation of deferred tax assets and deferred tax liabilities for the current fiscal year are changed from the former 32.97% to 30.72% for temporary differences expected to be eliminated in the fiscal year beginning on April 1, 2016 and the fiscal year beginning on April 1, 2017, and to 30.49% for temporary differences expected to be eliminated in the fiscal years beginning on and after April 1, 2018.

As a result of these changes in the tax rates, deferred tax assets (amount after deducting deferred tax liabilities) decreased by ¥596 million, and income taxes-deferred and net unrealized holding gains on securities increased by ¥726 million and ¥130 million, respectively.

## Notes to Leased Fixed Assets

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

## Notes to Related Party Transactions

(Unit: millions of yen)

Attribute	Name of company, etc.	Voting rights held by Company	Relation with company		Description of transactions	Transaction amount (Note 1)	Account item	Balance as of the fiscal year under review (Note 1)
			Concurrent Directors	Business relation				
Subsidiary	Ricoh Japan Corporation	(Possessed) Directly: 100%	Yes	Sale of the Company's office equipment	Sales of products (Note 2)	416,992	Accounts receivable – trade	107,660
Subsidiary	Ricoh Leasing Company, Ltd.	(Possessed) Directly: 52.9%	Yes	Factoring transaction	Factoring transaction (Note 3)	54,609	Accounts payable – other	19,029
				Lending of funds	Lending of funds (Note 4)	505,510	Short-term loans Long-term loans	52,029 20,000
Subsidiary	RICOH ASIA INDUSTRY LTD.	(Possessed) Directly: 100%	Yes	Sale of the Company's office equipment	Purchase of products (Note 2)	132,149	Accounts payable – trade	10,469
Subsidiary	RICOH AMERICAS HOLDINGS	(Possessed) Directly: 100%	Yes	Lending of funds	Lending of funds (Note 4) (Note 5)	41,306	Short-term loans Long-term Loans	28,296 16,902
Subsidiary	RICOH ELECTRONICS, INC.	(Possessed) Indirectly: 100%	No	Manufacturing of the Company's office equipment	Sales of components (Note 2)	154,993	Accounts receivable – trade	10,581
Subsidiary	RICOH EUROPE HOLDINGS	(Possessed) Indirectly: 100%	Yes	Borrowing of funds	Borrowing of funds (Note 4) (Note 5)	15,095	Short-term borrowings	32,733
Subsidiary	RICOH EUROPE SCM B.V.	(Possessed) Indirectly: 100%	No	Sale of the Company's office equipment	Sales of products (Note 2)	81,238	Accounts receivable – trade	21,328

Notes: Transaction conditions and policy in determining transaction conditions

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

**Notes to Per-share Information**

1. Net assets per share:	¥789.86
2. Net income per share:	¥9.80

**Independent Auditor's Report**

May 17, 2016

The Board of Directors  
Ricoh Company, Ltd.

KPMG AZSA LLC

Masahiro Mekada (Seal)  
Designated Limited Liability Partner  
Engagement Partner  
Certified Public Accountant

Katsunori Hanaoka (Seal)  
Designated Limited Liability Partner  
Engagement Partner  
Certified Public Accountant

Shingo Iwamiya (Seal)  
Designated Limited Liability Partner  
Engagement Partner  
Certified Public Accountant

We have audited the consolidated financial statements, comprising the consolidated statement of financial position, the consolidated statement of profit or loss, the consolidated statement of changes in equity and the notes to consolidated financial statements of Ricoh Company, Ltd as at March 31, 2016 and for the year from April 1, 2015 to March 31, 2016 in accordance with Article 444-4 of the Companies Act.

**Management's Responsibility for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the second sentence of Article 120-1 of the Ordinance of Companies Accounting that prescribes some omissions of disclosure items required under designated International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatements, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the consolidated financial statements based on our audit as independent auditor. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, while the objective of the financial statement audit is not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the consolidated financial statements referred to above, which were prepared in accordance with the second sentence of Article 120-1 of the Ordinance of Companies Accounting that prescribes some omissions of disclosure items required under designated International Financial Reporting Standards, present fairly, in all material respects, the financial position and the results of operations of Ricoh Company, Ltd. and its consolidated subsidiaries for the period, for which the consolidated financial statements were prepared.

**Other Matter**

Our firm and engagement partners have no interest in the Company which should be disclosed pursuant to the provisions of the Certified Public Accountants Law of Japan.

**Notes to the Reader of Independent Auditor's Report:**

The Independent Auditor's Report herein is the English translation of the Independent Auditor's Report as required by the Companies Act.

## **Independent Auditor's Report**

May 17, 2016

The Board of Directors  
Ricoh Company, Ltd.

KPMG AZSA LLC

Masahiro Mekada (Seal)  
Designated Limited Liability Partner  
Engagement Partner  
Certified Public Accountant

Katsunori Hanaoka (Seal)  
Designated Limited Liability Partner  
Engagement Partner  
Certified Public Accountant

Shingo Iwamiya (Seal)  
Designated Limited Liability Partner  
Engagement Partner  
Certified Public Accountant

We have audited the financial statements, comprising the balance sheet, the statement of operations, the statement of changes in shareholders' equity and the notes to financial statements as at March 31, 2016 and for the year from April 1, 2015 to March 31, 2016 in accordance with Article 436-2-1 of the Companies Act.

### **Management's Responsibility for the Financial Statements and Others**

Management is responsible for the preparation and fair presentation of the financial statements and the supplementary schedules in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of financial statements and the supplementary schedules that are free from material misstatements, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on the financial statements and the supplementary schedules based on our audit as independent auditor. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and the supplementary schedules are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements and the supplementary schedules. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements and the supplementary schedules, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements and the supplementary schedules in order to design audit procedures that are appropriate in the circumstances, while the objective of the financial statement audit is not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements and the supplementary schedules.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion, the financial statements and the supplementary schedules referred to above present fairly, in all material respects, the financial position and the results of operations of Ricoh Company, Ltd. for the period, for which the financial statements and the supplementary schedules were prepared, in accordance with accounting principles generally accepted in Japan.

### **Other Matter**

Our firm and engagement partners have no interest in the Company which should be disclosed pursuant to the provisions of the Certified Public Accountants Law of Japan.

### **Notes to the Reader of Independent Auditor's Report:**

The Independent Auditor's Report herein is the English translation of the Independent Auditor's Report as required by the Companies Act.

## Audit & Supervisory Board's Report

The Audit & Supervisory Board has prepared this Audit Report upon discussion based on the audit reports prepared by each Audit & Supervisory Board Members concerning the execution of duties by the Directors for the 116th fiscal year from April 1, 2015 to March 31, 2016, and hereby reports as follows:

### 1. Auditing methods employed by Audit & Supervisory Board and the Board Members

- (1) The Audit & Supervisory Board prescribed audit policies, assignment of duties and other relevant matters, received reports from each Audit & Supervisory Board Member on their implementation of audits and results thereof, as well as reports from Directors, etc. and the Independent Auditor on the performance of their duties, and requested explanations from them whenever necessary.
- (2) Each Audit & Supervisory Board Member complied with the auditing standards of Audit & Supervisory Board Members established by the Audit & Supervisory Board, followed the audit policies, assignment of duties, etc., communicated with Directors, staff of the internal management and control division, and other employees, etc., strove to collect information and establish the environment for auditing, and conducted audits based on the methods below.
  - (i) Each Audit & Supervisory Board Member attended Board of Directors and other important meetings, received reports from Directors, employees, etc. on the execution of their duties, requested explanations from them whenever necessary, inspected important written approvals, etc., examined the status of operations and assets at the head office and principal offices. With regards to the subsidiaries, we strove to communicate and exchange information with the Directors and Audit & Supervisory Board Members of the subsidiaries, and received reports from subsidiaries regarding their business whenever necessary.
  - (ii) We also regularly received reports, from Directors, employees, etc., requested explanations from them whenever necessary, and expressed our opinions, for ensuring that the execution of duties by Directors described in the Business Report conforms to the related laws and regulations and the Articles of Incorporation, the details of the resolution of the Board of Directors concerning the establishment of the system stipulated in Article 100, Paragraph 1 and Paragraph 3 of the Enforcement Regulations of the Companies Act aiming to secure the appropriateness of the operations of the corporate group consisting of the Company and its subsidiaries; and the construction and operation status of a system (internal control system) established in accordance with the said resolution.
  - (iii) We monitored and verified whether the Independent Auditor implemented appropriate audits while maintaining independence, received reports from the Independent Auditor on the execution of their duties, and sought explanations whenever necessary. Furthermore, we received notice from the Independent Auditor that "System for ensuring that the execution of duties are performed properly" (matters set forth in each item of Article 131 of the Company Accounting Regulations) is organized in accordance with the "Quality Management Standards Regarding Audits" (Business Accounting Council; October 28, 2005), etc., and sought explanations whenever necessary.

Based on the above methods, we examined the business report and its supporting schedule, non-consolidated financial statements and the supporting schedules (Balance Sheets, Statements of Operations, Statement of Changes in Shareholders' Equity, and Notes to Financial Statements) and the supporting schedules for the fiscal year under review, as well as consolidated financial statements (Statement of Financial Position, Statements of Profit or Loss, Statement of Changes in Equity, and Notes to Financial Statements).

### 2. Audit results

#### (1) Results of audit of Business Report, etc.

- (i) We hereby state that the Business Report and the supporting schedules fairly represent the Company's conditions in accordance with the related laws and regulations and the Articles of Incorporation.
- (ii) With regard to the performance of duties by Directors, we find no significant evidence of wrongful act or violation of related laws and regulations, nor the Articles of Incorporation.
- (iii) We hereby state that the content of the resolution by the Board of Directors concerning the internal control system is proper. In addition, we find no issue on which to remark in regard to the contents of Business Report and the execution of duties by the Directors regarding the internal control system.

#### (2) Results of audit of non-consolidated financial statements and the supporting schedules

We hereby state that the audit methods of the Independent Auditor, KPMG AZSA LLC, and the results are appropriate.

#### (3) Results of audit of consolidated financial statements

We hereby state that the audit methods of the Independent Auditor, KPMG AZSA LLC, and the results are appropriate.

May 20, 2016

The Audit & Supervisory Board, Ricoh Company, Limited

Audit & Supervisory Board Member (Full-time)	Kunihito Minakawa (seal)
Audit & Supervisory Board Member (Full-time)	Mitsuhiro Shinoda (seal)
Outside Audit & Supervisory Board Member	Takao Yuhara (seal)
Outside Audit & Supervisory Board Member	Kimitoshi Yabuki (seal)