

**Ricoh Group
Integrated Report
2023**

RICOH
imagine. change.



About Ricoh Group Integrated Report 2023

April 2023 saw Akira Oyama become President and CEO of Ricoh Company, Ltd., with the Ricoh Group embarking on the 21st Mid-Term Management Strategy (MTS), a three-year initiative in which the Company is executing its vision of transforming into a digital services company.

The Ricoh Group Integrated Report 2023 outlines the Ricoh Group’s medium- and long-term management strategies and its processes to create value. We improved the report as listed below, based on feedback from investors and other stakeholders who read the 2022 edition, as well as suggestions we received during initiatives to engage with these stakeholders.

Management leadership under new structure

The “To Our Stakeholders” section discusses the strategic direction, initiatives, and underlying concepts guiding the Company’s transformation into a digital services company, as well as presenting Ricoh’s management structure.

The special feature, titled “A Conversation between the Board of Directors chairperson and lead independent director,” offers insights into the CEO selection process and the considerations that shaped the 21st MTS.

Ricoh’s value creation process as a digital services company

We provide an overview of our value creation process and elaborate on key capital resources, our strengths and business model, and the nature of our digital services.

We assess the 20th Mid-Term Management Plan (MTP) and its strategies for generating value over the medium and long terms. We additionally present the financial and future financial targets and three basic policies of the 21st MTS. We disclose information to help readers grasp management’s strategies for transforming Ricoh into a digital services company. We present our value creation model and related initiatives under Ricoh’s unique strategic approach to human capital. On the financial and capital strategy fronts, we discuss return on invested capital-based management and capital policies supporting our growth.

Creating value by aligning business growth and ESG management

We augmented groupwide financial targets focusing on capital efficiency with future financial targets encompassing our environmental, social, and governance (ESG) objectives, thus aligning companywide business growth and ESG goals.

We describe financial targets, risks and opportunities, and strategic initiatives, and highlight how our business units help us create value as a digital services company. Our four regional leaders share insights into how they are spearheading strategic action under the 21st MTS.

The report presents environmental and social initiatives and achievements that helped enhance corporate value. It also discloses efforts to make our governance structure highly transparent and effective.

We produced this report through close collaboration with various business units and departments and management deliberations in ESG Committee gatherings. The Disclosure Committee approved the report after determining that disclosure was necessary and that the report production process ensured accuracy.

We hope that this report helps stakeholders to better understand the Ricoh Group’s efforts to enhance corporate value over the long term.

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Akira Oyama
President and CEO

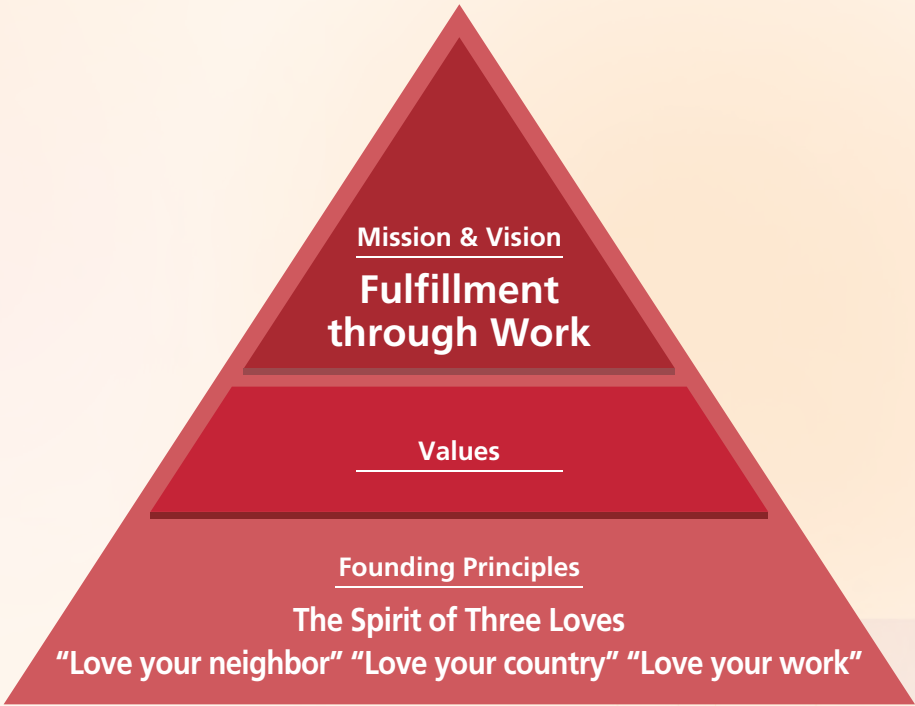


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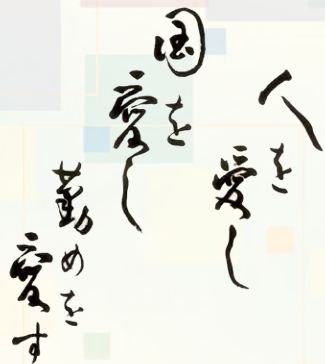
Ricoh Way—Our Corporate Philosophy

In April 2023, the Ricoh Group revised its corporate philosophy, known as the Ricoh Way, to affirm its stance as a company that remains close to customers’ work and helps them to make work more fulfilling. This underscores the Company’s founding principles, the Three Spirit of Three loves—
“Love your neighbor” “Love your country” “Love your work”



Founding Principles

The Spirit of Three Loves
“Love your neighbor” “Love your country” “Love your work”



Kiyoshi Ichimura, Founder
(1900–1968)

Kiyoshi Ichimura formulated the Ricoh Group’s Founding Principles in 1946. They inform how we do business, encouraging us to constantly improve and contribute to the wellbeing of all stakeholders, including our families, customers, and society at large.



Mission & Vision

Fulfillment through Work

At Ricoh, we empower individuals to find Fulfillment through Work by understanding and transforming how people work so we can unleash their potential and creativity to realize a sustainable future.

Work can be incredibly fulfilling when you overcome a challenge. Fulfillment through Work. This core principle is embodied in the Spirit of Three Loves that has been at the heart of Ricoh’s business since the company was established in 1936. We truly understand how people, workplaces, and workflows are interconnected. We transform work to release people from the tedium of repetitive tasks so they can better communicate their thoughts and unleash their creativity and potential. Ricoh wants to enable people to derive satisfaction and accomplishment through what they can achieve. The future that lies beyond the transformation is a sustainable society where job satisfaction and economic growth are in harmony. We will all contribute to a future that achieves our vision of Fulfillment through Work.



Values

The seven values we cherish guide the everyday decisions and actions of Ricoh Group employees.

CUSTOMER-CENTRIC

Act from the customer’s perspective

PASSION

Approach everything positively and purposefully

GEMBA

Learn and improve from the facts

INNOVATION

Break with the status quo to create value without limits

TEAMWORK

Respect all stakeholders and co-create value

WINNING SPIRIT

Succeed by embracing challenges through courage and agility

ETHICS AND INTEGRITY

Act with honesty and accountability

Evolving and Growing

Since advocating the office automation concept in 1977, we have done much to help customers improve their operational efficiency and productivity through our digital technology and services. We now deliver value worldwide.

Today, as a digital services company, Ricoh supports the transformation of our customers' work and contributes to a sustainable society where job satisfaction and business and economic growth are compatible. Ricoh is committed to remain close to its customers' work and support their creativity.

Remaining close to our customers

1936
Establishment

1950s

Enters office equipment field

In 1955, we launch the Ricopy 101, Japan's first desktop diazo-wet copier, which revolutionizes office work efficiency.



Automating document duplication

1970s

Advocates office automation concept

In 1973, we launch RIFAX 600S, the world's first high-speed office facsimile machine, and advocate office automation in 1977.

The notion of having machines handle routine tasks so people can do more creative work remains true today.



Transmitting documents swiftly to remote locations

1990s

Digitalization and globalization

Shifting from analog copiers to digital multi-functional printers (MFPs), cultivating networking and colorization.



Enabling color copying and printing

2000s

Expanding services business

Helping to transform work by offering information technology services and devices.



Supporting hybrid work

2020s

Becoming a digital services company

In 2020, we committed to becoming a digital services company that supports workers' creativity.

We will transform customers' work by combining our devices, applications, and services with those of partners while remaining close to customers with an industry-leading sales and support structure.



Digitalizing frontlines tasks

Changing the world of work

● From writing by hand to using word processing

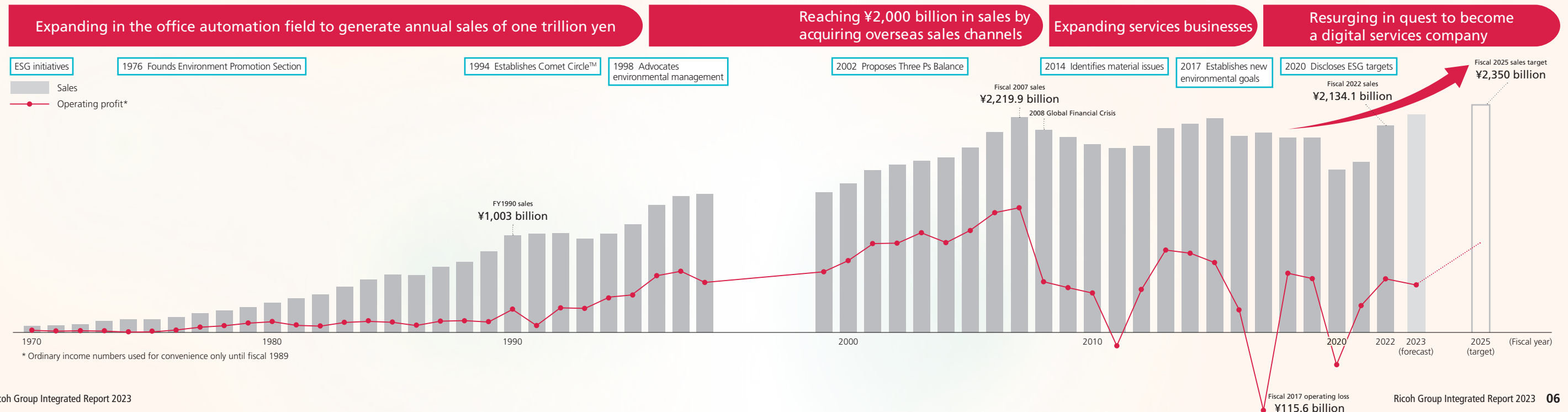
● One PC per person

● Rising use of color content
● Increasing internet usage

● Accelerating communication speeds and capacity
● An increasingly paperless world

● Remote work going mainstream
● Digitalization accelerating
● Expanding use of artificial intelligence (AI)

Growth trajectory



Transforming into a digital services company that empowers workers' creativity by remaining close to customers

That month, we revised the Ricoh Way, our corporate philosophy, positioning Fulfillment through Work as our Mission and Vision. We will materialize our objectives by accelerating our transformation into a digital services company that remains close to customers and empowers workers' creativity.

My mission as CEO is to enhance Ricoh's corporate value and lead the company toward a brighter future. I will do my utmost to help Ricoh earn the trust of all stakeholders, including shareholders, employees and their families, customers, business partners, and society.

I spent much of my career overseas, particularly in Europe and the United States. This experience underlined the importance of diversity in organizational management. I have valued communicating well with people because languages and cultures vary dramatically across countries and regions.

Championing diversity and self-motivation to build trust

I am honored to have taken the helm at Ricoh in April 2023. At the same time, the increased responsibilities that I have undertaken are humbling.

Akira Oyama President and CEO

To Our Stakeholders

To Our Stakeholders

When in Europe, I fostered a culture that embraced the diversity of our people. We took their personalities and opinions into account. We respected wide-ranging ideas to generate new synergies. A homogenized organization never evolves. Achieving our transformation into a digital services company, we will champion employee diversity and encourage our people to pursue new challenges by supporting their growth, thereby driving our business growth.

Anticipating changes in work environments to capitalize on business opportunities

The world has experienced rapid changes since the COVID-19 pandemic. As social conditions change, work environments and the circumstances and attitudes of working people are transforming faster and faster. Hybrid work has established itself worldwide. People decreasingly view offices as the sole locations for white-collar work and see them increasingly as spaces to inspire creativity.

In addition, the evolution of AI, including the emergence of generative AI, has been remarkable, and the value expected of workers is rapidly changing along with it.

On top of that, worker attitudes have changed. The psychological aspects of work have become more important in recent times. While needing to earn a living, people also seek fulfillment through their jobs. They want to accomplish things. This comes from creating value. So, we believe that enhancing such creativity is becoming increasingly important.

I sense that such changes in our operating climate offer tremendous potential. I am also convinced that Ricoh is heading in the right direction, which is to help people become more creative by leveraging digital technology and contributing to a sustainable economy.

Reviewing our 20th MTP: Implementing decisive reforms and completing the runup to transforming into a digital services company

We devoted considerable energy to our transformation as a digital services company under our 20th MTP. We made acquisitions and other growth investments while internally overhauling our organization, structure, and IT systems to strengthen our management underpinnings. In April 2021, we adopted a business unit structure, transferring authority to those entities so they can respond swiftly to changes in their markets. In managing returns on invested capital and our business portfolios, we accelerated efforts to become more profitable and reform our structure. We also bolstered talent to execute our strategies better. In April 2022, for example, we introduced a Ricoh-style job-based personnel system in Japan. At the same time, we had to tackle business climate changes that had occurred in recent years. Disruptions in the global supply chain led to delays in equipment supplies, particularly of MFPs, detracting from our results.

In fiscal 2022, the final year of the 20th MTP, sales exceeded our initial target, reaching ¥2,134.1 billion. Operating profit was below our initial projection, at ¥78.7 billion. Our return on equity (ROE) was lower than anticipated, at 5.9%. This reflected such factors as delayed print volume recoveries, shortages of hardware components, and surging raw materials prices. On the upside, we progressed steadily with efforts to resolve social issues, earning high regard worldwide for these endeavors. We position ESG targets as future financial targets because ESG initiatives enable us to avoid risks and ultimately capitalize on emerging business opportunities. We will keep pushing forward with ESG and implement our

management stance of aligning efforts to create a sustainable economy and drive business growth.

21st MTS: Deploying three basic policies to generate groupwide synergies

We initiated the 21st MTS in April 2023. Under that three-year initiative, we seek to deliver steady progress as a digital services company. For fiscal 2025, the final year of that plan, we target an operating profit of ¥130 billion and a return on equity of more than 9%. We will reach those goals by progressing with three basic policies. These are to reinforce regional strategies and evolve Group management, build revenue sources in frontlines and social domains, and leverage global talent.

The first key point in reinforcing regional strategies and evolving Group management will be to amass recurring revenues from digital services and enhance profitability. We will transform our earnings structure by lifting digital revenues from 44% of sales to more than 60%. It will accordingly be important to improve our ability to create value through customer touchpoints, leverage synergies within the Ricoh Group, and tackle business climate changes. These efforts will enable us to become more profitable and ultimately enhance corporate value.

Under the second basic policy, which is to build revenue in frontlines and social domains, we will broaden digital services and progressively expand our frontline businesses to provide value to a wider range of customers, thus helping to resolve social issues. We will determine priority business areas to build this revenue.

For the third basic policy of leveraging global talent, we will shift people to growth areas and maximize the value our



people produce globally. We will simultaneously achieve employee and business growth and enhance our profitability.

Steadily undertaking these measures will make us more profitable and enhance corporate growth.

Establishing recurring revenue business with our unique digital services

Our basic policy of reinforcing regional strategies and evolving Group management is central to building recurring revenues from digital services.

Our printing business has generated stable earnings through high-margin recurring revenue businesses. These include selling consumables for printing and maintenance services at customer sites, starting from flows in selling MFPs. We will ensure growth as a digital services company by accelerating efforts to create new recurring revenues that augment our printing business. We will offer a range of digital services that address specific customer issues. We will thereby expand

To Our Stakeholders

our recurring revenue businesses, including device and IT environment support services and Software as a Service application services, to build and grow a revenue stratum.

The digital services market offers excellent growth potential. Our global customer network through such hardware as MFPs is one key strength. Our many unique and outstanding edge devices serve as gateways between analog information, such as text, photos, audio, and videos, and the digital information that machines and software process. We integrate these edge devices with a range of applications and services that we and our partners provide through the RICOH Smart Integration platform to help digitalize work processes for customers. Service and support through a specialized structure are essential for small and mid-sized corporate clients because such entities typically lack in-house IT expertise. So, we are convinced that we can leverage the strengths of an industry-leading sales and support structure that is close to customers to become a market leader.

We are steadily pursuing acquisitions and business alliances globally to strengthen our ability to deliver digital services. It was in keeping with that approach that in fiscal 2022 we acquired PFU Limited, the world's top provider of business scanners. In May 2023, we announced that we would form a joint venture company by the first half of fiscal 2024 that gives us a technological edge by integrating the MFP and other device manufacturing and development of Ricoh and Toshiba Tec Corporation. Competitive edge devices are vital to delivering digital services. We will become even more competitive and robust in manufacturing by bringing together the technologies and expertise of our Group and our partners to generate synergies. Also, we are broadening the scope of workflow digitalization by expanding our application lineup, including through a business partnership that we formed in fiscal 2022 with Cybozu, Inc., to deploy the RICOH kintone plus solution in Japan and North America. We are focusing on enhancing the digital services consultation skills of our digital professionals.

Simultaneously contributing to both employee and business growth through our Fulfillment through Work ethos

I believe that employee growth drives corporate growth. Under the 20th MTP, we deployed a range of personnel initiatives, including developing digital professionals. We base that approach on the concept of human capital. We view personal abilities and skills as capital and appropriately invest in them. We are empowering our people to tackle new challenges, such as by expanding digital training programs and harnessing people globally. We will foster a corporate culture that provides Fulfillment through Work by encouraging



Holding a roundtable meeting with third-year employees



self-motivation and personal growth. We believe that Fulfillment through Work represents a vital virtuous cycle. It serves as a new engine of employee growth that fuels sustainable corporate expansion. We have conducted global employee engagement surveys asking respondents to explain the contributions they make to Ricoh becoming a digital services company. These polls have revealed steadily rising numbers of employees able to detail their own contributions to that effort and to society in the process. Personal and business growth will simultaneously flourish by optimizing the performances of individual employees.

I realize we need to more clearly articulate our journey as a digital services company to the capital markets while delivering firm figures from our efforts. We will build a solid track record in digital services so we can confidently increase cash flow in the coming years. Companies should target a price-to-book value ratio that is greater than 1. Right after

taking the helm, I immediately embarked on a project to reach or exceed that level. Our first priority is to steadily enhance our ROE and earnings per share, as we can control these metrics. Our capital strategy emphasizes profit growth and manages capital costs by employing a Ricoh-style return on invested capital tree while prioritizing shareholder returns. At the same time, we will be a global top runner in ESG initiatives, which we have positioned as future finance endeavors.

Ricoh seeks to keep supporting customer creativity by delivering Fulfillment through Work well into the future. We will continue to grow, staying close to customers and remaining a respected and trusted corporate citizen.

Value Creation Process

The Ricoh Group is becoming a digital services company that supports worker creativity.

We will stay close to workers in pursuing business growth and ESG-centric management to realize Fulfillment through Work.

Key management capital

Financial capital²

- Capitalization (as of March 31, 2023): ¥135.3 billion
- Growth investments (fiscal 2021–2025): ¥500 billion

Intellectual capital

- Number of patents held: Around 35,000
- R&D expenditures: ¥107.7 billion

Human capital

- Number of employees: Around 80,000
- Number of digital experts (in Japan): Around 2,200
- Number of employees with Robotic Process Automation training: Around 6,100

Social capital

- Customer base: Around 1.4 million companies
- Number of @Remote*-connected units: Around 4.1 million
- Global operations: Around 200 countries and regions
- * Support and services for remote management of MFPs and other equipment

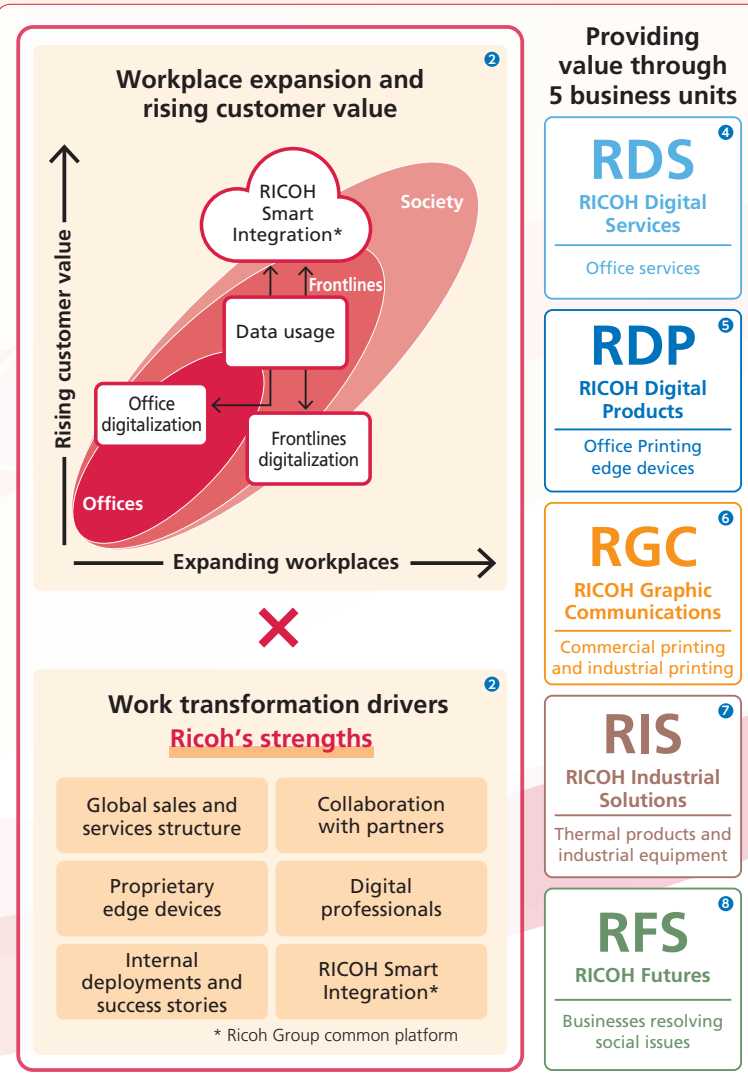
Manufacturing capital

- Key production sites: 21
- Key suppliers that are signatories to Ricoh Group Supplier Code of Conduct: 303

Natural capital

- Energy inputs: 3,501 terajoules
- Total resource inputs: Around 320,000 metric tons

Digital services company business model



Seven material issues³

- Creativity from Work
- Community and Social Development
- Zero-Carbon Society
- Circular Economy
- Responsible Business Process
- Open Innovation
- Diverse and Inclusive Workforce

Resolving social issues through business

Robust management infrastructure

Ricoh Way¹
The Spirit of Three Loves

Ricoh's DNA

Continue to stay close to customers

External environment

- Changing work practices and lifestyles
- Accelerating digitalization
- Growing need for information security
- Transitioning to carbon-neutral economy
- Shifting to circular economy
- Human rights issues and supply chain management demands
- Increasing ESG investments
- Rising geopolitical risks

Financial and future financial value creation

	Financial ^{13 15 16}	Future financial perspectives ^{3 14 17 18}	
	Business perspectives	Financial perspectives	Resolve social issues through business
21st Mid-Term Management Strategy ¹⁵ Fiscal 2023–2025 (Targets)	<ul style="list-style-type: none"> Generate more than 60% of sales from digital services Increase recurring revenue business earnings by 18% Increase recurring revenue business earnings from non-Office Printing to 54% Increase profitability per employee by 70% 	<ul style="list-style-type: none"> ROE exceeding 9% Return on invested capital (ROIC) exceeding 6.5% Operating profit ¥130 billion Total return ratio exceeding 50% 	<ul style="list-style-type: none"> Customer satisfaction survey scores: 29% Number of people to whom we have contributed by improving social infrastructure: 15–20 million Greenhouse gas Scope 1 and 2 reduction rate: 50%* GHG Scope 3 reduction rate: 35%* Renewable energy usage ratio: 40% Avoided emissions: 1.4 million metric tons Virgin materials usage ratio: 80% or less
20th Mid-Term Management Plan ¹⁶ Fiscal 2021–2022 (Results vs targets)	<ul style="list-style-type: none"> Digital services sales ratio 44% vs 46% Transition to business unit structure Adoption of ROIC management Adoption of business portfolio management Growth investment implementation plans 	<ul style="list-style-type: none"> ROE 5.9% vs 7% ROIC 4.9% vs 5% or more Operating profit ¥78.7 billion vs ¥90 billion Total return ratio 93.8% vs 50% or more 	<ul style="list-style-type: none"> Top score rate in customer surveys Japan 37%, Europe, Middle East, and Africa (EMEA) 20%, APAC 32%, Americas 89% vs 30% or more Number of people to whom we have contributed by improving social infrastructure 10.01 million vs 10 million GHG Scope 1 and 2 reduction rates 45.5% vs 30%* GHG Scope 3 reduction rate 31.4% vs 20%* Renewable energy usage ratio 30.2% vs 30% Virgin material usage ratio 84.9% vs 85% or less
			<ul style="list-style-type: none"> Corporate Human Rights Benchmark score Top in information and communication technology sector Compliance with NIST SP 800-171 Coverage of Ricoh's core business environment 80% or more Percentage of low-compliance risk Group companies: 80% or more Contracted joint R&D agreement ratio: 25% Digital service patent application ratio: 60% Number of Japan employees with Ricoh Digital Skills Level 2 or above rating: 4,000 Process DX Silver Stage certified employee ratio: 40% Employee engagement score: 3.91 globally Female-held managerial position ratio: 20% globally (10% in Japan)

* Compared with 2015

* Compared with 2015



For more details see: ¹ Ricoh Way on pages 3–4 ² Business model as a digital services company on pages 15–16 ³ ESG Strategy on pages 33–36 ⁴ RDS on pages 43–44 ⁵ RDP on pages 45–46 ⁶ RGC on pages 47–48 ⁷ RIS on pages 49–50 ⁸ RFS on pages 51–52 ⁹ Human Capital Strategy on pages 23–26 ¹⁰ Digital Strategy on pages 27–28

¹¹ Operational Excellence Strategy on pages 29–30 ¹² Technology and Intellectual Property Strategy on pages 31–32 ¹³ Financial and Capital Strategy on pages 37–40 ¹⁴ Governance on pages 71–92 ¹⁵ Overview of 21st Mid-Term Management Strategy on pages 19–20 ¹⁶ Reviewing the 20th Mid-Term Management Plan on pages 17–18 ¹⁷ Environment on pages 55–60 ¹⁸ Social on pages 61–68

Business model as a digital services company

We will simultaneously enhance customer value and deliver corporate growth by leveraging our global customer touchpoints and other strengths and through providing digital services that help bolster productivity and unleash creativity. This section describes the key components of The Value Creation Process, presented on page 13.

1 Capital as a source of corporate value

Financial capital: Factor ROIC into strategic resource allocations

We seek to generate returns exceeding the cost of capital. We will primarily allocate equity to growth businesses with relatively high risks and leverage debt for stable businesses. We will constantly verify and improve cash flow allocations to optimize our capital structure.

Intellectual capital: Strengthen our ability to innovate

We will create, acquire, and apply useful intangible assets through research and development based on our business and technology strategies.

- Edge device technology (image processing and optical technologies), development, and production capabilities
- RICOH Smart Integration
- Practical know-how harnessing digital technology and data to improve business processes

Human capital: Develop talent to support creativity

Our 80,000 global employees draw on the Ricoh Way in using digital technology to change the world of work. They aim to deliver Fulfillment through Work by helping customers to become more productive and creative.

Social capital: Expand global coverage

We draw on a global customer base of 1.4 million companies and 4.1 million devices in field by providing diverse services and solutions that cater to the challenges of those entities.

Manufacturing capital: Build a resilient supply chain

We built a resilient development and production structure that encompasses multi-replacement design*1 and a flexible production site structure*2 to optimize our global supply chain.

2 Ricoh's strengths driving work transformations

Global sales and services structure

One key strength is that we deal directly with customers through a locally grounded, global sales and service structure. We provide high-value-added solutions by balancing an optimal regional presence and Group synergies.

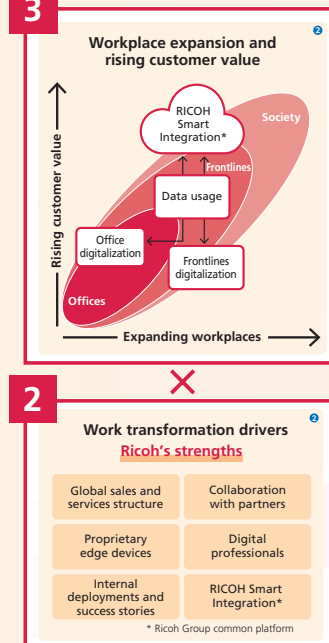
Proprietary edge devices

We leverage our image processing, optics, and other technical expertise, development capabilities, and production capacity to develop and provide multifunctional and other devices serving as entry and exit points for text, photos, audio, video, and other analog and digital information.

Internal deployments and case studies

We deploy digital technology to transform workflows in back offices and in development, production, and other frontlines to strengthen our solutions capabilities. We also deliver value to customers by drawing on successes within the Ricoh Group.

Financial capital	
• Capitalization (as of March 31, 2023):	¥135.3 billion
• Growth investments (fiscal 2021–2023):	¥500 billion
Intellectual capital	
• Number of patents held:	Around 35,000
• R&D expenditures:	¥107.7 billion
Human capital	
• Number of employees:	Around 80,000
• Number of digital experts (in Japan):	Around 2,200
• Number of employees with Robotic Process Automation training:	Around 6,100
Social capital	
• Customer base:	Around 1.4 million companies
• Number of @Remote*-connected units:	Around 4.1 million
• Global operations:	Around 200 countries and regions
* Support and services for remote management of MFPs and other equipment	
Manufacturing capital	
• Key production sites:	21
• Key suppliers that are signatories to Ricoh Group Supplier Code of Conduct:	303
Natural capital	
• Energy inputs:	3,501 terajoules
• Total resource inputs:	Around 320,000 metric tons



Natural capital: Achieve a carbon-neutral, circular economy through business

We are committed to minimizing the energy and resources used in our operations and reducing our carbon footprint.

*1 Highly general and versatile designs that make it possible to cater swiftly to sudden parts changes

*2 Makes it possible to manufacture key models across multiple sites and later retrofit missing parts

Collaboration with partners

We collaborate with partners with various strengths to cater to national and regional market characteristics and deliver high value that aligns effectively with customer needs.

Digital professionals

We develop and acquire professionals who can use digital technology and data to create and accelerate our digital services. These people work closely with customers through our five business units to generate new value.

RICOH Smart Integration

This common Group platform makes it possible to provide high-value-added services by connecting edge devices and applications from Ricoh and other companies. We address wide-ranging customer challenges by building an ecosystem centered around this platform.

3 Digital services company business model

Rising customer value

Digitalizing office and frontlines processes to boost productivity

We combine proprietary edge devices with applications and services for different industries and tasks to streamline office and frontlines operations. We transform entire workflows by offering managed services that support everything from installation to management and operations.

Tapping data to create new value

Storing and using digital office and frontlines data on the RSI platform helps to enhance and automate business operations. We use AI to analyze data in continuously creating new value that exceeds customer expectations.

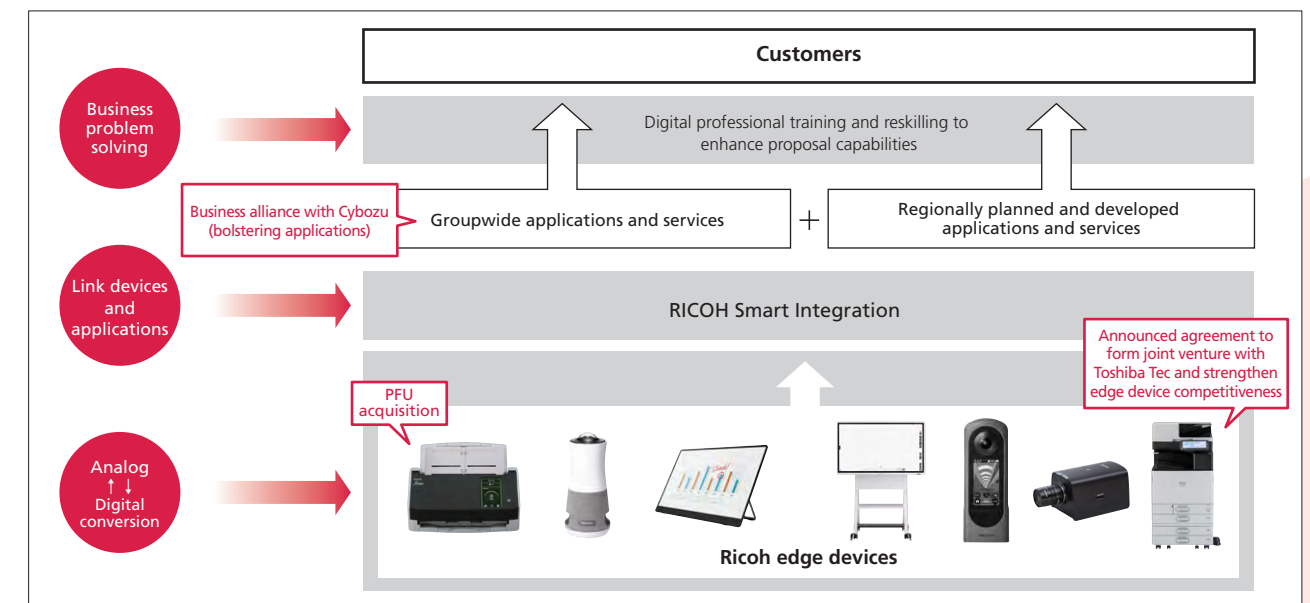
Workplace expansion

By digitally connecting people, offices, and workplaces, we transform how customers work and help realize a sustainable economy.

Ricoh's digital services

We help digitalize customer work processes by combining our unique strengths. Digital professionals in around 200 countries and regions draw on in-house practices and success stories in working closely with customers to offer digital services that resolve their issues. RICOH Smart Integration connects devices, applications, and services from Ricoh and other companies to generate new value.

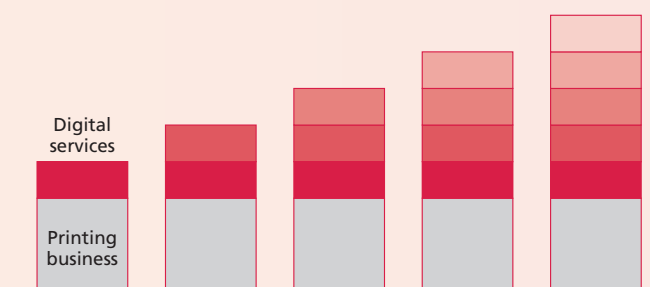
We have made two significant moves to reinforce our edge device positioning. In fiscal 2022, we acquired global business scanner leader PFU. In May 2023, we announced a basic agreement to establish a joint venture with Toshiba Tec. We bolstered our capabilities in applications in fiscal 2022 by forming a business alliance with Cybozu to develop RICOH kintone plus in Japan and North America.



Establish and monetize digital services-based recurring revenues business

As a value co-creation partner, we aim to help enhance business efficiency and creativity by swiftly identifying the constantly changing issues of our customers.

We augment revenues from our printing business by accelerating efforts to generate recurring revenues in the growing digital services field and expand earnings over the medium through long terms. We will continue to build recurring revenues from application services and support services for the various devices used in our digital service offerings.



Reviewing the 20th MTP

The basic policies of the Ricoh Group's 20th MTP were to enhance business competitiveness, strengthen management underpinnings, and improve capital returns. Over its two years through fiscal 2022, this initiative sought to transform Ricoh into a digital services company that revolutionizes work productivity.

Basic policy
1

Enhance business competitiveness

Grow businesses and strengthen corporate structure, adopting business unit setup to increase autonomy of these operations and adapt swiftly to customer changes

Basic policy
2

Strengthen management underpinnings

New Group headquarters aims to reinforce human resources, infrastructure, and technology underpinnings

Basic policy
3

Improve capital returns

Sustainably increase corporate value through policies based on an optimal capital structure

Key financial targets and results

Steadily reinforced management underpinnings but did not reach business growth targets despite taking flexible and timely steps to overcome parts and materials shortages and other challenges

Consolidated sales in fiscal 2022, the final year of the 20th MTP, were ¥2,134.1 billion. This exceeded our initial target.

Operating profit was ¥78.7 billion, which was short of our initial ¥100 billion target. Tight supplies of parts and materials, particularly in the Office Printing business, and lower factory utilization rates owing to lockdowns in China in 2022 hampered our efforts to cut manufacturing costs. At the same time, we boosted edge device sales by rolling out production measures to counter these external factors and improve supplies toward the end of fiscal 2022. Non-hardware operations also recovered, albeit more slowly than envisaged. Despite shortages of information and communication technology products and other factors that detracted from sales activities, we

boosted revenues and earnings from a year earlier on the strength of several upside factors. Among them were deployments of services and solutions independent of information and communication products, contributions from companies we acquired in Europe and the United States, the consolidation of PFU in September 2022, and the impact of a lower yen.

Financial benchmarks	20th MTP targets	FY2022 results
Consolidated sales	¥2,000 billion	¥2,134.1 billion
Operating profit	¥100 billion	¥78.7 billion
Operating margin	5.0%	3.7%
ROE	9.0% or more	5.9%
ROIC	6.5%	4.9%

Key future financial targets and results

On track with future financial targets, for which we are held in high regard

Future financial targets	20th MTP targets	Results
Top score rate in customer surveys	30% or more	Japan: 37% Europe: 20% APAC*: 32% Americas: 89%
Number of people to whom we have contributed by improving social infrastructure	10 million	10.01 million
GHG Scope 1 and 2/Scope 3 reduction rates	30% / 20%	45.5% / 31.4%
Renewable energy utilization ratio	30%	30.2%
Virgin material usage ratio	85% or less	84.9%
Suppliers signing Ricoh Group Supplier Code of Conduct	Completed for key suppliers	98% completed
Co-creation innovations	20% increase	20.1% increase
Ricoh Family Group engagement score	50th percentile or higher in each region	Japan: 54th percentile Americas: 45th percentile Europe: 38th percentile APAC: 39th percentile

*Asia-Pacific region

Key external recognition

- ✓ **Dow Jones Sustainability World and Asia Pacific indices**
Included since 2020 (World) and 2018 (AP)
- ✓ **Global 100 Most Sustainable Corporations (2023)**
Selected an 11th time
- ✓ **Grand Prix in Nikkei SDGs Management Grand Prix and Environmental Value Award (2022)**
Obtaining perfect five-star rating for four straight years
- ✓ **Remaining on CDP climate change A List**
- ✓ **Gold Rating in EcoVadis supplier assessment**
Included since 2014
- ✓ **Included in Government Pension Investment Fund of Japan's five major ESG indices for Japanese equities**

For more details see: [ESG targets and results on page 33](#)

20th MTP review and 21st MTS improvement priorities

We instituted a range of internal reforms during the two-year 20th MTP to strengthen our management underpinnings. To cite an example, we adopted a business unit structure in April 2021 under which each of those units operates autonomously and promptly addresses changes in its markets. Also, we accelerated structural reform efforts by undertaking ROIC and business portfolio management. While steadily investing for growth, including through acquisitions, we progressed toward becoming a digital services company by developing talent to support these services while taking steps to upgrade mission-critical systems.

In light of the 20th MTP, we are prioritizing three improvement areas under the 21st MTS.

The first is to overhaul our revenue structure and become

more profitable as a digital services company. We especially need to build recurring revenues to drive profitability as we expand digital services-related businesses.

Second, we aim to better address changes in the operating climate. We experienced significant transformations during the two years of the 20th MTP, with parts shortages and other factors affecting supply chain management and production systems. Improving our ability to respond to this change is critical to our ongoing success.

Third, we are cultivating new revenue pillars in new areas of digitalization. We have focused to date on the office business domain. Under the 21st MTS, we will keep establishing revenue sources in the frontlines, social, and new domains.

Key initiatives through 20th MTP

Declared Ricoh's transformation to become a digital services company

Instituted internal reforms

- Adopted business unit structure
- Deployed ROIC management
- Introduced business portfolio management

Invested in growth

Areas to strengthen under 21st MTS

- 1 Secure stable revenue sources**
- 2 Build structure that is highly responsive to change**
- 3 Grow in new digitalization domains**

Overview of 21st MTS

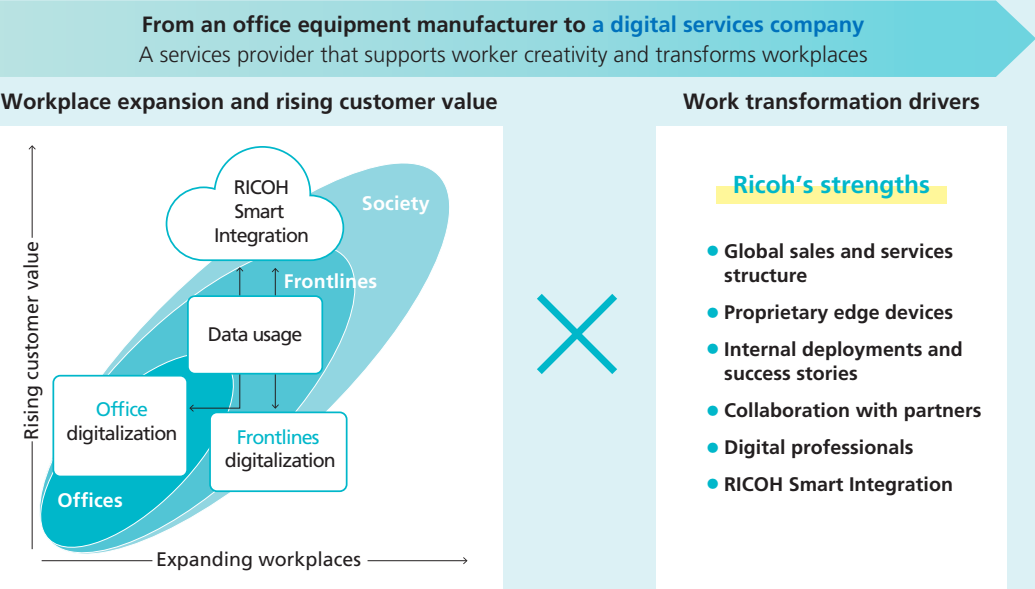
21st MTS

In March 2023, we announced this strategy, which we initiated in April.

Our objectives over the medium through long terms in striving to realize our Mission & Vision of Fulfillment through Work are to become a digital services company that supports

workers’ creativity and provides services that transform work-places. We will do that by broadening our digital services scope beyond the office domain, which centers on selling MFPs, to include frontlines and social domains. We will expand customer value in all workplaces.

Expanding workplace and customer value by providing value as a digital services company



Future financial perspectives

ESG initiatives are vital to generate future finances. We will undertake activities covering the entire value chain to cater to the rising ESG demands of stakeholders in keeping with our commitment to maintaining a world-class reputation for sustainability and ESG.

We redefined some material social issues in embarking on the 21st MTS. We will also take on the challenge of identifying businesses that help resolve social issues and their impacts on our results.

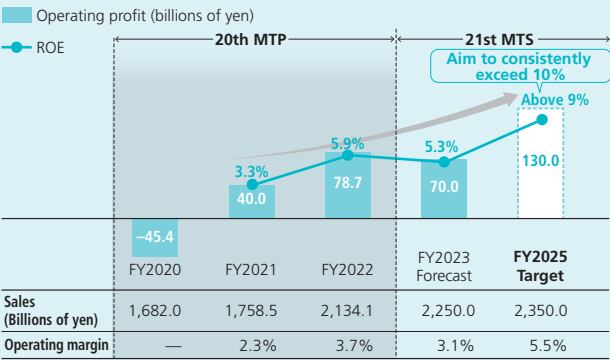
For more details see:
[ESG strategies on page 33](#)

Financial perspectives

Under the 21st MTS, we seek to grow as a digital services company by pursuing customer-centric innovation and striving to increase corporate value. For fiscal 2025, the final year of this MTS, we target sales of ¥2,350 billion, operating profit of ¥130 billion, and an ROE of more than 9%.

For more details, see:
[Financial and capital strategies on page 37](#)

21st MTS Financial Targets Consolidated sales, operating profit, and ROE



Segment sales and operating profit targets

RICOH Digital Services driving growth, with frontlines and social areas becoming key earnings sources

Business units	FY2025 targets		Key businesses
	Sales (compound annual growth rates)	Operating profit (changes from FY2022)	
RICOH Digital Services	¥1,750.0 billion (2.0%)	¥60.0 billion (+¥31.7 billion)	Office Services Office Printing Edge devices
RICOH Digital Products	¥420.0 billion (-1.6%)	¥34.0 billion (+¥2.4 billion)	
RICOH Graphic Communications	¥280.0 billion (6.0%)	¥18.0 billion (+¥3.4 billion)	Commercial Printing Industrial Printing
RICOH Industrial Solutions	¥160.0 billion (11.2%)	¥12.0 billion (+¥8.8 billion)	Thermal Products Industrial Facilities
RICOH Futures	Others + Companywide and eliminations	¥6.0 billion (+¥4.8 billion)	Businesses resolving social issues
Group headquarters			
Total	¥2,350.0 billion (3.3%)	¥130.0 billion (+¥51.2 billion)	

Four key performance indicators and fiscal 2025 targets

We formulated these benchmarks and targets to manage progress toward our transformation into a digital services company.

The first indicator is to reform our business portfolio and shift to digital services growth areas. We aim to generate more than 60% of sales from those services by fiscal 2025.

The second is to transform our business model and boost profitability. We aim to increase recurring revenues by 18%

from the fiscal 2022 level by fiscal 2025 by developing a business model that generates ongoing compensation.

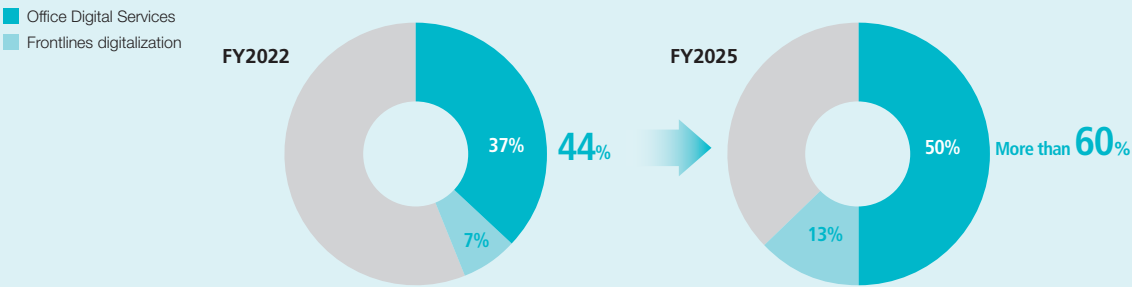
Third, we will derive 54% of recurring earnings from non-Office Printing businesses by fiscal 2025.

Fourth, we will maximize the potential of human capital, increasing profitability per employee by 70% from fiscal 2022 by fiscal 2025. We will do that by reallocating talent to growth areas by reskilling and lifting organizational productivity.

Key performance indicators for boosting earnings

Companywide initiatives	Direction	FY2025 targets for four main key performance indicators (compared with FY2022 results)
Reform business portfolio	Shift to digital services growth areas	① Generate more than 60% of sales from digital services
Transform business model and boost profitability	Increase overall earnings from recurring revenue levels and expand in non-Office Printing areas	② Boost recurring earnings by 18% ③ Raise non-Office Printing ratio to 54%
Maximize human capital potential	Reallocate human capital to growth areas by reskilling and lifting organizational productivity	④ Increase profitability per employee by 70%

Current and targeted digital services sales contributions (Excluding Other businesses)



See the following sections for details:
[Human capital strategy on page 23](#) [Digital Strategies on page 27](#) [Operational excellence strategy on page 29](#)
[Technology and intellectual property strategy on page 31](#) [ESG strategies on page 33](#) [Financial and capital strategies on page 37](#)

Basic Policies and Key Points of 21st MTS

Basic policy

1

Reinforce regional strategies and evolve Group management

Build a stable earnings base by amassing highly profitable digital services recurring revenues

We will generate earnings non-Office Printing and build a highly profitable structure. It is accordingly important to do three things. These are to improve our customer touchpoint value creation capabilities, demonstrate Group synergies, and be able to tackle business climate changes so we can keep enhancing earnings.

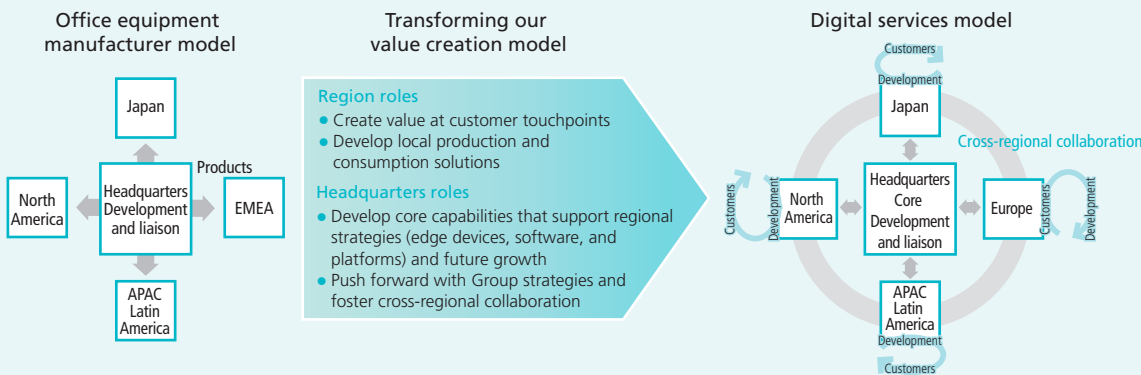
We operate in Japan, EMEA, North America, and around APAC and Latin America. Our customer bases vary across those regions. No two customers have the same challenges or needs. We therefore need to strengthen touchpoints with regional customers and build a local production and consumption

development structure so we can swiftly deliver solutions while staying close to customers and help them transform their work practices. Under the 21st MTS, we will reinforce customer touchpoints by factoring in regional customer characteristics and our current organizational capabilities, thereby enhancing our structure to deliver value.

We will generate global synergies as a Group by having headquarters take the lead in building an ecosystem through the RICOH Smart Integration, bolstering and globally deploying proprietary software, and developing and supplying competitive edge devices.

Enhance customer touchpoint value

Become a digital services company with a strategy to create value with regional customers



EMEA	North America	Japan
<p>Phase to maximize synergies between acquired companies and existing sales subsidiaries</p> <p>One Ricoh growth strategy and expanded recurring revenue from services</p> <ul style="list-style-type: none">● Maximize synergies between acquired companies and Ricoh sales subsidiaries✓ Strengthen high-value-added services capabilities (Workplace solutions for big corporations; information and communication technology managed services for mid-sized companies)✓ Uphold acquisition strategy to steadily enhance competitiveness and grow discontinuously● Develop recurring revenue services and continue to expand business✓ Accelerate RICOH Spaces and managed audiovisual service deployments <p>Strengths</p> <ul style="list-style-type: none">● Customer base in more than 60 countries of 180,000 mainly mid-sized and large companies● Secured information and communication technology and audiovisual capabilities through acquisition strategy and pan-European expansion● Provided multiskills training of 3,200 direct sales and 4,800 field engineering Office Printing and Office Services people	<p>Speed up major client Business Process Services (BPS) digitalization by focusing on targeted industries</p> <p>Deploying digital services to robust customer base</p> <ul style="list-style-type: none">● Transition from traditional staff dispatch model to BPS tapping digital technology✓ Digitalize BPS to enhance convenience and profitability✓ Expand digital services portfolio by sector through local planning and development entities● Sell new Office Services business add-ons for customer base of large and very large companies✓ Deploy managed audiovisual services through synergies with Cenero, LLC <p>Strengths</p> <ul style="list-style-type: none">● Customer base of approximately 1,800 on-site managed service locations, mainly major and very large companies● High-quality and extensive business outsourcing record and customer reach● Portfolio and personnel deployment across key financial services, healthcare, and retail sectors● Secured audiovisual integrator capabilities by acquiring Cenero	<p>Keep cultivating and deepening customer relationships in priority areas, centered on highly profitable Office Services</p> <p>Boost profitability by reinforcing digital services that resolve industry and business issues</p> <ul style="list-style-type: none">● Cultivate customers in the vital manufacturing, distribution, construction, healthcare, and municipal government sectors● Increase recurring revenues primarily from Scrum series, RICOH kintone plus, and Empowering Digital Workplaces initiatives● Broaden center and on-site managed services by collaborating with PFI <p>Strengths</p> <ul style="list-style-type: none">● Serve around 1 million businesses, primarily small and medium-sized enterprises and mid-sized companies● Localized, nationwide sales support structure● Create and deploy solutions that address issues and capitalize on seasonal market opportunities● Ranked first for eight consecutive years in J.D. Power's customer satisfaction survey of IT solutions provider and server maintenance services● Ranked first in number of IT grants for three straight years

For more details, see:
[RICOH Digital Services on page 43](#)

* BPS resolve issues related to corporate business processes by outsourcing tasks to specialist vendors

Basic policy

2

Build revenue sources in frontlines and social domains

Secure recurring revenues in non-office domain while resolving social issues based on our amassed technologies

While we generate our revenues primarily from the office domain, we will expand our digital services and frontlines businesses to deliver value to more diverse customers. Operations at many manufacturing, logistics, and other frontlines sites still run on analog processes. We aim to leverage our technologies to develop new businesses. We will cultivate businesses that relate directly to resolving social issues.

Priority businesses under the 21st MTS include commercial printing, primarily for printing industry customers, as well as thermal solutions for printing on food, logistics, and other packaging. Also among them are businesses that help resolve social issues, a good example being PLAiR, a material that helps reduce pollution from waste. We will identify priority business domains and build key revenue sources in frontlines and social domains.

For more details, see:
[RICOH Graphic Communications on page 47](#) [RICOH Industrial Systems on page 49](#) [RICOH Futures on page 51](#)

Basic policy

3

Leverage global talent

Maximize human capital worldwide and shift people to growth areas

It is vital to leverage talent to transform our business structure and expand our value proposition globally. We position

employee capabilities as a form of capital. We accordingly formulated a human capital strategy to invest extensively in people.

Human Capital Strategies Driving Business Growth

Key initiatives under 20th MTP	Human capital strategies	Key performance indicators
<ul style="list-style-type: none">● Encouraged employee self-motivation● Introduced Ricoh job-based employment system (in Japan)● Developed and reinforced digital professionals● Reviewed evaluation system● Fostered diversity and inclusion● Pursued Fulfillment through Work	Human capital stance	<ul style="list-style-type: none">● Transfer rate based on Individual Development Plan*● Female-held managerial position ratio● Digital training completion rate● Employee engagement
	Digital professional reinforcement	<ul style="list-style-type: none">● Upskill and increase number of such employees
	Human resources portfolio management aligned with business strategies	<ul style="list-style-type: none">● Profitability per employee

* The Individual Development Plan-based transfer rate represents the percentage of transfers and job changes based on such a plan

Autonomy, growth, and Fulfillment through Work underline our human capital strategy. We look to simultaneously realize job satisfaction and business growth by empowering our people to gain valuable experience at Ricoh.

As well as boosting the skills of Group employees, we will enhance the expertise of digital professionals who can help

create and accelerate our digital services. We will also reinforce talent to create advanced services at regional customer touchpoints and deploy our services models worldwide. We will cultivate tomorrow's managers in various ways, such as by implementing a fast-track digital services leadership development program and by offering experience in projects across the world.

For more details, see:
[Human capital strategy on page 23](#)

Human Capital Strategy

From the two-year 20th MTP that laid the foundations for our human capital strategy toward an execution phase

Message from the Chief Human Resources Officer

Ricoh's Mission & Vision is to deliver Fulfillment through Work by remaining close to customers in striving to create new value from work. At Ricoh, people are more than just the implementers of strategy; they are the very foundation of our business and our company.

How do we harness and develop talent at Ricoh? We intensively formulated programs and frameworks during the two years of the 20th MTP. The Ricoh-style job-based personnel system introduced in Japan is one of the core components of these initiatives, and is the basis for transforming Ricoh into a digital services company. We will devote the next three years to executing plans to build the house on that basis. The following explains the three pillars of our new human capital approach.

Mayuko Seto CHRO



Three pillars of our human capital policies

1. Encourage employees to fulfill their potential

We believe that there are two basic principles for maximizing human capital. First, employees should take the initiative to make the most of their strengths. Second, the Company should put the right people in the right positions.

It was to that end that we introduced the Ricoh-style job-based personnel system in fiscal 2022 and expanded our internal recruiting program. What we need next is for employees themselves to consider and plan their careers and enhance their skills. For daily work, we are fostering hybrid workstyles that incorporate the benefits of remote and office work to maximize individual and team performances. In addition to creating an environment in which employees can be autonomous and self-motivated, we will continue to encourage employees and their managers to unleash their potential.

2. Align personal and business growth

Ricoh has always been close to the work of customers. We aim to help them leverage digital technology to become more efficient and productive, so they can focus on more creative work. It is therefore essential for our employees to master the digital technologies they need and apply them in their work. By proposing and supplying customers with new work approaches that we have cultivated internally, we will open new vistas to the world of work.

3. Enable employees to experience Fulfillment through Work

We have to amass experiences that bring us Fulfillment through Work before expecting customers to get the same satisfaction. We want our people to enhance their skills in a diverse, co-creative culture and find pleasure in work.

Positive and fulfilling employee experiences empower us to create a robust corporate culture as a digital services company and tackle all sorts of changes.

Human capital value creation model

The value creation model for cultivating Ricoh's unique human capital is as follows.

Ricoh's culture is at its core. We created this by combining capabilities (the ability to execute business strategies) and mindsets. We have defined core themes for capabilities and mindsets across the 21st MTS. When designing and executing human resources measures in keeping with these themes, we optimize the Ricoh culture.

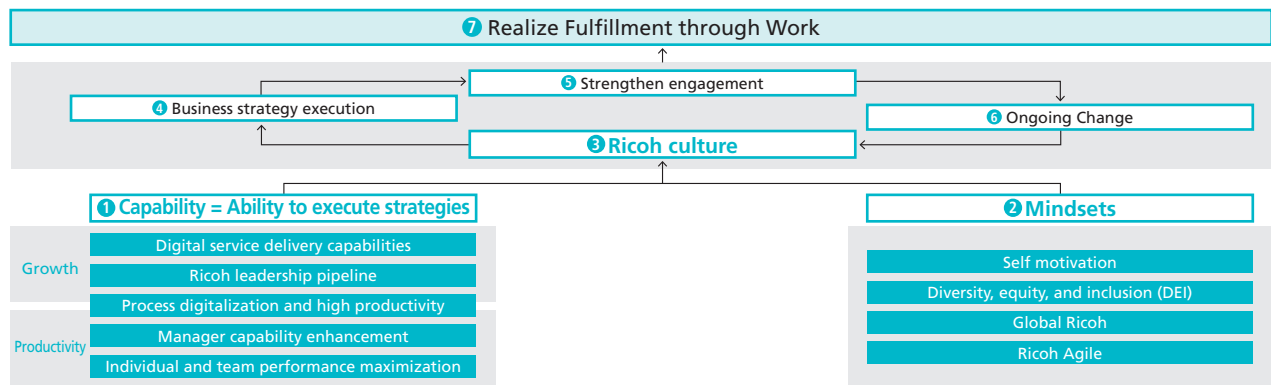
As we execute specific strategies, we accumulate successes from reaching goals and enhance employee engagement. This fuels even more changes and a cycle in which Ricoh constantly evolves and changes.

This cycle culminates in the Fulfillment through Work to which we aspire, inspiring the growth, achievements, and transformations of individual employees. We believe that creating this cycle is the source of success in our corporate endeavors.

We have defined our focuses for the future in the chart below. There are five capabilities themes from growth and productivity perspectives and four mindset themes. For each theme, we have formulated concrete human resources strategies that we will implement over the three years of the 21st MTS.

While the Spirit of Three Loves on which we base the Ricoh culture remains unchanged, the internal and external operating climates and business strategies continue to evolve. Over the medium and long terms, we must accordingly adapt each theme related to the capabilities and mindsets we need to execute our business strategies. We will address subsequent challenges and themes as we implement strategies. We believe that these focuses and associated human resources policies will change dynamically over time.

The next page showcases specific measures.



Three pillars to achieve simultaneous personal and business growth

The three pillars of our approach to human capital				
Group policies	1 Self motivation	2 Growth	3 Fulfillment through Work	
	Encourage employees to fulfill their potential Self-disciplined mindsets and self-directed work approaches maximize performances of individual workers	Align personal and business growth Unleash employee creativity and foster business growth by leveraging digital skills	Enable employees to experience Fulfillment through Work Create a corporate culture that embraces Fulfillment through Work by globally offering the same employee experiences	
Employee experience	Self-directed career planning	Personal and business growths	Materialize Fulfillment through Work	
	Career ownership Self growth	Ricoh Agile*1 Digital basics	Process digitalization*2 Strengthen DEI	Global Ricoh Ricoch Way Co-creation culture
	KPIs*4 Internal job reassignment rate based on Individual Development Plan	Digital training completion rate*3	Female-held managerial position ratio	Employee engagement score
	FY2025 targets 60% or more	100%	Global: 20% Japan: 10%	3.91

*1 Ricoh Agile: In-house design thinking + agility model for organizational management
*2 Process digitalization: Redesigning work and processes with digital technology
*3 Digital training: Generic term for training programs encompassing Ricoh Agile and process digitalization and digital basics
*4 KPIs: Key performance indicators

Human Capital Strategy

Establish and strengthen capabilities and mindsets underpinning Ricoh’s culture

Capabilities = Ability to execute strategies

Ability to deliver digital services

We are improving value creation at customer touchpoints by pursuing business strategies that we have optimized for each country and region. We consider such factors as customer segments, business environments, and infrastructure preparedness. We similarly tailor employee digital skills development to country and regional needs.

We define necessary digital skills by region and implement specific improvement measures in line with current circumstances. Below are examples from Japan and Europe.

1. Japan

We opened the Ricoh Digital Academy in 2022. We designed the curriculum to encourage all Group employees to enhance their digital proficiencies and help create and accelerate digital services.

We have identified several digital professional skillsets that we particularly aim to reinforce. These are business producers and designers, cloud architects, data scientists, and information security experts. We seek to increase the number of employees with Ricoh Digital Skills Level 2 or above to 4,000 in Japan under the 21st MTS.

21st MTS Goals for bolstering digital talent

Priority skills	Targets
Business producers and designers	500
Cloud architects	1,000
Data scientists	500
Information security personnel	2,000

It is also worth noting that Ricoh Japan, which provides digital services directly to customers, deployed a professional certification system in 2019 to enhance the skillsets and professional development of its people. Ricoh Japan enhances practical services delivery and sales skills by tracking certification levels according to knowledge, technical skills, and performance. It has its people update their certifications annually to maintain their capabilities. In April 2023, we launched the Professional Personnel System, which we have linked to the Professional Certification System, to encourage self-motivated growth.

Technical professional personnel and certification programs



2. EMEA

From 2020, we began a full-scale program to reskill customer engineers who had supported sales and service of MFPs to make them multi-skilled. Also, to quickly address fast-expanding service needs, we are developing more advanced programs with certain digital proficiency levels and are reallocating positions and assignments to optimize human resources. To date, approximately 2,000 customer engineers have completed our training program and are helping expand digital services in EMEA.

We established the Digital Academy in this region to strengthen employee skills in software development, cybersecurity, cloud computing, and other fields.

Ricoh leadership pipeline

To continuously develop leaders who will lead Ricoh’s transformation and development, we promote comprehensive selection, assessment, and career planning for future candidates. We place emphasis not only on knowledge, skills, qualities, and experience, but more importantly, individuals’ aspirations. While preparing career plans for leadership candidates, the CEO and other management team members personally interviewed more than 100 of these people. The company focuses on accelerating the development of human resources, especially women and young people, by making concerted efforts to discover a wide range of talents.

It is also worth noting that our overseas acquisitions have brought a diverse pool of talent into the Ricoh Group. These new employees drive our business growth, so we review them individually as part of efforts to nurture them as potential leaders at Ricoh.

Process digitalization and high productivity

We visualize and digitalize processes in fostering operational excellence to function more effectively and efficiently. Our efforts in this regard extend from human resources, accounting, legal affairs, and other back-office areas to development, production, sales, and other business areas.

Amid a shortage of digital professionals, Ricoh is also developing consulting services to collaborate closely with customers as a value co-creation partner, resolving social issues with them by leveraging our in-house process digital transformation (DX) experience.

These endeavors align employee and business growth by having frontline workers harness digital technology to own and improve business processes and thus help expand operations and enhance results.

For more details, see:
[Operational excellence strategy on page 29](#)

Enhancing manager capabilities

Managers are vital to helping employees unlock their full potential. In 2020, we transitioned management away from overseeing tasks toward supporting and developing their growth. Our managers now have greater roles and responsibility in making teams more productive, promoting diversity, equity, and inclusion (DEI), and improving employee engagement to make workplaces more fulfilling.

In 2021, we inaugurated the Management College in Japan to develop the support skills of around 1,800 Group

managers. The curriculum helps participants understand their roles supporting those they manage. It shows them how to provide coaching, enhance their one-on-one skills, cultivate teams that are productive, and provide high levels of job satisfaction. It also covers such medium- and long-term themes as employee career support and development. The college expands its curriculum every year so participants can constantly update their skills.

Maximizing individual and team performances

A hybrid work style that incorporates the advantages of both coming to work and working remotely has become commonplace. Ricoh’s work style system is flexible, and without issuing detailed directives, it has established guidelines to help employees stay on track, and emphasizes the following two points.

The first is that teams collectively formulate rules so members can collaborate effectively. The second is to devise ways to boost productivity and creativity. In 2022, we launched a periodic health check program to monitor changes in the well-being of employees and teams, so we can respond as needed to concerns. We will shape the world of work by finding fulfillment in our jobs so we can provide new value to customers.

Our corporate mindset

Ricoh nurtured a distinctive culture as a manufacturing company, embracing quality, individual accountability, respect for efficiency and organization, and a patient, collaborative approach to work.

To evolve as a digital services company, we need to foster this manufacturing-derived mindset while rapidly tackling change, responding globally beyond organizational silos, and creating an environment in which diverse talent can flourish. We are driving the internal adoption of Ricoh Agile, which combines principles of design thinking and agility in exploring real-world challenges by interacting with customers and swiftly delivering the digital services that work for them. We are pairing our mindset with our process digitalization skills to further enhance internal productivity. Also, we have formed global and regional DEI councils, through which we are systematically accelerating efforts to truly globalize our organization and co-create new digital services. Such activities will foster a more cohesive and distinctive corporate culture.

Digital Strategies

Deploying four key strategies to accelerate our transformation into a digital services company

Message from the Chief Digital Innovation Officer

Ricoh's Mission & Vision is to deliver Fulfillment through Work. We foster worker creativity through digital services that help them tackle the challenges of transforming how they do their jobs.

Under the 20th MTP, we strengthened the management underpinnings that are necessary to reach that goal. On the corporate culture and talent fronts, we opened Ricoh Digital Academy, which supports self-driven learning, to cultivate digital professionals and reach our ESG target for the number of employees with requisite skills to deliver value through digitalization. We migrated more than 70% of our internal information technology systems to the cloud. With our master data in place, we are ready to pursue data-driven management. It is also worth noting that we drew on RICOH Smart Integration as a common global service delivery platform to support deployments of such services as AI for Work and RICOH kintone plus.

We will leverage RICOH Smart Integration to connect workplaces and people and support their creativity by enabling them to use digital technology and data.

Yasuyuki Nomizu CDIO



Formulating four main strategies based on five key elements of the 20th MTP

The Digital Strategy Department must contribute to companywide results by fostering the growth of digital services that give business units a competitive edge. Our mission has two elements. The first is to draw on RICOH Smart Integration to deliver global business value creation. The second is to contribute to business growth by cultivating and strengthening digital professionals. It is to those ends that we formulated four major strategies for the 21st MTS based on five key elements that we defined and reinforced under the 20th MTP.

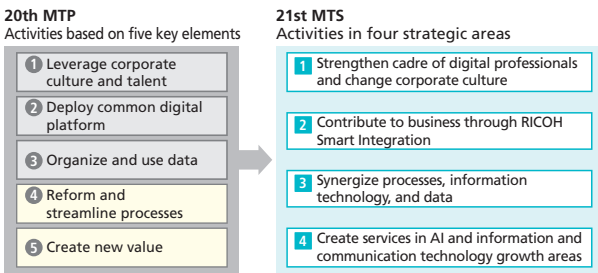
The first is to strengthen our cadre of digital professionals and change the corporate culture.

We will expand our pool of key talent, maintaining and reinforcing training programs centered around Ricoh Digital Academy, and will change our corporate culture.

Second, we will contribute to business through RICOH Smart Integration.

Reinforcing that platform will contribute to digital services sales, help business units to create and expand services, and assist in creating a digital services ecosystem*¹ that generates new customer value.

The third strategy is to synergize processes, information technology, and data.



We will upgrade internal mission-critical operations and endeavor to achieve operational excellence by reforming processes through such synergies.

Fourth, we aim to create services in AI and information and communication technology growth areas.

As our value proposition broadens to encompass office, frontlines, and society at large, we need to harness AI in each of those domains. We will develop technologies to expand advanced industry and business support services that tap our proprietary large language models, digital human*², and other technologies.

*1 In a digital services ecosystem, companies collaborate and coexist in tapping data to provide value in deploying digital services

*2 A digital human is a computer-graphics-generated three-dimensional avatar that replicates the appearance and behavior of people

For more details, see:
 ① Human capital strategy on page 23
 ② Operational excellence strategy on page 29

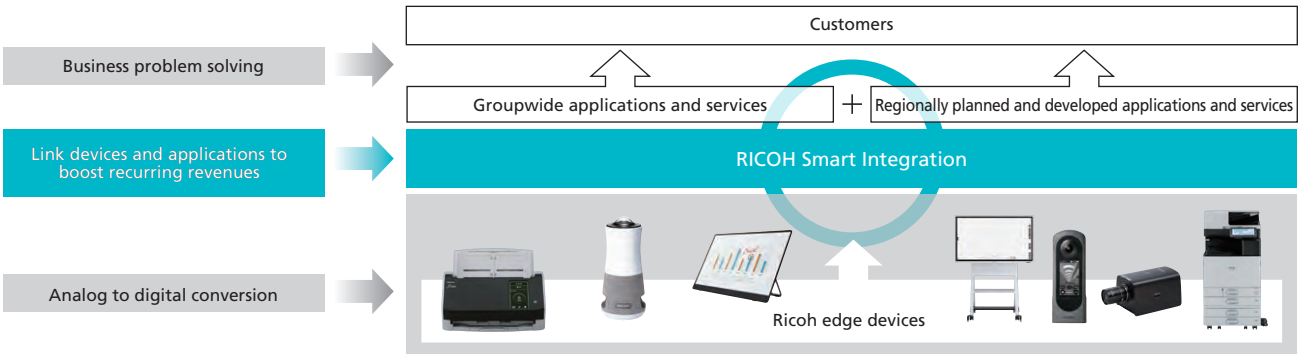
Contributing to business through RICOH Smart Integration

RICOH Smart Integration is a cloud-based platform whose basic functions are essential to develop and operate digital services. We use this common platform to create global business opportunities. We boost our competitiveness by enhancing product development efficiency and cutting costs while delivering high scalability and fostering innovation. We can thus swiftly deliver high-quality, high-value-added services internally and to our customers.

In fiscal 2023, we will endeavor to build a seamless digital services ecosystem by connecting globally delivered applications and services and edge devices through RICOH Smart Integration and simplify services collaborations and integrations between us and our partners. Through such efforts, we will reinforce our

Internet of Things infrastructure so we can seamlessly integrate our proprietary edge devices into digital services while strengthening governance for a data utilization infrastructure and companywide data usage. One example of such an approach is RICOH kintone plus, based on Cybozu's kintone cloud service, which leverages RICOH Smart Integration to link our MFPs and a proprietary development plug-in for document workflows.

On top of this, we will reinforce our authentication infrastructure for key customers, which need sophisticated security measures. We will also enhance ID functions to provide comprehensive managed services and optimize collaboration with IT systems across regions worldwide to expand recurring revenue businesses.



Creating services with AI and information and communication technology

Ricoh has developed a range of AI technologies to create digital office services. Among them are proprietary Japanese GPT3*¹ models, robust conference speech recognition technology, and digital humans whose voice interactions support industry and business tasks.

In frontlines and social domains, we have drawn on AI technologies employing images and voice recognition to develop techniques to visualize road and slope conditions for the construction and civil engineering sectors and technologies that enable manufacturers to detect equipment and machine tool anomalies. We have developed robotics*², smart glasses, and other information and communication technology (ICT) to accelerate AI usage in factories, outdoors, and other frontlines areas.

Under the 21st MTS, we are stepping up the development of such proprietary AI and ICT. At the same time, we seek to acquire technologies for rapidly progressing virtual spaces and expand AI-based workplaces and our customer value proposition.

For the office domain, in which COVID-19 pandemic accelerated a shift to online work, we will integrate proprietary large language models and digital humans with virtual space utilization technology to supply digital buddies*³ and other advanced

industry and business support services. We will also develop technologies for device-free use in real and virtual environments.

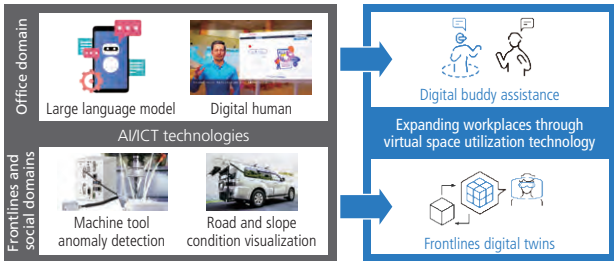
In the construction and manufacturing domains, which are stepping up their virtual space usage, we will help create business unit services in various ways. We aim to create frontlines digital twins, and will develop technologies to digitalize frontlines spaces using edge devices incorporating our unique AI technology. We will also develop robotics and extended reality technologies*⁴ to expand frontlines AI usage.

*1 GPT3: An OpenAI-developed pre-trained AI model that specializes in natural language processing

*2 Robotics focuses on designing, manufacturing, operating, and controlling robots

*3 A digital buddy is a virtual partner that uses AI to engage in human-like conversations

*4 Extended reality encompasses augmented, virtual, and mixed reality technologies delivering experiences that fuse real and digital elements



Operational Excellence Strategy

Contributing to business units and customers by delivering outstanding services at reasonable costs and leveraging our process digitalization expertise

Message from a Corporate Officer

The Ricoh Group has constantly pursued process digitalization initiatives by leveraging digital technology and data to enhance productivity. We created a process DX framework so all employees can take uniform approaches to overhauling processes. We developed and are employing a framework to help employees acquire the skills they need to drive reforms. Ricoh has thus steadily engrained digitalization activities from the bottom up at business unit and operational levels. Productivity has improved solidly in the Professional Services Division, which supports business growth from Group headquarters. We will broaden the scope of our efforts to encompass all Ricoh Group companies, including our five business units.

Meanwhile, we plan to overhaul core systems that are key to supporting the next generation of management. Rather than simply replacing systems, we will use this opportunity to renew the entire process of Ricoh Group operation by integrating the three elements of process, IT, and data.

We will contribute to the performance of our customers and the Ricoh Group by continuing to increase productivity through both bottom-up activities and overall process innovation and by applying the knowledge gained from these activities to resolve our customers' challenges.

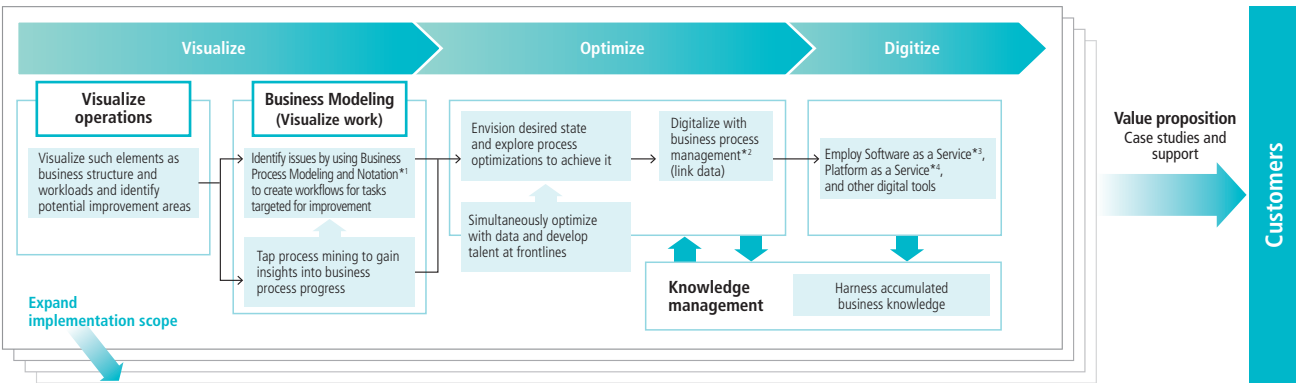
Kazuo Nishinomiya
Corporate Officer in charge of Professional Services



Digitalizing processes and delivering customer value

To achieve operational excellence, we defined a framework that routinely and efficiently implements process DX, transforming entire processes. In fiscal 2023, we will expand this initiative companywide, providing value as a service to customers based

on the experience we have accumulated and implemented within the Ricoh Group. In fiscal 2023, we will extend departmental and business unit efforts companywide.

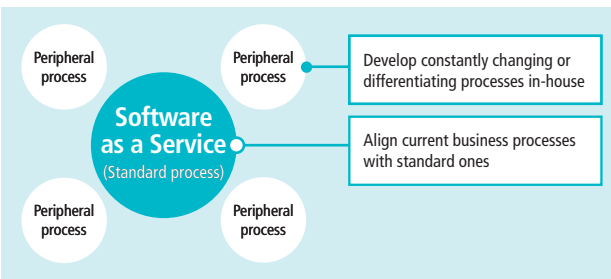


*1 Business Process Modeling and Notation is a graphical representation of a business process, and complies with the ISO 19510 standard
*2 Business process management is a structured approach to identify and continuously improve business processes to perform as they should through changes and improvements
*3 Software as a Service is a model for providing subscription software across the cloud
*4 Platform as a Service provides servers, operating systems, and middleware platforms needed for applications to run on the cloud

Reforming business processes while upgrading mission-critical systems

In overhauling our mission-critical systems, we are deploying an integrated Software as a Service approach in line with enterprise architecture* principles. While aligning our own processes as closely as possible to the standard Software as a Service ones, we are also developing peripheral processes in-house that constantly evolve and set us apart competitively so we can respond rapidly and flexibly to future changes.

* Enterprise architecture applies a unified methodology to model entire organizational setups and optimize their businesses and systems

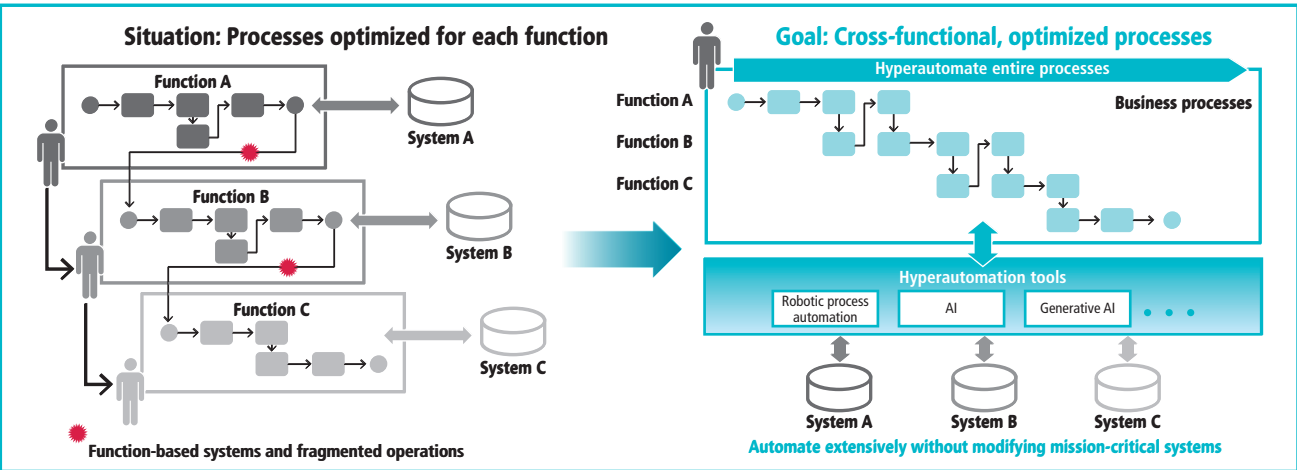


Dramatically improving employee experiences with hyperautomation*

To date, our process digitalizations have delivered positive results in raising productivity by overhauling business processes for the functions that employees themselves oversee.

We will focus not only on the operations of individual functions but also on entire processes, including the operations of

all employees involved. We will meet the challenge of dramatically improving employee experiences by thoroughly using digital technology and data and establish operationally excellent business processes that are resilient to change.

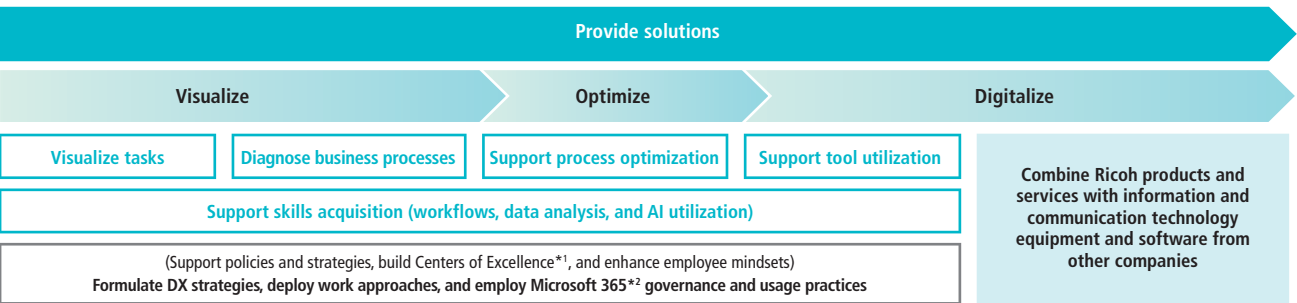


* Hyperautomation dramatically improves productivity by leveraging digital technology and data to link and automate multiple tasks

Leveraging in-house experience to deliver customer solutions

From fiscal 2022, we began collaborating with customers to resolve their issues by drawing on the specialized knowledge that our employees accumulate through their roles in their operations and practical process digitalization expertise that

the Group has amassed over the years. The accomplishment that comes from serving our customers will lead to Fulfillment through Work for our employees.



*1 Centers of Excellence are hubs of cross-organizational initiatives
*2 Microsoft 365 is a registered trademark or trademark of Microsoft Corporation in the United States and other countries

Technology and Intellectual Property Strategy

Undertaking global R&D to foster talent and amass digital intellectual property

Message from the Chief Technology Officer



We have begun exploring how best to structure and evolve global R&D as we transform into a digital services company. We are setting up industry-academia partnership hubs in Europe and Asia and are stimulating open innovation. Our focus on technology will become even more critical in coming years. A key management challenge determining our success is how best to build our technological assets. By encouraging engineers with wide-ranging expertise from different domains to interact and help each other broaden their expertise, we will cultivate talent and reinforce our technological capability.

Akira Oyama CTO

Establishing Technology Ethics Charter

The Ricoh Group has always operated in line with the Spirit of Three Loves, its founding principles. We expect all our employees to maintain strong moral compasses and do business with the highest regard for integrity and fairness. In keeping with the Japanese government's ethical guidelines, we set up the Ethics Review Committee in 2017, ensuring that an ethical review structure covering medical and human engineering research undergirds Ricoh's R&D.

Recent years have seen digital products and services roll out to streamline work processes and also predict the emotional states of workers. It is crucial to exercise great care with the AI technology that underpins digital services. That is because systems could be subject to malicious attacks from external parties, undermining the rights of individual users and society at large. Another concern is that system development errors could unintentionally fuel discrimination, prejudice, and disparities.

The Ricoh Group is acutely aware of these issues. That is why we established a specialist organization in April 2023 to formulate our Technology Ethics Charter by the end of the

year to mitigate such risks. The charter will cover R&D through sales and operations for wide-ranging digital services harnessing AI and imaging devices targeting humans. We will deploy the charter internally and externally to curb ethical risks inherent to developing systems and commercializing and operating digital services.

Outline of Technology Ethics Charter



R&D engagement and value proposition addressing ethical, legal, and social issues

Contributing to a society that amply protects the privacy of all personal data while meaningfully using it to benefit users and society at large

Formulating the technology strategy under our 21st MTS

Developing and delivering new digital services is central to achieving Fulfillment through Work. We formulated a company-wide technology strategy to enhance two solution areas, those areas requiring medium through long-term investments, and development areas that can be used across the Company.

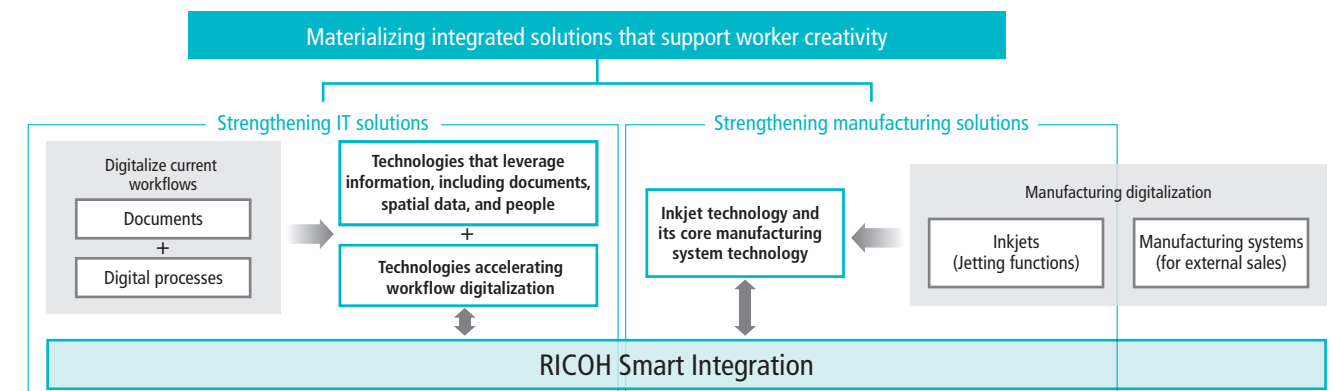
To reinforce IT solutions, we will develop technologies that enable us to differentiate our application services in three key respects (noted in the chart below). First, we are using technology that makes it possible to securely and suitably analyze, extract, and use information in office documents. Second, we created a technology that makes it possible to visualize and create a knowledge base of digitalized spatial data from front-lines and other information, and utilize it like the document information mentioned above. Third, another technology digitally captures inclusive knowledge and behavioral insights derived from interpersonal communication to motivate

individuals. We will also develop technologies to expedite workflow digitalization to swiftly and efficiently deliver added value at customer touchpoints across regions.

We are strengthening manufacturing solutions by driving advances in inkjet technology, which is one of our strengths. We will deploy services that accelerate digital manufacturing innovations in coating and other applications while minimizing the environmental impacts of jetting functions. Also, we will develop manufacturing system technologies that enable digital manufacturing by digitalizing inspection and other processes and linking the data.

As we continue to develop RICOH Smart Integration, we will link MFPs and workflows and support worker creativity by developing digital services that become integrated solutions connecting a range of edge devices and workflows.

Approaches to strengthening solutions for deploying digital services



Acquiring more patents in the digital domain

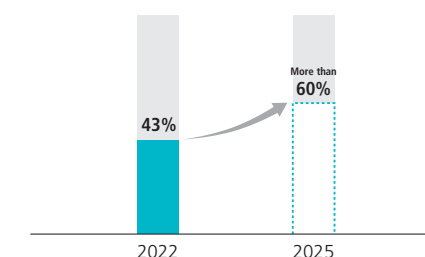
Intellectual property is a vital outcome of our technological development endeavors. We will reinforce our presence in the digital domain in line with our companywide technology strategy. In recent years, we have endeavored to transform our intellectual property business processes into data-driven ones that have enabled us to acquire high-value patents that can enhance our influence on other companies, such as using data showing the extent to which other companies cite Ricoh patents when filing their patent applications and securing rights. In the 21st MTS, we will further develop this data-driven intellectual property process and foster people capable of implementing it, while strengthening patent acquisition in the digital domain.

By fiscal 2025, we look for digital services-related patent applications to account for more than 60% of the total

number filed. That goal is the same percentage as the targeted contribution of digital services to Ricoh's sales by that year. We have also included this patent goal in our companywide ESG targets. In intellectual property, everyone in the Company will work together to shift the focus area to digital services. At the same time, we will fuel business growth in the digital domain by safeguarding our unique technological strengths through our patent portfolio.

Digital services patent application ratio

* Based on applications filed each fiscal year



For details, see:

① 21st MTS ESG Targets on page 35

Aligning ESG and business growth to fulfill our responsibility for enhancing global sustainability

Message from a Corporate Officer



In 1998, Ricoh was one of the first companies in the world to advocate environmental management. We have since endeavored to align protecting the environment and generating profits. From 2020, we built on those efforts to reinforce our sustainability initiatives by adopting a policy that aligns our management strategies and ESG. We position ESG initiatives as future financial targets because we look for them to bear financial fruit three to five years hence. We are incorporating ESG and Sustainable Development Goals (SDGs) initiatives in our management strategies and systems. For our strategies to function effectively, it is vital to fully integrate them into daily departmental and employee activities. We are undertaking initiatives to ensure that employees embrace that approach. Our ESG and SDGs initiatives are contributing to employee job satisfaction. Other stakeholders are starting to consider Ricoh a ESG leader in the corporate landscape.

Under the 21st MTS, which we rolled out in April 2023, we formulated new material issues and ESG targets from two perspectives. The first is to pursue advanced initiatives that incorporate global ESG trends. The second is to support Ricoh's strategy of becoming a digital services company. We aim to become one of the world's top ESG players by connecting efforts to resolve social issues through business to the Ricoh Group's growth.

Mikako Suzuki Corporate Officer responsible for ESG and Risk Management

ESG Strategies under 21st MTS

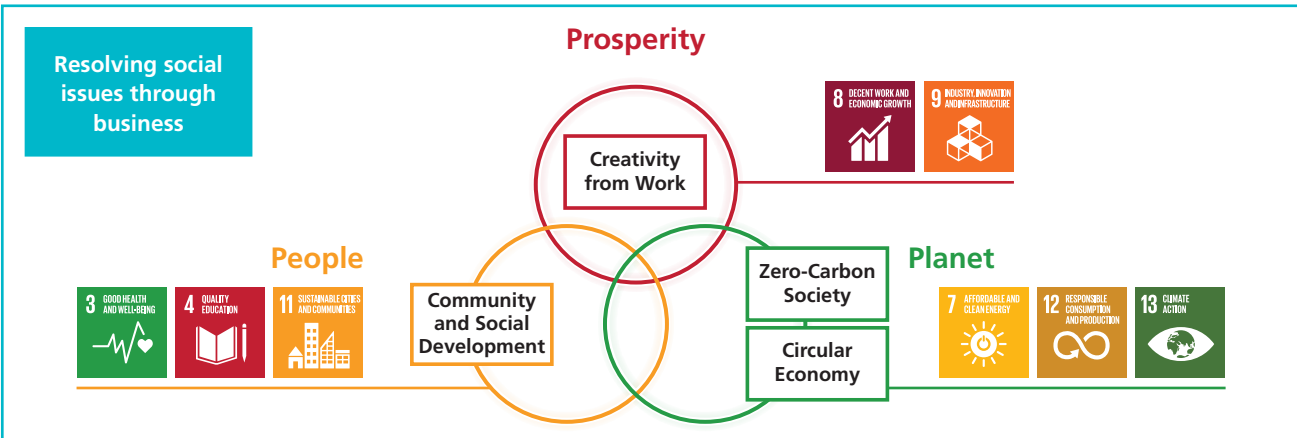
Strategic direction

We will keep pursuing ESG initiatives as essential for generating future finances. We will align ESG and business growth by resolving social issues through business. For example, we will improve customer productivity by delivering digital services and developing eco-friendly products and services. We will strengthen our management underpinnings by engaging in activities based on global standards, notably by establishing appropriate business processes that factor in human capital and responses to human rights. We will proactively disclose information on outcomes from our initiatives.

Materiality and ESG targets

We have identified material issues under our mid-term management strategy in driving to materialize our Three Ps Balance. We have accordingly formulated key performance indicators for those issues. In launching the 21st MTS, we established 16 new companywide ESG targets that we linked to seven material issues from two perspectives. One is to respond to global ESG trends. The other is support a company-wide strategy for Ricoh to become a digital services company. We set targets pertaining to global issues of climate change and human rights. Other goals concern digital services-related patents, information security, and digital professional development, all of which are essential for our transformation.

The Ricoh Group's seven material issues and SDGs



20th MTP results

Under that initiative, we identified seven material issues and formulated 17 associated companywide ESG targets as key performance indicators, breaking them down for business units and other operations to pursue. We integrated ESG into the upper levels of our management systems. One resulting application was to link ESG targets with executive evaluations. We thus again secured consistently high scores for our endeavors

from global ESG assessment programs in fiscal 2022. For example, we remained part of the Dow Jones Sustainability World Index (DJSI) for a third straight year.

We achieved 13 of 17 companywide ESG targets of the 20th MTP. We will continue to make improvements in the four areas in which we fell slightly short of our goals.

17 ESG targets and results under 20th MTP

Materiality (Material issues)	Key performance indicators	20th MTP targets	Results
Creativity from Work	(1) Top score rate in customer surveys	30% or more	Japan: 37%, Europe: 20%, APAC: 32%, Americas: 89%
	(2) Fulfilling value proposition for customers	15%	15.5%
	(3) Digital specialist development	IPA ITSS L3 1.5 times	1.53 times
QOL Enhancement	(4) Number of people to whom we have contributed by improving social infrastructure	10 million	10.01 million
Zero-Carbon Society	(5) GHG Scope 1 and 2 reduction rate	30%	45.5%
	(6) GHG Scope 3 reduction rate	20%	31.4%
	(7) Renewable energy utilization ratio	30%	30.2%
Circular Economy	(8) Virgin material usage rate	85% or less	84.9%
Stakeholder Engagement	(9) Production sites with Responsible Business Alliance certification	Completed at 6 major production sites	Completed at 5 sites
	(10) Percentage of suppliers signing Ricoh Group Supplier Code of Conduct	100% for all key suppliers	98%

Materiality (Material issues)	Key performance indicators	20th MTP targets	Results
Stakeholder Engagement	(11) International security standard	Bolstered security based on ISO/IEC, NIST	Bolstered security based on ISO/IEC, NIST
	(12) Evaluation scores from partners	Undisclosed	Undisclosed
	(13) Attain top levels for primary ESG external evaluations	DJSI, CDP, etc.	DJSI World Index CDP A-List
	(14) Selected as Digital Transformation stock by Ministry of Economy, Trade and Industry	Selection as Digital Transformation stock	Selected in Digital Transformation Stocks 2022
Open Innovation	(15) Increase rate of patent External Technology Relevance score	20%	20.1%
Diversity and Inclusion	(16) Ricoh Family Group engagement score	50th percentile or above in each region	Japan: 54th percentile Americas: 45th percentile Europe: 38th percentile APAC: 39th percentile
	(17) Women-held managerial position rate	Global: 16.5% or more (Japan: 7.0% or more)	Global: 16.3% (Japan: 6.9%)

Process for identifying material issues and formulating ESG targets

Step 1 Identify issues

In formulating our mid-term management strategies, we evaluate the impacts of such evolving environmental and social trends as climate change and human rights on our business activities. We also assess the risk and business opportunity impacts of our business activities on the environment and society, seeking to identify issues that we need to address.

Step 2 Prioritize issues

We follow international guidelines such as the SDGs Compass, GRI Standards, and the double materiality approach in prioritizing the issues we identify based on our corporate philosophy, management and business strategies,

feedback from external stakeholders, and key management risks in keeping with our risk management system in drafting materiality and ESG targets.

Step 3 Make management decisions









We set and disclose materiality and ESG targets together with mid-term management strategy financial targets, subject to Board of Directors approval.

Step 4 Disclose results








We disclose annual progress toward ESG targets after the ESG Committee confirms details with management.

ESG Strategies

Seven material issue initiatives and ESG targets under 21st MTS

Resolving social issues through business					
Materiality	Strategic intent	2030 targets	Focus domains	21st MTS ESG targets (for end-FY2025)	
Creativity from Work  	To provide digital services that transform how customers work and help them with productivity improvement and value creation	Contribute to creativity from Work for all customers to whom we deliver value	<ul style="list-style-type: none"> Office services Printing industry digitalization Thermal media Industrial products Smart Vision 	1. Customer survey scores*1	29%
Community and Social Development   	To contribute to the maintenance, development, and efficiency of community and social systems. We leverage our technical expertise and customer connections to expand areas where we provide value	Contribute to the enhancement of social infrastructure for 30 million people	<ul style="list-style-type: none"> GEMBA*2 Biomedical Municipal solutions Educational information and communication technology solutions 	2. Number of people to whom we have contributed by improving social infrastructure	15–20 million
Zero-Carbon Society  	To decarbonize the entire value chain and create business opportunities by contributing to carbon neutrality	Reduce Scope 1 and 2 GHG emissions by 63%, with 40% reductions for Scope 3 Switch to 50% renewable electricity	<ul style="list-style-type: none"> Environment and energy Eco-friendly MFPS Commercial and industrial printing Silicone top linerless labels and label-free printing PLAiR 	3. GHG Scope 1 and 2 reduction rate (from FY2015) 4. GHG Scope 3 reduction rate (from FY2015) 5. Renewable energy utilization ratio for power consumption 6. Avoided emissions	50% 35% 40% 1.4 million metric tons
Circular Economy 	To create business opportunities by building a circular economy business model for ourselves and our customers	Ensure efficient use of resources throughout the entire value chain and achieve 60% or less of virgin material usage ratio		7. Virgin material usage ratio	80% or less

*1 Percentage of customers considering Ricoh a digital services company *2 Maintenance and services for stores, warehouses, and other non-office sites

Robust management infrastructure			
Materiality	Strategic intent	21st MTS ESG targets (for end-FY2025)	
Responsible Business Processes  	To earn stakeholder trust by taking a holistic view of our supply chain and minimizing ESG risks in our business processes	8. Corporate Human Rights Benchmark score*3 9. Compliant with NIST SP 800-171 coverage of company's core business environment 10. Low compliance risk Group companies	Information and communication technology sector leader 80% or more 80% or more
Open Innovation  	To shift from a self-sufficient approach to a new value creation process that creates businesses to quickly resolve social issues	11. Contracted joint R&D ratio 12. Digital services patent application ratio*4	25% 60%
		13. Ricoh Digital Skills Level 2 ratings or above rated employees (Japan)	4,000
Diverse and Inclusive Workforce   	To foster a corporate culture where diverse employees can demonstrate their potential and transform themselves and the Company into one that is resilient to change	14. Process DX Silver Stage-certified employee ratio*5 15. Employee engagement scores*6 16. Female-held managerial position ratio	40% Global: 3.91 Japan: 3.69 North America: 4.18 Latin America: 4.14 Europe: 4.01 APAC: 4.15 Global: 20% (Japan: 10%)

*3 Corporate Human Rights Benchmark: An international human rights initiative that institutional investors and nongovernment organizations established. It assesses the human rights disclosures of around 250 global companies across the agricultural products, apparel, extractives, information and communication technology manufacturing, and automotive manufacturing sectors. If not included in these assessments, scores are calculated through self-assessments, including third-party reviews

*4 Ratio of patent applications from businesses involved in digital services to Group total

*5 Percentage of employees trained in process improvements based on process digitalization model (parameter is total number of employees in business units targeted for such training)

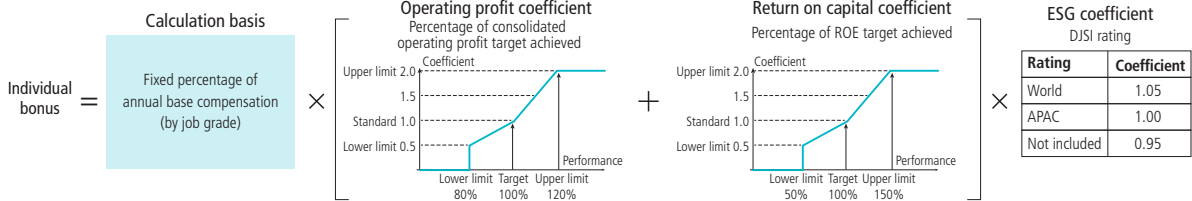
*6 Based on Gallup Q12 Mean

Executive compensation

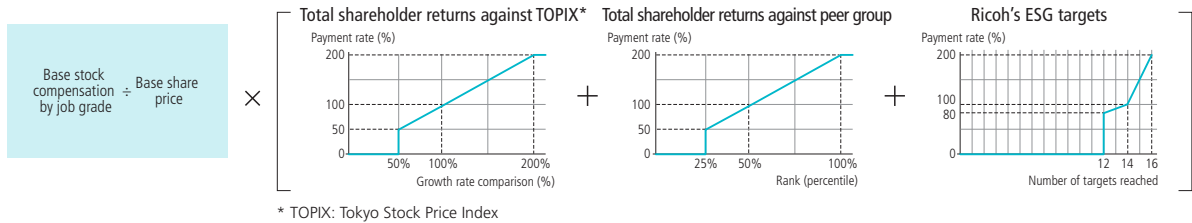
Factoring ESG into bonuses for directors and executive officers

The Dow Jones Sustainability Indices Rating is a tool to validate companywide ESG initiatives. We incorporated it in the bonus formula for directors and executive officers to incentivize ESG initiatives. We also reflect level of ESG target achievements in the evaluation and compensation of executive officers, reinforcing their commitments to business units and Group headquarters.

Reference: Formula for directors' bonuses

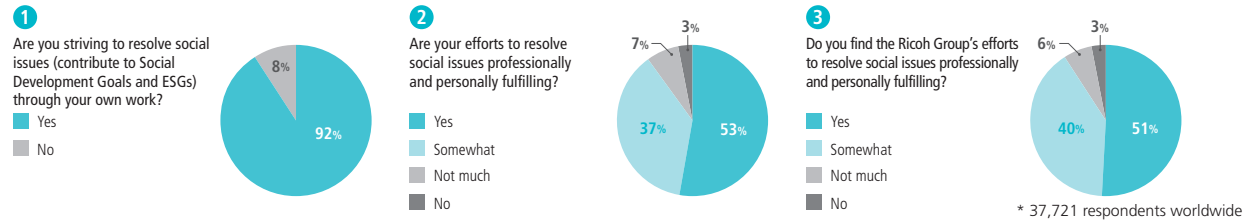


Reference: Formula for performance-linked stock compensation for directors



Business unit and employee adoption

We consider it important to integrate ESG into each department for it to take hold across the Group. Domestic sales subsidiary Ricoh Japan set its own targets for bolstering its sales strategy and structure based on companywide materiality and ESG targets. It has integrated these targets into the activities of all departments to drive their internal adoption. We survey Group employees to assess whether their own and corporate



Involvement in initiatives and advocacy

We support and involve ourselves in domestic and international sustainability initiatives and statements, collaborating with others to contribute to a sustainable economy. Since we began advocating environmental management in 1998, our basic policy has been to formulate and ground targets in scientific knowledge, including of the Intergovernmental Panel on Climate Change. We pursue climate change measures accordingly while building momentum for adoption across society.

It is in line with this basic policy that we became a founding member of the Japan Climate Leaders' Partnership, a

Including ESG targets in director stock compensation

Under the 21st MTS, we reflect ESG targets in director stock compensation in addition to bonuses. We evaluate progress toward achieving 16 companywide ESG targets, this factor accounting for 20% of director stock compensation.

For more details, see:
[Compensation of Directors and Audit and Supervisory Board Members on page 83](#)

Rating	Coefficient
World	1.05
APAC	1.00
Not included	0.95

Sustainable Development Goal and ESG initiatives help boost their professional and personal fulfilment levels. This is to quantitatively measure adoption among them and their work fulfillment. In our June 2023 survey, 92% of respondents stated that they engage in Sustainable Development Goals and ESG initiatives through their work. Around 90% responded that they find their work professionally and personally fulfilling.

cross-industry coalition in Japan that is tackling climate change. We remain an active, core member. Our efforts encompass diverse policy recommendations relating to climate change and initiatives to step up climate change mitigation endeavors across Japan's social and business landscapes.

In October 2021, then Ricoh president Jake Yamashita became co-chair of the Japan Climate Leaders' Partnership. In April 2022, he visited the Prime Minister's Office to hand deliver that organization's written opinion on climate change policy to the Prime Minister.

Financial and Capital Strategies

Increase corporate value sustainably by deploying capital policies that help attain performance targets and growth

Message from the Chief Financial Officer

The two years of the 20th MTP saw us overcome a range of challenges and strengthen our management underpinnings as a digital services company by enhancing our processes, structure, and our products and services from medium- and long-term perspectives. We further embedded ROIC management in our organization and improved earnings efficiency through a range of efforts. They included employing a Ricoh-style ROIC tree in managing business units, enhancing our cash conversion cycles, optimally allocating cash, and managing our financial framework effectively. We also deployed plan-do-check-act cycles for various initiatives to drive results. We strengthened our management structure by improving our accounting processes and updating the accounting component of our enterprise resource planning platform. We invested in growth by purchasing numerous companies and closely monitoring post-acquisition integration processes. It was through such endeavors that we steadily executed capital policies to stably manage cash flows and build corporate value. Under the 21st Mid-Term Management Strategy, we seek to reach performance targets in each fiscal year while sustainably enhancing corporate value by deploying capital policies that support our growth.

Takashi Kawaguchi CFO



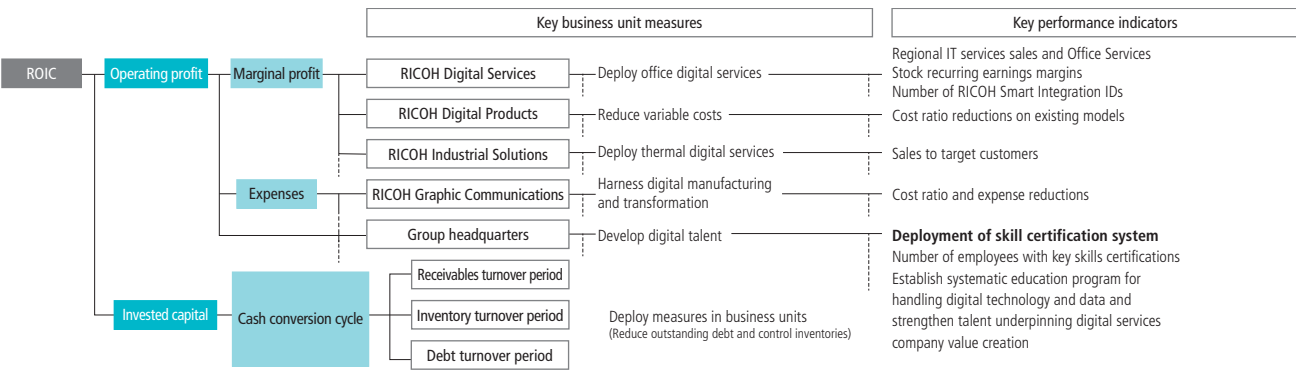
Overseeing businesses through ROIC management

By fiscal 2025, the final year of the 21st MTS, we target a return on equity of more than 9%. We are accordingly undertaking management reforms to enhance capital efficiency. We aim to boost ROIC to above capital costs by deploying measures using ROIC trees for each business unit and department.

We incorporate these key measures in a companywide tree. For Group headquarters measures that are hard to quantify financially, we prepare and regularly monitor a narrative as a Ricoh-style ROIC tree to manage key performance indicators.

Overview of Ricoh-style ROIC tree

We manage key performance indicators from individual organizational and companywide perspectives by setting benchmarks that take the statements of profit or loss and balance sheets into account.



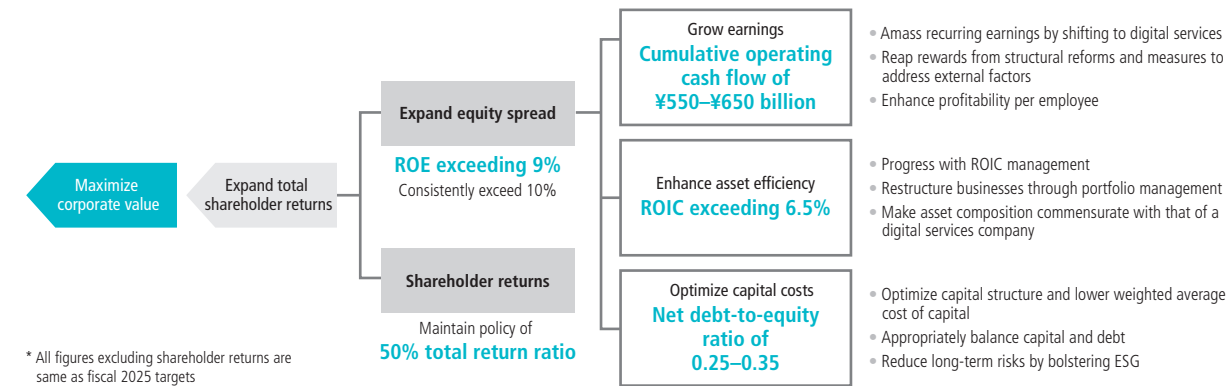
Capital policies supporting growth

We aim to maximize shareholder and corporate value while satisfying all stakeholders. We seek to generate returns on capital that exceed capital costs.

We will push forward with ROIC and business portfolio management and other endeavors to enhance asset efficiency and return on equity.

Optimizing corporate value

Maximize corporate value by steadily expanding total shareholder returns



Growth investment approach

We are retaining the policy we adopted when announcing the 20th MTP of making ¥500 billion in growth investments over five years through fiscal 2025. This spending was steady during fiscal 2022, and included support for customer document workflow reforms, the acquisition of PFU to bolster our IT management services, and acquisitions across Europe and the United States to expand our Office Services business. In fiscal 2023, we will keep investing in application software, information and communication technology, and other growth areas. We will balance investments strategically by mainly tapping operating cash flows while also using interest-bearing debt. At the same time, we will monitor foreign exchange impacts on net assets and consider flexibly repurchasing shares.

We are leveraging debt extensively for investments as we

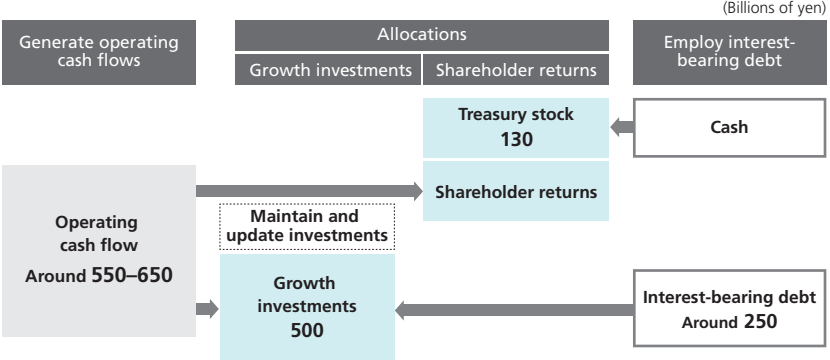
transition into a digital services company. We target an appropriate, risk assessment-based capital structure. We will balance debt and equity capital in investing in businesses. We will extensively allocate debt to the Office Printing and other stable businesses. We will mainly allocate equity capital to relatively high-risk growth businesses.

For fiscal 2025, the last year of the 21st MTS, we will secure capital for growth with a capital structure that takes into account credit ratings and capital financing risk. This is because we assume ongoing uncertainties in the business environment.

We intend to flexibly adjust the optimal capital structure in light of business structure changes associated with new growth strategies and also reflect stabilized growth investment areas.

Cash allocations

Capital policies through cash allocations (FY2021-2025)



Growth investment framework and progress

	20th MTP FY2021-FY2022	Growth investment framework plan FY2021-FY2025
Business growth acquisitions	125	325
Robust management infrastructure	40	90
Investments to create new business domains	25	85
Total	190	500

Financial and Capital Strategies

Human capital investment approach

Our human capital investments include developing digital professionals. As a digital services company, we do not view investing in talent a mere expense. It is much more a vital commitment to growth that will strengthen our management underpinnings and help generate future finances. We are, for example, having maintenance service and sales personnel work in the field near customers to acquire multiple skills and are deploying digital manufacturing at plants. Our human capital

investments are vital for acquisitions and efforts to create new business domains to succeed. We will endeavor to enhance corporate value by developing talent that can generate high added value at customer touchpoints.

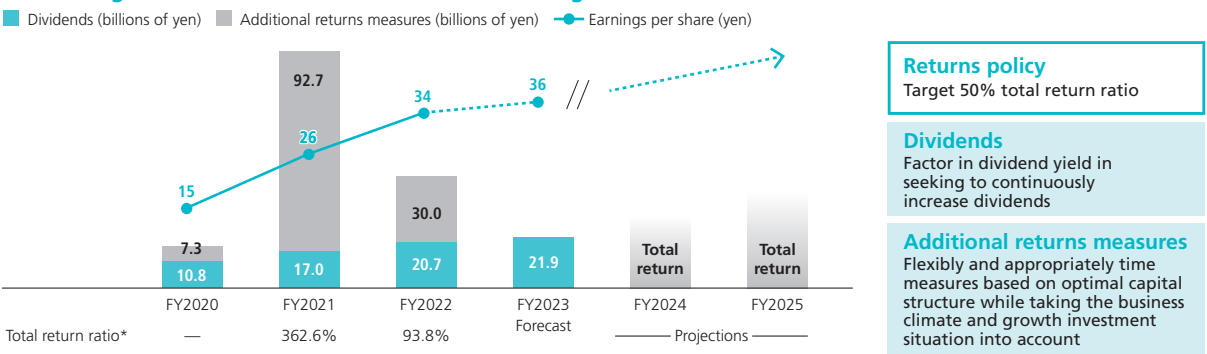
For more details, see:
[Human capital strategy on page 23](#) and [Digital strategies on page 27](#)

Shareholder returns policy

We continue to target a 50% total return ratio. To that end, we aim to increase the dividend each year in line with earnings growth, while keeping the dividend yield in mind. We will undertake share repurchases and other additional return measures in flexible and timely manners to boost total

shareholder returns. Such actions will consider the operating climate and progress with growth investments and our commitment to an optimal capital structure.
We accordingly plan to increase dividends per share by ¥2, to ¥36, in fiscal 2023.

Maintain 50% total return ratio policy and improve total shareholder returns by continuing to increase dividends while undertaking additional returns measures



* Ricoh acquired ¥100 billion in treasury stock from March 4, 2021, through December 8, 2021. The purchases comprised ¥7.3 billion in fiscal 2020 and ¥92.7 billion in fiscal 2021. On February 28, 2022, the Company retired this and other treasury stock acquired before March 2021. It bought ¥30 billion in treasury stock from May 11, 2022 to September 22, 2022, retiring it on October 31, 2022.

Project to boost price-to-book ratio to above 1x

Early in fiscal 2023, we launched and initiated activities for a project to raise our price-to-book ratio to above 1x. We will analyze the gap between the theoretical and market valuations of our stock and identify the factors that have caused the price-to-book ratio to fall below 1x. We will then formulate and execute an action plan to enhance our corporate value. That initiative could entail reviewing and accelerating 21st MTS deployments. We are comprehensively reviewing our business portfolio and capital policy in light of market feedback, and will communicate our progress through financial results briefings and other means.

Fiscal 2023 outlook

For fiscal 2023, we forecast ¥2,250 billion in sales. We also project ¥50 billion in profit attributable to owners of the parent, representing a decline from fiscal 2022. This would stem largely from the absence of that year's one-time gains from asset sales and government subsidies and the impact of

one-time structural reform expenses in fiscal 2023 to propel future growth. After excluding those factors, underlying earnings should rise. We will keep pursuing business growth centered on digital services while driving structural and earnings structure reforms to reach our projection.

Forecast for fiscal 2025, the final year of the 21st MTS

Under the 21st MTS, we aim to grow as a digital services company by pursuing customer-centric innovation and enhance our corporate value. For fiscal 2025, the final year of the 21st MTS, we target sales of ¥2,350 billion, operating profit of ¥130 billion, and a return on equity exceeding 9%.
These numbers represent revisions from when we announced the 20th MTP in March 2021. At the time, we targeted a fiscal 2025 operating profit of ¥150 billion, with the return on equity exceeding 10%. Having considered unforeseen changes in the business climate while realizing that a non-hardware sales recovery in the Office Printing business may be less robust than we originally envisaged, we concluded

that it would take more time to reach our initial targets. We will nonetheless keep striving to generate a return on equity of at least 10%.
At the same time, we have revised some sales and operating profit targets for business units. RICOH Digital Services, which oversees office digital services, will be the prime driver of our overall growth. We aim to widen our growth trajectory to encompass digitalizing manufacturing, distribution, and other frontlines, as well as society at large to generate new revenue sources from providing services that help customers to enhance their work processes.

Financial Targets for FY2025 by Business Unit

Net Sales and Operating Income by Business Unit

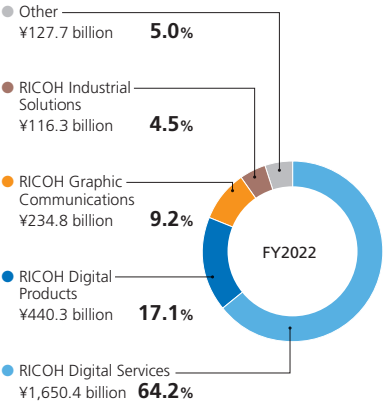
Business Units	FY2025 targets		
	Sales (compound annual growth rates)	Operating profit	Operating profit changes from FY2022
RICOH Digital Services	¥1,750 billion (2.0%)	¥60 billion	+¥31.7 billion
RICOH Digital Products	¥420 billion (−1.6%)	¥34 billion	+¥2.4 billion
RICOH Graphic Communications	¥280 billion (6.0%)	¥18 billion	+¥3.4 billion
RICOH Industrial Solutions	¥160 billion (11.2%)	¥12 billion	+¥8.8 billion
Others (including companywide and eliminations)	−¥260 billion	¥6 billion	+¥4.8 billion
Total	¥2,350 billion (3.3%)	¥130 billion	+¥51.2 billion

Business unit reports

Financial highlights for fiscal 2022

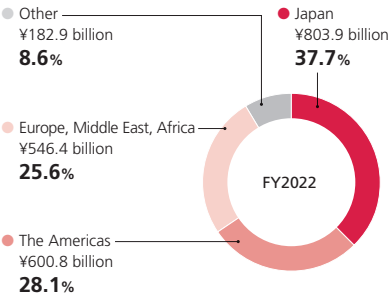
Figures comply with International Financial Reporting Standards

Sales by business segment



* Sales include those from external customers and intersegment transactions

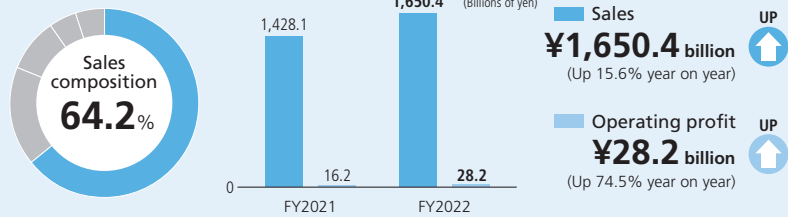
Sales by geographic area



Previous segments	Current segments
Office Services	RICOH Digital Services
Office Printing	RICOH Digital Products
Commercial Printing	RICOH Graphic Communications
Industrial Printing	RICOH Industrial Solutions
Thermal	
Industrial Products	

* Effective April 1, 2021, Ricoh adopted a business unit structure and changed business segments

RDS RICOH Digital Services



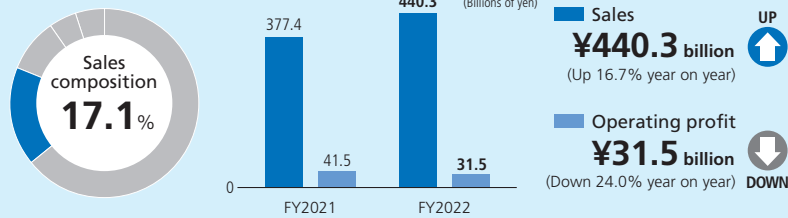
Business outline

We sell office imaging equipment to a global customer base. These offerings include MFPs and printers, in which we have leading global market shares, as well as consumables. We also provide IT-related solutions that support customers' overall workflow reforms and work practice innovations, as well as other services to digitally resolve their management issues and enhance productivity.

Business report

Digital Services sales increased 15.6%, to ¥1,650.4 billion. This business continued growing despite information and communication technology product shortages hampering sales activities and sales of related services. The Office Printing business suffered production delays owing to supply shortages and lockdowns in China. Hardware sales nonetheless increased on reduced A4 MFP supply shortages toward the end of the term and progress in deliveries of bulk deals for A3 MFPs and other offerings. Non-hardware sales recovered more moderately than anticipated. While facing higher ocean freight and other costs, we endeavored to improve profitability in several ways. These included instituting price pass-throughs and other pricing controls and overhauling maintenance services. Segment operating profit thus increased ¥12.0 billion, to ¥28.2 billion.

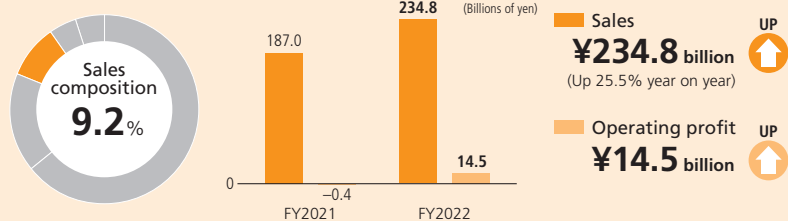
RDP RICOH Digital Products



We develop and produce (including on an original equipment manufacturing basis) office MFPs, in which we are the global market leader, as well as printers and other imaging equipment and edge devices that support digital communication.

Digital Products sales for the year rose 16.7%, to ¥440.3 billion. Plant operations suffered from parts and materials shortages and from lockdowns in China in response to spreading COVID-19 infections there. We overcame these challenges and boosted sales by implementing flexible measures that turned production around. We deployed various steps to secure earnings, such as by cutting costs to enhance our manufacturing structure. These efforts enabled us to overcome a lower profit margin amid a temporary increase in the proportion of A4 MFP shipments toward the end of the term and ongoing hikes in parts and materials prices. While operating profit declined ¥9.9 billion, to ¥31.5 billion, it was effectively unchanged after excluding one-off factors. They included the absence of the previous term's gains on U.S. subsidiary land sales.

RGC RICOH Graphic Communications

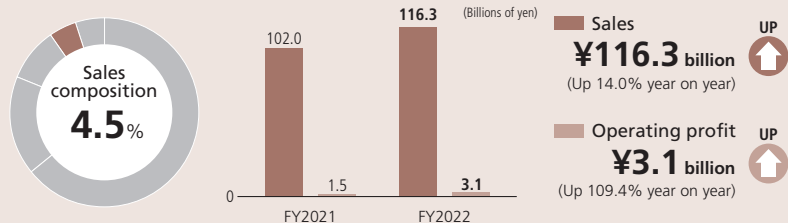


Commercial printing business: We provide digital printing-related products and services for high-mix, low-volume printing, mainly to printing industry customers.

Industrial printing business: We manufacture and sell industrial inkjet heads, inkjet ink, and industrial printers for diverse applications. These include building materials, furniture, wallpaper, signage displays, and apparel fabrics.

Graphic Communications sales increased 25.5%, to ¥234.8 billion. Commercial printing business sales rose on economic recoveries in Europe and the United States. We overcame parts and materials shortages by sourcing alternative parts in the market to secure production volumes, and increased sales of production printers. Sales of non-hardware recovered to pre-pandemic levels. In industrial printing, sales of inkjet heads were robust despite an economic slump in the key Chinese market because of lockdowns. Procuring alternative parts in the commercial printing business squeezed earnings. We nonetheless generated an operating profit of ¥14.5 billion, from an operating loss of ¥0.5 billion a year earlier. This significant turnaround stemmed from a sales recovery, improved development, production, and services activities, and the yen's depreciation.

RIS RICOH Industrial Solutions

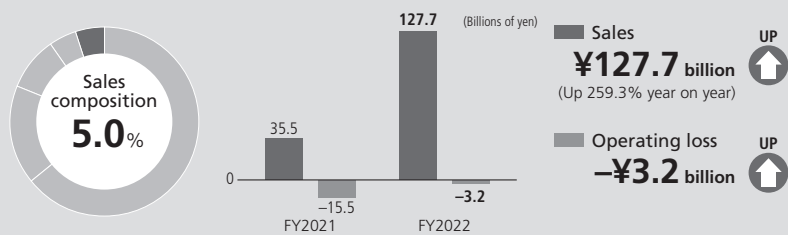


Thermal Media business: We manufacture and sell thermal paper used for food point-of-sale, barcode, shipping, and other labels, as well as thermal transfer ribbons for printing clothing price tags, brand tags, and tickets.

Industrial products business: We provide precision device components and other products that employ optical and image processing technologies.

Industrial Solutions sales increased 14.0%, to ¥116.3 billion. In the thermal business, energy and raw material prices and logistics and other costs continued to rise. We absorbed those increases by instituting price pass-throughs and other flexible pricing controls. We benefited from higher linerless label revenues and greater logistics and distribution sector demand in Europe and the United States. Industrial products sales were down, however, owing largely to production cutbacks among automotive customers in light of lockdowns in China. Cost controls helped us to lift operating profit ¥1.6 billion, to ¥3.1 billion.

Other



PFU: This subsidiary provides information and communication technology-related products and services. Its hardware includes image scanners and embedded computers. PFU builds IT infrastructure and partners with other companies to offer multi-vendor services.

New businesses: We have expanded opportunities in various areas. They include our Smart Vision platform, PLAiR plant-derived material, healthcare, social infrastructure, environmental technology and environmental businesses. This segment also encompasses digital camera-related operations and businesses that affiliates are expanding.

Other sales jumped 259.3%, to ¥127.7 billion, owing mainly to the acquisition of PFU. During the year, new business creation efforts included lifting our investment in Elixigen Scientific, Inc., in the drug discovery support business. In social infrastructure inspection services, we endeavored to commercialize verification testing and new project development initiatives. Forward spending to cultivate such new businesses and other factors resulted in a ¥3.2 billion operating loss in this segment. This was a ¥12.2 billion improvement over the previous year's operating loss, reflecting contributions from the PFU acquisition and improved earnings in the camera business.

RDS

RICOH Digital Services

Message from Business Unit President

Spearheading the Group's growth as a customer-centric player that is the leading global services integrator

The pandemic triggered the global adoption of hybrid work models and accelerated the need for DX. Advances in AI and other technologies are diversifying the work environments of customers.

The core strengths of RICOH Digital Services are its touchpoints from a global customer base of 1.4 million companies and its sales and support structure. Ricoh is becoming a digital services company that focuses on swiftly identifying and addressing evolving customer needs. We will spearhead the Ricoh Group's growth as

Takahiro Irida

President of RICOH Digital Services Business Unit

the world's most customer-centric services integrator. We will help customers achieve Fulfillment through Work by bringing together diverse products and services to deliver optimal value as a one-stop solutions provider.

Business features and strengths

- A global customer base of 1.4 million companies and organizations and a sales and support structure (customer touchpoints)
- Can handle cross-border deals and have secured new capabilities through acquisitions
- Can identify optimal combinations of products and services from in-house units and external partners, proposing one-stop solutions, drawing on specialist talent, and quickly delivering timely value

Business risks and opportunities

Global enterprise IT spending should rise at a compound annual growth rate of 6.4%*¹ from ¥608 trillion in 2022, to ¥830 trillion in 2027. Expansion should be particularly robust in cloud-based services. During that period, this demand should increase at a compound annual growth rate of 18.9%*² from ¥63 trillion to ¥151 trillion. Markets should also expand in Ricoh's managed services, security, document, and communications business areas.

We will amass recurring revenues from digital services by drawing on our strengths and investing business resources in areas that we should prioritize.

Gartner market forecast (\$1=¥130)

*1 Source: Gartner® Market Databook, 2Q23 Update, John-David Lovelock, Linglan Wang et al., 30 June 2023, Enterprise IT expenditure = End-User Spending on IT Products and Services, 2022–27 CAGR in Constant U.S. Dollars

*2 Source: Gartner®, Forecast: Public Cloud Services, Worldwide, 2021–2027, 2Q23 Update, Colleen Graham et al. 10 July 2023, Cloud-based services area = Public Cloud Services End-User Spending, 2022–27 CAGR in Constant U.S. Dollars, CAGR calculated by Ricoh

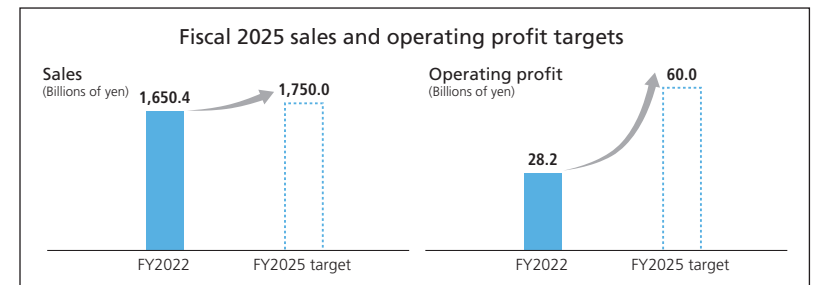
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Risks

- Technological innovations transforming work far more than estimated
- Securing and training digital talent to drive strategies
- Delays in generating acquisition synergies

Earnings opportunities

- Increasing demand for services to digitalize offices, frontlines, and society at large
- Expanding communication services domain to cater to new workstyles
- Rising need for cloud-based services



Medium- and long-term opportunities and strategies under 21st MTS

Opportunities

- Concentrate business resource investments in priority domains to materialize regional strategies
- Boost added value by building a digital services ecosystem
- Invest extensively in acquisitions, technological and talent development, and internal process digitalization to cater to constantly evolving customer needs in growth fields

Regional strategies

In expanding our businesses across Japan, Europe, North America, Asia, Central and South America, and other parts of the world, we recognize that customer segments, challenges, and needs vary regionally. Under the 21st MTS, we aim to broaden customer touchpoints to spearhead their work practice transformations while strengthening our development structure, which we have focused on local production for local consumption to swiftly generate value while staying close to customers.

Enhancing value at customer touchpoints and transforming business model

RICOH Digital Services aims to evolve Group management, including by creating a digital services ecosystem, and drive business growth while stabilizing operations by expanding its recurring revenue business.

Building a digital services ecosystem

Ricoh is becoming a digital services company that identifies worker issues in offices, on the frontlines, and in society at large and resolves them with digital technology. We look for digital services to account for more than 60% of our sales by fiscal 2025. Central to that objective is a digital services ecosystem that uses RICOH Smart Integration to connect edge devices with a range of services and applications.

- We combine RICOH Smart Integration with hybrid conferencing and other office management and operational solutions. We offer it as a managed workplace service to help clients overhaul workstyles and boost employee engagement.
- We provide managed IT services by connecting customers' IT equipment and applications with RICOH Smart Integration. We support customers' information systems departments while improving employee productivity.
- We can help customers digitalize their workflows and operations by using RICOH Smart Integration to link MFPs, PFU scanners, and other edge devices with in-house software offerings, such as from DocuWare and Axon Ivy, and RICOH kintone plus through an alliance with Cybozu, as well as with partner products.
- AI analysis of accumulated data visualizes customers' work and provides insights to support DX.

Pursuing operational excellence

By fully leveraging digital technology, we will reinforce supply chain management processes and visualize management information in real time to swiftly implement strategic measures.

Resolving social issues through business

Drawing on synergies with DataVision subsidiary to provide new services to MFP customers

Jungheinrich AG of Germany has long used MFPs. It develops and manufactures logistics systems and has over 50 branches and plants worldwide. The COVID-19 pandemic prompted the company to adopt a hybrid work structure. Initially, there were issues with remote meeting environments that varied from location to location. We worked with DataVision Deutschland GmbH, which we acquired in 2020, to standardize meeting room specifications. We resolved these issues by taking care of everything from design to installing communication tools and supporting maintenance.

Few other companies can deliver consistent, world-class solutions and services around the globe. Our ability to deliver projects across borders is a unique strength, drawing on our operations in some 200 countries and regions. We will continue to leverage our global customer touchpoints and synergies with acquired companies to help customers transform their workplaces.



RDP

RICOH Digital Products

Message from Business Unit President

Contribute to digital services growth by leveraging our outstanding product quality and stable supply

RICOH Digital Products develops highly competitive edge devices and contributes to the Group's earnings growth. We are building a resilient structure that enables us to swiftly resume regular operations without disrupting product availability, even after prolonged emergencies affecting the entire supply chain.

PFU, which joined Ricoh in fiscal 2022, is the world leader in terms of its market share and customer base for business document scanners. We will endeavor to expand our scanner and electronics businesses by

Katsunori Nakata
President of RICOH Digital Products Business Unit

tapping PFU's channels to access customers that were previously beyond our reach.

We will keep stepping up efforts to generate synergies in numerous ways, such as by jointly developing products and sharing parts.

Business features and strengths

- Develop and manufacture edge devices that support customers' work, including office MFPs with leading market shares worldwide, printers, presses, wide format printers, scanners, and network devices
- Maintain a production system that integrates everything from planning through manufacturing for each operation through a business unit structure
- Have established a leadership position in the printing sector by bolstering our structure to cater to diversifying customer needs and changing markets
- Have transformed workflows by providing edge devices that serve as touchpoints to seamlessly connect customers with digital services

Business risks and opportunities

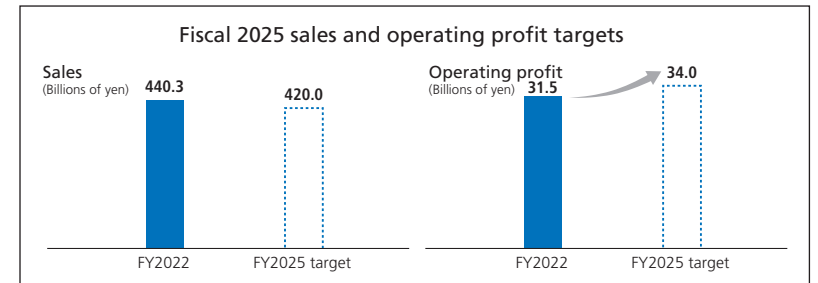
Ricoh estimates that the global printing market will shrink a further 10% from 2021 to 2025. This would hit demand for toner and other consumables particularly hard. A stable supply of more competitive products is therefore essential.

Risks

- Falling print output as remote work and paperless workflows increase
- Surging raw materials prices
- Logistics disruptions

Earnings opportunities

- Tapping new sales channels
- Providing industry- and task-specific services
- Demand for enhanced security
- Growing need for audio and video digitalization
- Embedded computer market expansion
- Rising need for eco-friendly products



Medium- and long-term opportunities and strategies under 21st MTS

Opportunities

- Enhance digitalization support according to customer workstyles
- Create and deliver new value and expand business domain by evolving edge devices for industrial and other fields

Strategic initiatives

Delivering world-leading products

Ricoh's edge devices and digital services enhance the ability to centrally support workflows related to documents, video, audio and other data. From paper document output using MFPs and printers to digitization using scanners and document utilization using such workflow services as RICOH kintone plus and DocuWare, we improve customers' workflows.

Expanding customer base by leveraging new sales channels

We strive to create new value by leveraging PFU to expand our customer base and leverage touchpoints with diverse customers. We will offer them products that match their business attributes by understanding their needs in areas that were previously beyond our reach.

Spearheading industry collaboration

The Ricoh Group leads industry collaboration across entire supply chains on the strength of the unmatched competitiveness of its MFPs, peripherals, and toner. We engage in such cooperation approaches as joint purchasing with other companies in our industry and sharing plant facilities and recycling infrastructure.

Evolving edge devices for frontlines and industrial applications

We aim to be the domestic embedded computer market leader for industrial, frontlines, and other applications. Newly collaborating with PFU's embedded computer business will reinforce synergies between products from both companies and eliminate wasteful operational overlaps. Specific initiatives will include expanding sales of each other's offerings, integrating product roadmaps, further streamlining development by sharing resources, optimizing manufacturing systems, and further cutting costs.

In addition, we will create a resilient manufacturing structure and relentlessly pursue operational excellence to reach our 21st MTS objectives.

Resolving social issues through business

Enhancing communication and creativity in hybrid environments

The RICOH Portable Monitor 150BW/150 is an ultralight 15.6-inch touchscreen device panel display that is easy to carry, set up, and use. It is battery-powered and connects wirelessly. In today's hybrid work environments, it enhances productivity in offices, homes, cafes, and many other locations. It can also serve as a communication device for collaborating in small group meetings, making it easy to share information digitally instead of having to print and hand out paper documents.

Customer feedback has been excellent, key positives being its lightweight, portability, and excellent design, as well as its

use as a shared device in unassigned workspaces. The monitor is also a useful communication tool for online meetings of design departments, allowing people to write over blueprints with stylus pens. This monitor exemplifies Ricoh's dedication to helping customers embrace new workstyles.



The RICOH Portable Monitor 150BW debuted in November 2022

RGC

RICOH Graphic Communications

Message from Business Unit President

Striving to make this business Ricoh's second major growth driver by helping customers to digitalize their printing sites

The printing sector has to cater to the increasingly complex business and environmental challenges of its customers. That is why demand for digital printing is rising. Its many advantages over analog methods include lower costs, energy savings, and on-demand flexibility. RICOH Graphic Communications helps the sector to adopt digital processes by offering excellent, exceptionally reliable products and services. This will enable us to automate, reduce labor, and visualize processes, thereby helping to improve our customers' profitability. In addition, we will actively work to achieve the SDGs

Koji Miyao
President of RICOH Graphic Communications Business Unit

by aligning business growth with resolving social issues. Together with global customers and partners, Ricoh co-creates value and delivers solutions in their digital transformation journey, as well as contribute to realize a sustainable society.

Business features and strengths

Commercial Printing business

- Helping customers digitalize processes by providing comprehensive solutions and services that extend from digital printing-related products and workflows for printing sites to marketing support. Assisting them in shrinking their environmental footprints by enabling them to reduce waste, conserve energy, and decarbonize
- A global market leader in color cutsheet and high-speed inkjet printers, providing high-value-added solutions by leveraging customer touchpoints

Industrial Printing business

- Manufacture and sell industrial inkjet heads, inks, and printers for wide-ranging applications. These include construction materials, furniture, wallpaper, signage displays, apparel fabrics, labels and packages, and 3D printing
- Provide high-quality, highly reliable inkjet printheads developed in-house to foster digitalization, shorten delivery times, and enable small print runs. At the same time, help resolve environmental issues, such as large waste volumes and water consumption resulting from analog printing

Business risks and opportunities

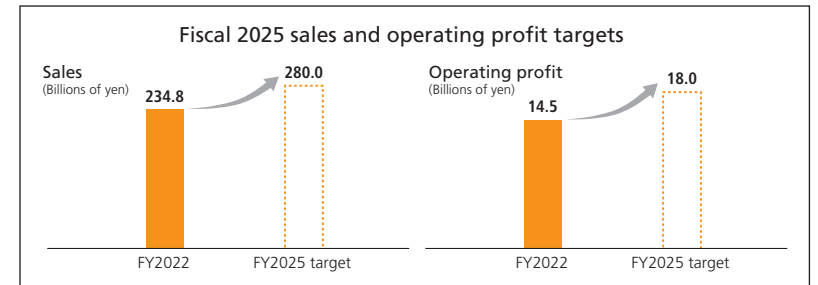
We expect demand for digital commercial and industrial printing to rise over the medium through long terms. In a survey in 2022, Caslon & Company, an American market advisory and research firm, predicted that digital color commercial print volumes would expand at a compound annual growth rate of around 10% from 2022 through 2030. A shift to digital printing continues in Europe and the United States. Market growth should be high in China and other emerging economies owing to increasing demand. To become the industry leader, we are addressing the business challenges of our customers and their growing interest in safeguarding the environment.

Risks

- Printing industry's dwindling profitability and reduced investment appetite due to soaring raw materials, logistics, and electricity costs
- Falling demand for in-house printing as online media usage expands

Earnings opportunities

- Accelerating shift to digital printing to resolve automation, process visualization, and other emerging customer management issues
- Greater environmental awareness fueling demand for eco-friendly digital printing



Medium- and long-term opportunities and strategies under 21st MTS

Opportunities

- Expand new products and services to cater to accelerating digital printing needs
- Reinforce value-added solutions to address a range of customer issues
- Strengthen business foundations to drive profitable growth

Strategic initiatives

Commercial Printing business

We will accelerate progress with digital printing by rolling out excellent, dependable models. We will reinforce our lead in color cutsheet and high-speed inkjet printers by meeting the digital printing needs of customers around the globe. We will improve printing site workflows and provide new digital services that help customers to automate and visualize processes and support their marketing activities. We will bolster sales in China, Indonesia, India, and in other highly promising markets.

Industrial Printing business

Markets are expanding for various applications in the inkjet head business. These include signage displays, apparel fabrics, packaging, labels, and 3D printing. We aim to expand sales in key Chinese and other regional markets by providing high-value-added solutions, including technical support and tools. On the textiles front, we will bring out new products to expand our share of the direct-to-garment printer market and expand applications for this hardware.

Strengthening our business foundations

Digitalizing and streamlining development, production, sales, and service processes will enable us to achieve profitable growth.

- Development: Digitalize processes to streamline operations, optimize product and development portfolio, and overhaul development processes
- Production: Optimize plants and reinforce production capabilities through digital manufacturing and automation
- Sales and service: Increase the number of sales and service employees with outstanding expertise in commercial printing and improve efficiency of remote maintenance services

Resolving social issues through business

Helping a customer switch from analog to digital printing

In the United States in November 2022, long-time customer Heeter opened its Digital Printing Center at a cost of more than \$4 million. It installed three RICOH Pro VC70000 continuous feed printers, two RICOH Pro C 9210 production sheet-fed presses, and a pre-release version of the RICOH Pro Z75 sheet-fed inkjet press. We formed a partnership with Heeter to aid its transition from analog to digital printing. Over the past five years, it has digitalized 60% of its operations, lifting production capacity by 65% and energy efficiency by 25%. That company has acquired more than 80 new customers over the past four years. Ricoh will keep co-creating with Heeter and other customers around the world to help them resolve their DX and social issues.



RIS

RICOH Industrial Solutions

Message from Business Unit President

Grow by transforming and creating digital service businesses in manufacturing, logistics, and industry frontlines

We aim to become a new business pillar for the Ricoh Group by pursuing high profitability. We will do that by streamlining core businesses and accelerating investments to create digital services that help improve on-site operations for customers in the manufacturing, logistics, and industrial fields.

We are fully leveraging the strengths that Ricoh has amassed over the years in optical, precision processing, thermal, and image processing technologies. We go well beyond just providing hardware and supplies to deliver total solutions that expand our value chain.

Yasutomo Mori

President of RICOH Industrial Solutions Business Unit

In continuing to deliver value to our customers, we pursue Sustainable Development Goals and help resolve social issues. We will endeavor to provide high-value-added digital services and create businesses that deliver Fulfillment through Work for customers and ourselves alike.

Business features and strengths

Thermal business

- Proprietary thermal processing and coating technologies and a global production and sales network have enabled us to capture top shares of the world markets for thermal paper and thermal transfer ribbons for logistics, retailing, medical care, transportation infrastructure, and other applications
- Developing label-free thermal printing system that combines optical and thermal technologies for fast, high-resolution printing of variable information, primarily for the food industry. This setup enhances operational and resource efficiency, thereby helping to resolve social issues, such as by shrinking environmental footprints

Industrial Products business

- Providing products and solutions primarily to the automotive industry by tapping our optical and image processing technologies
- Proprietary jetting technology transforms automotive coating processes

Business risks and opportunities

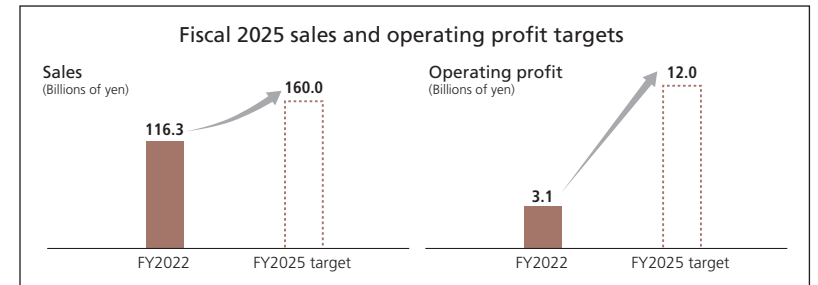
Demand is stable in the thermal market, with process automation needs rising in manufacturing and other fields. At the same time, we expect that market growth slowdowns will continue to hamper operations for some time beyond fiscal 2023. This is because growing geopolitical risks, supply chain disruptions, and an automotive industry downturn stemming from semiconductor shortages will prompt customers to put off installing new facilities. In our core businesses, we will respond flexibly to changes in the business climate through optimal price adjustments and other measures. At the same time, we will create digital services that match emerging frontlines needs, evolving into a business portfolio that keeps growing over the medium through long terms.

Risks

- Market growth slowing owing to prolonged conflict in Ukraine and a delayed Chinese economic recovery
- Earnings declining amid chronically high raw materials and energy costs
- Downturn in automotive industry because of semiconductor shortages

Earnings opportunities

- Catering to stable thermal market demand and an increasing need for detailed product information disclosure
- Leveraging process automation progress to meet demand for greater reliability and speeds
- Responding to expanding frontlines digitalization needs
- Expanding demand for products and services that shrink environmental footprints and help reach Sustainable Development Goals



Medium- and long-term opportunities and strategies under 21st MTS

Opportunities

- Further enhance earnings by pursuing operational excellence in core businesses
- Expand business by providing total solutions to enlarge the value chain and strengthen touchpoints with end users
- Tap accumulated expertise and technologies to create new digital services for manufacturing, logistics, and industry frontlines

Strategic initiatives

Digitalizing frontlines in three steps

We provide optimal digital services in three steps to help customers resolve their issues and unleash their creativity.

Step 1: Frontlines analog-to-digital (AD) conversion: Digitalizing frontlines analog data and automating manual tasks

Step 2: Frontlines DX and manufacturing: Using data to digitalize frontlines business processes

Step 3: Frontlines data usage: Helping customers leverage data (including to overhaul production, streamline businesses, and enhance quality) to unleash their creativity

We will expand the thermal business by providing conventional thermal media to drive frontlines analog-to-digital conversions (Step 1), reinforcing end-user touchpoints, and providing total solutions (Step 2). We will harness the world's fastest variable information on-demand printing technology, which makes it possible to assign individual product IDs without compromising high-volume production efficiency. We will secure more segmented data to meet the challenges of using frontlines data, such as for product traceability and new marketing techniques (Step 3).

In the industrial equipment business, we have endeavored to automate inspections (Step 1) as part of coating processes with a system that draws on our image capture and recognition technologies to inspect vehicle coatings. We look to expand our business to provide equipment and services, including for pre- and post-inspection processes (Step 2). We will significantly increase the volumes of production site data to contribute to quality improvements, warranties, traceability, and upstream and downstream process innovations (Step 3).

We will maximize our value proposition in various ways, including by investing extensively in collaborating with and acquiring other companies as necessary.

Enhancing the profitability of core businesses

We will keep reinforcing our corporate structure by enhancing internal efficiency, such as through steps we took through fiscal 2022 to streamline production and cut costs, while making timely price adjustments in response to fluctuating expenses. We will thus create a business structure that is more resilient to changes in the operating climate.

Resolving social issues through business

Label-free thermal printing

Convenience store chain operators Seven-Eleven Japan Co., Ltd., and Lawson, Inc., adopted a Ricoh-developed technology that eliminates the need for paper labels by enabling direct thermal or laser head printing on transparent film. In April 2023, we expanded our business in this area by establishing Ricoh Nakamoto Smart Packaging with Nakamoto Packs Co., Ltd. Because direct printing on film is label-free, it helps shrink environmental footprints. We aim to generate annual sales with this technology of at least ¥10 billion by fiscal 2025. We look to also offer this technology in Europe and other overseas markets in which eco-consciousnesses are particularly strong.



Vehicle painting line builder

We have built a presence in the vehicle coating business centered on equipment that leverages proprietary jetting technology to apply highly viscous inks and inks incorporating solids. Augmenting that offering are exterior inspection and paint repair equipment. We will tap data that we amass on coating lines to set up a digital service that helps improve upstream and downstream processes while stabilizing and enhancing the quality of the complete production process. We thereby aim to lead the global vehicle coating market with inkjet technology.



RFS

RICOH Futures

Message from Business Unit President

Making the world a better place by resolving social issues

The mission of RICOH Futures is to leverage its unique technologies to resolve social issues through business and elevate the Ricoh brand through innovations that contribute to such solutions. By revolutionizing digital technologies that transform the world of work, we aim to fulfill our vision of fostering regional and social development while helping to attain a carbon-neutral, circular economy. A key consideration in creating new businesses is to painstakingly craft a convincing story of how best to balance technological and operational development and determine what we will offer, to whom, and how to build a devoted customer base for our offerings.



Kazunori Kobayashi
President of RICOH Futures Business Unit

While drawing on proprietary technologies and co-creating strategically with partners through open innovation, we will proudly earn stakeholders’ trust and make our vision come true.

Business features and strengths

We seek to become a global ESG leader by innovating ways to achieve a sustainable economy.

- Develop businesses and technologies by focusing on ventures that help resolve social issues
- Incubate new business creation processes by collaborating with corporate R&D units
- Undertake open innovation initiatives by employing proprietary optics, image processing, AI, inkjet, materials, and other technologies that Ricoh has amassed in existing businesses, co-creating with venture enterprises, establishing funding, and undertaking other initiatives

Business risks and opportunities

The need to enhance productivity as workforces shrink is fueling demand to digitalize operations. Also, progress toward a decarbonized, circular economy and increased expectations for longer healthy life expectancies represent opportunities to expand our business. We will draw on our solid proprietary technologies and customer base to pursue open innovation and swiftly resolve social issues while creating new businesses.

Risks

- Delays in materializing and expanding the scales of businesses that resolve social issues
- Poor responses to ethical, legal, and social issues that could undermine corporate credibility and lead to missed business opportunities
- Lost service opportunities owing to parts and raw materials supply delays or stoppages

Earnings opportunities

- The need for frontlines DX employing 360° images
- The need to boost domestic drug discovery in view of the threats of new infectious diseases and economic security requirements
- Rising hopes for bio-materials with low environmental impacts
- Increasing expectations for highly functional, high-performance rechargeable batteries for various applications

Medium- and long-term opportunities and strategies under 21st MTS

Opportunities

- Materialize and expand businesses that help resolve social issues
- Engage in open innovation to create new value chains and customer value
- Balance allocations of management resources to priority businesses

Strategic initiatives

Under the 21st MTS, we aim to build a solid revenue stream in frontlines and social domains by expanding the scale of businesses that help resolve social issues. We will thus draw more on Group technologies and resolve social issues through open innovation. At the same time, we will assess conditions in each business segment, balancing management resource allocations and decision making.

Smart Vision business

We seek to extend the value of 360° content in various applications. This content allows people to virtually access various spaces while remaining remote. We will augment real estate photography and on-site DX at construction sites by working with customers to leverage 360° content in new areas.

Biomedical business

In fiscal 2022, biotechnology venture company Elixirgen Scientific became a Ricoh subsidiary. By combining its technology and expertise with our technology, strengths and resources, we are bolstering our drug discovery support business using induced pluripotent stem cells. We are also developing and building a manufacturing infrastructure for messenger RNA-based* therapeutic drugs in Japan. We seek to contribute to human health and well-being while enhancing domestic economic security, boosting our manufacturing capacity for medical mRNA. We also aim to support the discovery of vaccines and other medical RNA drugs.

* Messenger RNA is a molecule that copies some genetic information from DNA and synthesizes proteins.

PLAiR business

PLAiR is a novel compostable foamed polylactic acid sheet derived from plants. We created it with proprietary technology as an alternative to fossil-derived plastics. We can thus help reduce pollution from those materials by constructing a new ecosystem. The first application taking advantage of PLAiR’s lightness and heat resistance was food containers. We aim to expand our PLAiR business by co-creating with partners.

Inkjet battery business

We developed a technology that uses inkjet technology to manufacture rechargeable lithium-ion batteries in diverse shapes. We will deliver new value through an array of batteries for Internet of Things and wearable devices.

Resolving social issues through business

Digitalizing construction industry processes with 360° images

The Japanese government looks to apply its Act on the Arrangement of Related Acts to Promote Work Style Reform to the construction sector from April 2024. Thus, there is an urgent need to boost labor productivity, fueling interest in the sector in digitalizing business processes. It was against that backdrop that we have focused on collaborating with construction tech companies from fiscal 2022. We are leveraging the RICOH360 platform to help resolve the sector’s issues and expand our business using 360° images and video.

Kenichi Nakabori, Representative Director, log build Co., Ltd.

At log build, established in 2020, I draw on more than 20 years of experience as a construction company manager and site

supervisor in my quest to resolve social issues. These include personnel shortages among general contractors, housing, renovation, and other firms, an aging workforce, long working hours, and management structures that rely heavily on the skills of individual workers. I am delighted to collaborate with Ricoh to enhance the user experience and streamline overall construction workflows



with 360° images. I will keep striving to revitalize the construction sector.

Managing frontlines by linking drawings to 360° images

Messages from Regional Leaders Spearheading Strategic Action

The Ricoh Group operates in Japan, North America, Europe, the Middle East and Africa, the Asia-Pacific, Latin America, and elsewhere around the world. We are building a local production and consumption development structure to swiftly deliver solutions and stay close to our customers. We are leveraging customer touchpoints to help companies

in these regions transform how they work. For this section, top regional managers shared their views about the launch of the 21st MTS.

North America



Carsten Bruhn

General Manager of North America Management Division,
Rico Digital Services Business Unit
President and CEO of Ricoh USA, Inc.

Empowering hybrid and borderless workspaces to become more productive

Ricoh North America optimizes and markets its systems and capabilities to expand digital services in line with Ricoh's 21st MTS. We seek to improve business agility, customer experiences, creativity, and hybrid, borderless work.

We thus rationalized our digital services portfolio and partially realigned go-to-market and sales teams to target long-served vertical industries offering exceptional opportunities to broaden our digital services footprint. That approach has driven more than 55% of services revenues in those verticals. It has also deepened customer relationships by delivering on joint innovation and development plans that transform customers' businesses and ours.

Our Culture of Excellence has increased employee engagement to help others flourish, harnessing our dynamism and accountability so organizations can keep up with change. This is the essence of Fulfillment Through Work, which is central to the 21st MTS and our vision for the future.

EMEA

Putting people first to deliver exceptional outcomes

It is increasingly important to make people central to business and technology decision-making. Ricoh has long put people first in keeping with its "Fulfillment through Work" vision.

We integrate market-leading expertise across physical and virtual working environments to materialize that vision by innovating diverse services and solutions that deliver unmatched value to customers.

Under the 21st MTS, we will perfect that expertise by collaborating with customers and business partners or acquiring firms to accelerate our growth across Europe, the Middle East, and Africa. It will remain a top priority to attract, develop, and retain talent across our organisation to underpin that expansion.

Our people-centric focus on automation, collaboration and innovation will enable us to deliver exceptional outcomes for customers and our employees and business.



Nicola Downing

General Manager of EMEA Management Division,
Rico Digital Services Business Unit
CEO of Ricoh Europe PLC

APAC and Latin America



Keiichiro Uesugi

General Manager of Asia-Pacific & Latin America Management Division,
Rico Digital Services Business Unit
President of Ricoh Asia Pacific Pte, Ltd.

Leveraging diverse talent to deliver optimal solutions for a diverse, fast-growing market

Ricoh's strong customer base in APAC and Latin America benefit from the strength of our locally based sales and support infrastructure. Each region is characterized by differences in culture, religion, language and business practices, and the pace of change is even faster than in Japan, Europe and North America, with spectacular economic and urban development and rapid digitalization.

In response, we aim to grow as a service integrator by embracing regional needs and crafting solutions that address our customers' challenges. Understanding the needs and requirements of our diverse customer base helps us to maximize group synergies and deliver optimal solutions and services, proven by customers in Japan, Europe and North America, faster than our competitors.

The diversity of our team is a major strength and will contribute to the wider success of the Ricoh Group in the years to come.

Japan

Becoming a service integrator that delivers new value with digital services

In Japan, the Ricoh Group serves around one million offices through a localized, nationwide sales support structure. Companies these days must comply with workstyle reform-related legislation, the Electronic Bookkeeping Act, and a recently adopted invoice system. It has become more challenging to maintain information security. Companies are thus stepping up efforts to enhance work productivity with digital technology.

The 21st MTS guides Ricoh Japan's vision for becoming a service integrator that grows with customers and contributes to communities by generating new value with digital services. We will bolster our model for resolving industry and business challenges by combining hardware, applications, and support and services that expand our customer value proposition. We will also keep reinforcing our structure to consistently support everything from deployment to usage.

Because our people are vital to creating and delivering value, we will accordingly invest more in them. We will build trust with customers so we can grow with them and their communities.



Kazuhiro Kimura

General Manager of Japan Management Division,
Rico Digital Services Business Unit
President of Ricoh Japan Corporation

Environment

The Ricoh Group considers it essential to simultaneously protect the environment while generating profits. We accordingly practice environmental management, through which we strive to reduce our eco-footprint and improve the Earth's regenerative capabilities groupwide. We seek to materialize social sustainability by tackling material issues of helping to achieve a zero-carbon society and a circular economy. We have set environmental goals for 2030 and 2050. We have also formulated ESG targets linked to material issues, and are deploying measures to reach them under mid-term management strategies.



Refer to our website:
1 Environment
2 Materiality

Ricoh Group Environmental Declaration

We proactively reduce our environmental impact and strive to improve the Earth's self-recovery capabilities to achieve a zero-carbon society and a circular economy through business.

Fiscal 2022 initiatives and results

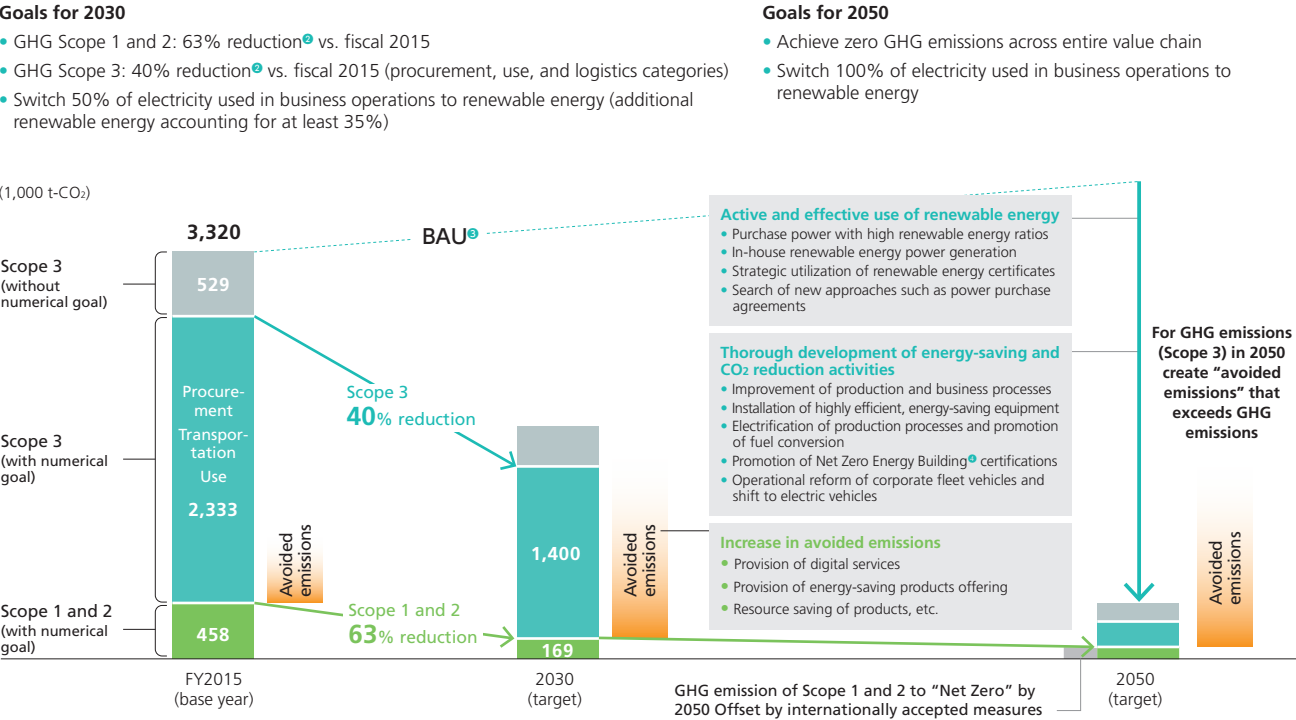
- Steadily reduced Scope 1, 2, and 3 GHG emissions from base year in line with zero-carbon roadmap in drive to reach 2030 environmental goals
- Stepped up renewable energy deployment quality and quantities by setting targets for employing additional renewable energy and concluding Ricoh Group's first domestic virtual power purchase agreement
- Calculated GHG emissions intensity of recycled plastics in-house and registered in domestic GHG emissions intensity database, and reflected in Scope 3 calculations
- Domestically launched MFPs with 50% recycled plastic content

Achieving a zero-carbon society

We aim to virtually eliminate GHG emissions across our value chain by 2050. By 2030, we seek to cut Scope 1 and 2 GHG emissions by 63% from fiscal 2015 levels. These ambitious goals satisfy the criteria of Science Based Targets, a global initiative for limiting the rise in global temperature to 1.5°C above pre-industrial levels. We also look to lower Scope 3

supply chain GHG emissions by 40% by 2030 from fiscal 2015 levels and obtain 50% of our electricity from renewable sources (additional renewable energy accounting for at least 35%). We now also aim to benefit society with 1.4 million metric tons in avoided GHG emissions by 2025 from providing digital services to customers.

Ricoh Group environmental goals (zero carbon)



Zero-carbon endeavors and achievements in fiscal 2022

We formulated a GHG reduction roadmap through 2030, and are extensively conserving energy and tapping renewables to help restrict the global temperature rise to 1.5°C. In fiscal 2019, we adopted 100% renewable electricity to manufacture A3 MFPs worldwide. In fiscal 2021, we deployed power purchase agreements at four sites in Japan and abroad to secure additional renewables. In fiscal 2022, we signed our first domestic virtual power purchase agreement. We are devoting considerable attention to reducing GHG emissions in our supply chain. We are doing that by making products smaller and lighter, reducing, reusing, and recycling, and designing products for long-term use. Other efforts include launching products with exceptional energy-saving performances, and overhauling logistics. As a result of our efforts, our combined direct (Scope 1) and indirect (Scope 2) GHG emissions totaled 249,400 metric tons in fiscal 2022; this was 5.0% lower than a year earlier and 45.5% down from the fiscal 2015 base year. Renewables represented



30.2% of our electricity usage in the period under review, up 4.9 percentage points from the previous term. GHG emissions from the supply chain, encompassing procurement, transportation, and use category (Scope 3), were 1,600,000 metric tons in fiscal 2022, down 31.4% from fiscal 2015.

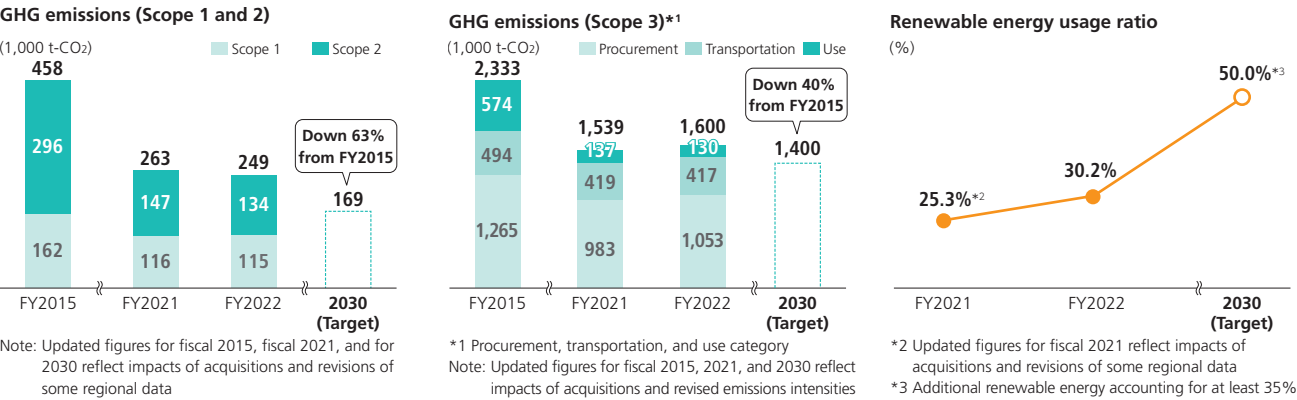
We aim to use environmental value from a virtual power purchase agreement to switch to renewable electricity at the Ricoh Technology Center

Life cycle assessment (LCA) initiatives

We initiated LCAs in the 1990s, primarily for our imaging products. We have presented qualitative information about our products since the EcoLeaf environmental label launch in 2002 in conformity with the Type III environmental declarations of ISO 14025. We disclose carbon footprint information for key imaging products in line with EcoLeaf calculation and disclosure standards. We use the LCA methodology to annually calculate avoided emissions for our environmental impact reductions for society from providing products and digital services. For example, Ricoh's digital printing presses offer lower environmental impacts on society overall than conventional counterparts by reducing inventories and power consumption while eliminating the need for printing plates in catering to growing demand for high-mix, low-volume print runs. Our total avoided emissions in fiscal 2022 were 1,045,000 metric tons. We launched the LCA Usage Working Group in fiscal 2021 to strengthen assessment initiatives. We appointed key persons in each business unit to drive internal LCA progress. In fiscal 2022, we set up a domestic GHG emissions intensity database for the intensities that the working group's members compiled for recycled plastics to help lower emissions. We plan to continue using LCAs to lower Scope 3 emissions and expand avoided emissions.

(1,000 t-CO ₂)			
Avoided emission contributions	FY2020	FY2021	FY2022
Provision of energy-saving products	244	197	226
Provision of digital services	124	762	752
Resource saving of products	64	74	67
Total	432	1,033	1,045

Fiscal 2022 results



INFO

1 Science Based Targets initiative (SBTi)
This global initiative certifies that companies' GHG reduction goals are in keeping with scientific evidence

2 GHG Scope 1, 2 and 3
GHG Scope 1: All direct GHG emissions from Ricoh Group factories, offices, vehicles, etc.
GHG Scope 2: Indirect GHG emissions from the consumption of electricity and heat purchased by Ricoh Group
GHG Scope 3: Emissions in the supply chain of business activities (excluding GHG Scope 1 and 2)

3 BAU
Business As Usual, representing emissions levels in the absence of additional initiatives

INFO


4 Net Zero Energy Buildings (ZEB)
These structures consume significantly less energy annually. They conserve more than 100% of their standard primary energy. The savings for Nearly ZEB and ZEB Ready are 75% or 50% or more, respectively. ZEB Oriented refers to buildings designed to be ZEB Ready through measures to save more energy, such as high-performance exteriors, and very efficient, energy-saving equipment.

5 Virtual power purchase agreements
These contracts are financial transactions for the environmental value associated with renewable energy.

Information disclosure based on TCFD framework¹

Climate change is one of Ricoh's critical management issues. The ESG Committee discusses and clarifies climate change risks and opportunities with management and drives zero-carbon initiatives. We particularly endeavor to lower risks from increasingly severe natural disasters by formulating risk management and business continuity plans and implementing them as swiftly as possible. As an environmental management pioneer, we have focused providing products and solutions that help customers achieve zero carbon while creating new businesses.

We have published the Ricoh Group TCFD Report since fiscal 2021. It presents our stance on climate change risks and opportunities based on scenario analyses, specific plans and achievements in line with our roadmap for achieving zero carbon, and case studies.

 Refer to our website:
1 Ricoh Group TCFD Report



Climate change risks

Climate change impact on Ricoh Group			Impact	Urgency
Transition risks	Transition risk 1 (2°C/1.5°C scenario*1) Carbon taxes and emissions trading systems applying to suppliers	<ul style="list-style-type: none">Carbon pricing (carbon tax and emissions trading) applying to all suppliers, increasing procurement costs as raw materials prices are passed onMinimal impact of carbon pricing (carbon tax and emissions trading) on Ricoh Group (systematic GHG reductions under SBT 1.5°C target)	¥1 billion or less	Within 5 years
	Transition risk 2 (2°C/1.5°C scenario) Rapidly changing consumer and investor behavior in drive toward zero-carbon society	<ul style="list-style-type: none">Incurring additional costs to accelerate such measures as to invest in energy-saving and renewable energy facilities and switch to renewables to achieve 1.5°C target and goals of RE100 global renewable energy initiative ahead of schedule	¥1 billion or less	Within 5 years
Physical risks	Physical risk 1 (4°C scenario*2) Rapid increases in natural disasters	<ul style="list-style-type: none">More extreme weather events from climate change causing more wind and flood damage than expected at Ricoh plants and supplier sites, disrupting supply chain to halt production and increase sales opportunity losses	Up to ¥20 billion	Within 5 years
	Physical risk 2 (4°C scenario) Regional infectious disease epidemics	<ul style="list-style-type: none">Parts supply disruptions hampering production plansLower plant operating rates causing inventory shortagesImpeded face-to-face sales eroding sales opportunities	Up to ¥20 billion	Within 10 years
	Physical risk 3 (4°C scenario) Declining forest resources	<ul style="list-style-type: none">Global warming increasing wildfires, pest infestations, and other forest damage, further destabilizing paper pulp supplies and increasing paper costs	¥1 billion or less	Within 10 years

*1 2°C/1.5°C scenario: Global average temperature increasing less than 2°C by 2100

*2 4°C scenario: Global average temperature increasing 4°C by 2100

Opportunities associated with climate change

Contribution areas	Fiscal 2022 results overview	Financial impacts
Mitigation contributions	Energy-saving products and services helping to mitigate climate change	Approx. ¥1,165 billion
	<ul style="list-style-type: none">Sales of environmental label-certified products helping to reach zero carbonSales from negotiations in which ESG responsiveness was keySales from products and parts remanufacturingSales from businesses saving and creating energyContributions from new businesses, including sales of eco-friendly linerless labels	Approx. ¥1,060 billion Approx. ¥40 billion Approx. ¥30 billion Approx. ¥30 billion Approx. ¥5 billion
Adaptation contributions	Developing products and services that avoid or mitigate climate change effects	Approx. ¥130 billion
	<ul style="list-style-type: none">Sales of solutions for new workstyles (Scrum package solutions and assets*1 and Leading Change at Work*2)Contributions from new businesses, including sales of energy-harvesting*3 products	Approx. ¥130 billion —

*1 Scrum assets: Small and medium-sized enterprise issue solutions model sold in Japan

*2 Leading Change at Work: Solutions package sold in Europe

*3 Energy Harvesting: Generating electricity from surrounding light, heat, and vibrations

Realizing a circular economy

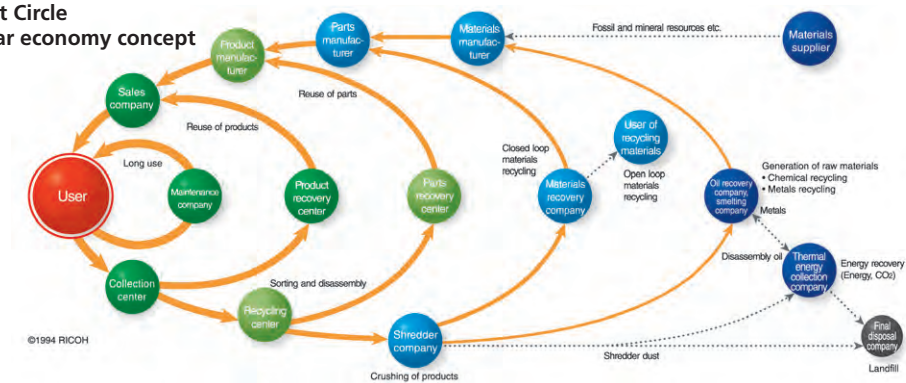
Interest in a circular economy has surged in recent years. In 1994, the Ricoh Group created the Comet Circle concept for materializing such an economy. We have drawn on its principles to foster effective resources usage across product life cycles.

We established goals for 2030 and 2050, and are stepping up efforts to use fewer new resources and recycle them and reduce or replace plastics from fossil resources. In fiscal 2021, we debuted the Ricoh Group Circular Economy Report². We were the first Japanese company to publish such a document. We presented activities in line with the Disclosure and Engagement Guidance to Accelerate Sustainable Finance for a Circular Economy, which Japan's Ministry of Economy, Trade and Industry and Ministry of the Environment published in January 2021.

 Refer to our website:
2 Ricoh Group Circular Economy Report



Comet Circle circular economy concept



Comet Circle

Four Action Guidelines

- (1) Identify and reduce environmental impacts from lifecycle perspectives
- (2) Deploy reuse and recycle practices with lower environmental impacts
- (3) Establish circular business model
- (4) Partner with stakeholders

Ricoh Group environmental goals (resource conservation)

Resource conservation policy

1. Contribute to realizing a circular economy by promoting the efficient use of natural resources.
2. Offer recycled products and promote further use of and conversion to sustainable resources with low environmental impact

Ricoh Group Plastic Policy for Products

Ricoh Group has set targets and goals for plastic usage of its products and packaging under consideration of social issues such as "Shifting to a circular economy," and "Tackling ocean micro-plastic pollution"

1. Breakaway from dependence on virgin plastic derived from fossil resources
2. Material recyclable design

End-of-life product disposal targets

- Reuse and recycling rates: More than 87.5% by 2030 and more than 93.5% by 2050
- Incineration and landfill rates: Less than 0.5% by 2030 and zero by 2050

Waste reduction target

Reduce waste to below previous year's level (Data collection scope is Ricoh production and non-production sites and production subsidiaries)

Water Policy

1. We base our actions on the recognition that all people have the right to use safe and secure water resources.
2. We understand our business impact on water resources, factoring in regional characteristics and setting activity targets.
3. We manage water resources in compliance with laws and regulations, international standards and initiatives, and public policies.
4. We innovate technologies to help resolve internal and external water resource issues.
5. We endeavor to raise awareness among all employees, with each of them engaging with stakeholders to help resolve community water resource issues.
6. We consider resource conservation, climate change, and pollution prevention when procuring raw materials, products and services, and equipment.

Targets for water consumption from business activities

Reduce water to below previous year's level (Data collection scope is Ricoh production and non-production sites and production subsidiaries)

INFO

1 Product virgin material content Ratio of virgin materials usage to total resources inputs

Resource conservation initiatives and fiscal 2022 results

In product initiatives, cross-organizational working groups are driving efforts to reach resources conservation targets for 2030 and 2050.

In fiscal 2022, reuse amounts increased worldwide from a year earlier. The weight of reused materials rose 29% on expanded sales of recycled machines and efforts to step up toner bottle recycling. We will expand business continuity plan and other initiatives to offset difficulties in procuring new parts by reusing them. During the term, recycled materials content in mainstay full-color A3 MFP machines Ricoh IM C6010, C5510, C4510, C3510, C3010, C2510, and C2010 exceeded 50% of total plastics content. This was an industry first for A3 models. Recycled materials content from the expanded use of such materials thus rose 61% from a year earlier. The new resource usage ratio for fiscal 2022 was thus 84.9%, while the new resource usage volume was 79,500 metric tons.

We collect used products for reuse and recycling in line with our Comet Circle concept. We have kept our incineration and

landfill rates at 4% or below worldwide since early this century.

We are working on production processes and setups that minimize resource losses and thereby streamline manufacturing while lowering emissions. In fiscal 2022, our emissions rose 6.7% from a year earlier as the impact of the COVID-19 pandemic abated. The waste recycling rate from our sites remained high, however, at around 97%, reflecting efforts to reuse waste as resources. It is also worth noting that we minimize contamination risks by visiting waste contractors to confirm proper waste disposal. We regularly audit waste storage at our own sites. Everyone has a right to safe and accessible water. We thus monitor water consumption at all of our global production sites. Our risk assessments refer to the Aqueduct Water Risk Atlas of the World Resources Institute, an international environmental nongovernment organization. We factor in regional characteristics and public policies in striving to use water resources appropriately.

Conserving biodiversity²

We established the Ricoh Group Biodiversity Policy in fiscal 2009 to help create a prosperous and sustainable economy. We formulated the Regulation of Ricoh Group Products Made of Wood* in fiscal 2010 to prevent deforestation and procure raw materials. We also consider labor and other social aspects in this process.

In 2023, we formulated the Paper Procurement Policy to consider the environment, human rights, and local operations in using this vital resource. We undertake initiatives based on our policies and rules to lower the environmental impacts of our operations while maintaining and enhancing the Earth's regenerative capacity.

* These regulations were based on our 2003 Environmental Standards for Paper Product Procurement

Biodiversity Policy

Society has developed owing to the Earth's abundant natural resources. However, we recognize that the very diversity of life that has supported our environment is in decline. We responded by formulating this biodiversity policy.

Basic Policy

Given that we benefit greatly from living things and pursue business activities that have an impact on biodiversity, we will reduce the impacts of our activities on biodiversity and engage in its protection.

Regulation of Ricoh Group Products Made of Wood

From the viewpoint of global environmental conservation and biodiversity protection, this provision shall be established to confirm that the wooden raw materials used in Ricoh brand products and their accessories are legally obtained with consideration for the sustainability of the place of origin in environmental and social aspects prior to the decision of procurement.

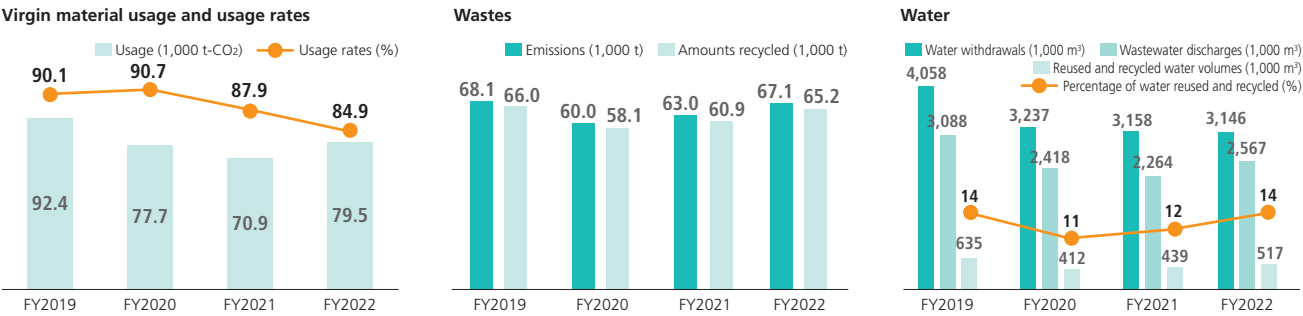
[Scope]

It shall apply to paper products marketed under the Ricoh Group brand (PPC paper, thermal paper, etc.) as well as materials made of wood, which accompany with Ricoh Group brand products (seals, manuals, packaging material, cushion material, etc.).

[Requirements for raw materials]

1. Confirmation of legality of lumber in the country of origin at the time of production.
2. Wood produced from a forest where sustainable forest management is practiced without adverse environmental or social impact at the time of production.
3. The products delivered to the Ricoh Group do not use wood procured by a "Supplier with Problems."

Fiscal 2022 results



Refer to our website:
ESG Data Book

Pollution prevention initiatives¹

We formulated Basic Policy on Chemical Substances Management to help safeguard human health and the environment. We aim to reduce management risks through controlling such chemicals by using them properly in our operations and products.

Basic Policy on Chemical Substances Management

- (1) Comply with laws and regulations

(2) Manage substances across entire lifecycles

(3) Minimize risks through preventive measures
- (4) Develop and deploy technologies

(5) Consider and address risk tradeoffs

(6) Engage with communities

(7) Constantly enhance employee skills

Reducing business growth risks

When obtaining land or buildings through business acquisitions, we conduct environmental due diligence in line with internal rules to assess risks. These risks include soil and groundwater contamination, polychlorinated biphenyl, and

asbestos. We assess potential impacts on our business growth and act accordingly. We recognize and address the impacts of changes associated with becoming a digital services company.

Refer to our website:
1 Prevention of Pollution

Protecting tomorrow through the One Million Trees Project

Conserving forests is essential to protect biodiversity, prevent global warming, and ensure sustainable community development. We strive to conserve forests and increase tree numbers. We collaborate with diverse stakeholders. These include environmental nongovernment organizations, local governments, community residents, and other experts. To further accelerate these efforts, we joined the 30by30 Alliance for Biodiversity in April 2022. Its founders were 17

organizations from industry, the private sector, and such Japanese government bodies as the Ministry of the Environment.

Goal	Progress
Plant one million trees from fiscal 2020 through 2030	338,000 trees planted thus far 92,000 in fiscal 2020 149,000 in fiscal 2021 97,000 in fiscal 2022



Ricoh Japan helps safeguard ecosystems by planting mangroves in Indonesia and the Philippines in proportion to unit sales of energy-efficient MFPs.

Actual number of trees planted in fiscal 2022 is 97,000.



We own Ena Forest in Gifu Prefecture, Japan, which the Ministry of the Environment has certified for participating in its Nature Symbiosis Sites trial.

Ricoh Group undertook 11 conservation projects in fiscal 2022.

Refer to our website:
2 Conservation of Biodiversity

Social

We are taking the initiative in contributing to a sustainable economy by creating diverse and positive work environments that foster innovation. We are pursuing sustainable development in contributing to social progress that leaves no one behind by respecting human rights and ensuring fair business practices across our entire value chain.

21st MTS ESG goals	Fiscal 2022 results		Fiscal 2025 goals
	Engagement Score	3.73 globally	3.91* globally
	Female-held managerial position ratio	16.3% globally and 6.9% in Japan	20% globally and 10% in Japan
* Regional goals are 3.69 in Japan, 4.18 in North America, 4.14 in Latin America, 4.01 in Europe, and 4.15 in APAC			
Fiscal 2022 initiatives and results	<ul style="list-style-type: none"> Established global and regional DEI Councils Achieved 100% male childcare leave rate for fourth straight year since fiscal 2019 at parent company Improved employee engagement through regional initiatives 		

Diversity, equity, and inclusion (DEI) and work-life management ¹⁾

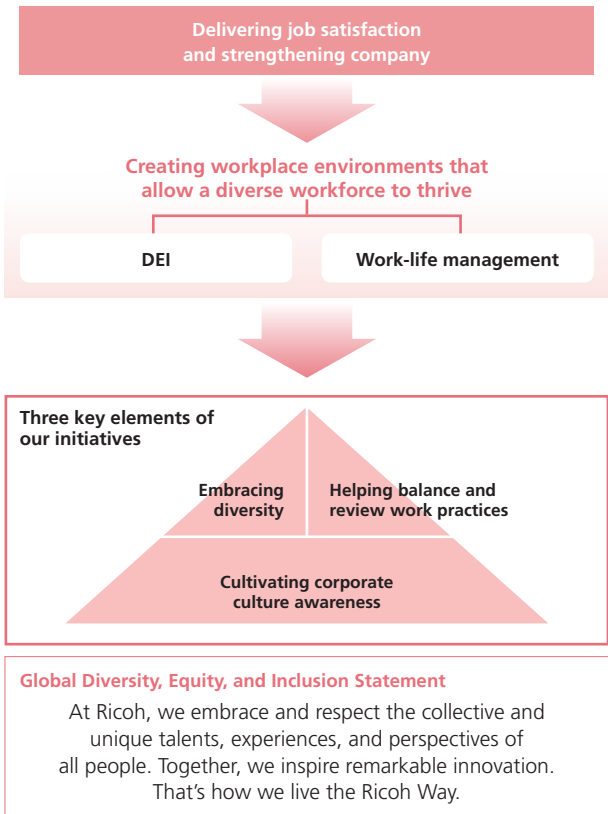
Innovation comes from diverse people pooling their talent in teams. We accordingly need environments in which these individuals can perform at their best.

We have accordingly incorporated diversity and inclusion and work-life management in our management strategy. We emphasize to employees that the Ricoh Group Code of Conduct underpins our corporate culture in committing to create work environments that motivate employees and respect diversity.

We formulated our Global Diversity & Inclusion Statement, disseminating it in 22 languages, to underscore the complete commitment of all employees to mutual respect and team-work. Complementing this is the Global Diversity & Inclusion Policy, which is available in 17 languages. We will step up efforts to embrace diversity and create work environments that respect and value all people.

From fiscal 2023, we stepped up our diversity and inclusion efforts by committing to DEI. We decided to explicitly include the element of equity because we consider it essential to provide the support and resources that individuals need to overcome their challenges and circumstances so we can foster a truly flourishing diverse workforce and an inclusive organizational culture.

 Refer to our website:
[Diversity & Inclusion and Work-Life Management](#)



Diversity, equity, and inclusion

Championing DEI Councils globally

We established the Global DEI Council in March 2023. The president and CHRO head this entity, whose nine members from the Group's senior management team include Nicola Downing, CEO of Ricoh Europe PLC and heads of Ricoh's other operating regions. Its tasks over fiscal 2023 include discussing Group DEI issues and spearheading initiatives to build a corporate culture that fully embraces diversity across the Group. Equity was the theme of International Women's Day 2023. One of the council's key focuses this year is to explore ways to strengthen the Ricoh Group's organizational structure so it constantly champions equity.

In June 2022, we set up the Japan Council, which gathers quarterly to intensively discuss domestic challenges. It focuses on everything from gender to generational considerations and career diversity, prioritizing issues and determining direction. Establishing councils in Japan and elsewhere around the world that augment existing ones in Europe and the Americas will embed DEI in the Ricoh Group's culture.



Attendees at Global DEI Council meeting

Empowering women

Gender diversity is a top priority in pursuing DEI. This is particularly important in Japan, where women account for under 7% of managerial positions despite representing around 19% of our workforce. We accordingly target identical female percentages among employees and management by our centennial in 2036. In the meantime, we aim to increase the female-held managerial position ratio to more than 10% domestically and more than 20% globally (including in Japan) by the end of fiscal 2025.

As well as confirming progress with overall measures in Group Management Committee meetings, we set up a support structure to address individual growth challenges. In Japan, for example, where there are particularly significant issues, directors interview talented female professionals and identify candidates for managerial positions. We are drawing on the Ricoh-style job-based personnel system that we rolled out in April 2022 to extensively appoint individuals regardless of gender, age, or background, to revitalize our talent pool.

Employing people with disabilities

We seek people with disabilities who can broaden the scopes of their jobs and accelerate change to generate new value regardless of their challenges.

We are expanding into other business fields. A good example is communication services that we developed with hearing-impaired employees for others with this condition. Another is our launch of the Ricoh Auto Color Adjuster system, which uses algorithms developed by neurodiversity employees with outstanding skills in certain fields. Special subsidiary Ricoh Espoir Co., Ltd., has constantly supported Group production and general affairs operations for the past 30 years or so.

DEI success stories

(1) International Women's Day activity report

The theme for this day in 2023 was Embrace Equity. We undertook an array of activities that matched regional needs. Ricoh's senior management put out a video message and solicited videos of voluntary declarations from employees, posting them on our intranet. In North and South America, we held live events with employees. In Europe, we also disseminated videos and had outside instructors conduct career development seminars. We held workshops in Malaysia and Taiwan.



One of numerous events that Ricoh staged to commemorate International Women's Day

(2) Sharing content worldwide through global onboarding program

In fiscal 2022 alone, more than 10,000 people worldwide joined the Ricoh Group through hirings and acquisitions. We deployed a global onboarding program to familiarize mid-career individuals with our culture and help them meet our performance standards. The program covers the Spirit of Three Loves, the Ricoh Way values, Ricoh's DX and business endeavors, and features of our regional operations. We have translated program content into 21 languages. People can access the materials through in-person workshops and e-learning.

Work-life management

Work practice and job satisfaction reform initiatives

In keeping with our commitment to Fulfillment through Work in line with the Ricoh Way, we have endeavored since fiscal 2017 to overhaul work practices across the Group. We have undertaken everything from creating comfortable work environments through developing rules and tools and improving job satisfaction by changing mindsets and the corporate culture. The core concept for all these efforts is work-life balance management.

Every year, we poll all domestic Group employees in Japan about their work-life-management attitudes. We explore levels of professional and private fulfillment and satisfaction through this endeavor. A total of 29,000 employees responded to our fiscal 2022 survey in January 2023, for an 80.5% response rate. More than half of respondents stated that they found their personal and work lives fulfilling. Around 65% of respondents stated that they could flexibly choose work times and places, while 90% replied that they had maintained or improved their productivity since a year earlier. We attribute such responses to the pandemic accelerating a workstyle transformation that we had already embarked on and our efforts to create a more productive environment. Specific moves have been to abolish core hours from our flextime system and remove restrictions on the number of days and locations of telework. We have also expanded satellite offices and encouraged employees to use digital tools. We have realized a flexible workstyle that allows employees to choose their own time and place according to the type and nature of work, making workcations possible and single-person relocations unnecessary.

Ricoh has deployed hybrid work worldwide globally in line with job categories and requirements. We accordingly aim to foster workstyles that encourage internal teamwork and collaboration beyond organizational boundaries and companies to maximize team performances so people can work faster and more creatively and deliver optimal results. In Latin America,

for example, we are experimenting with four-day work weeks and other new approaches.

Under an in-house second job program that we launched in fiscal 2019, employees can devote up to 20% of regular working hours to internal tasks or initiatives beyond their job descriptions that they want to tackle. Under the TRIBUS business accelerator program for in-house entrepreneurs and startup enterprises, employees make business proposals to more than 400 colleagues serving as supporters. The program has become an important vehicle to encourage people taking on new challenges, and fosters a corporate culture that prizes innovation.

Helping balance childcare and eldercare obligations and work commitments

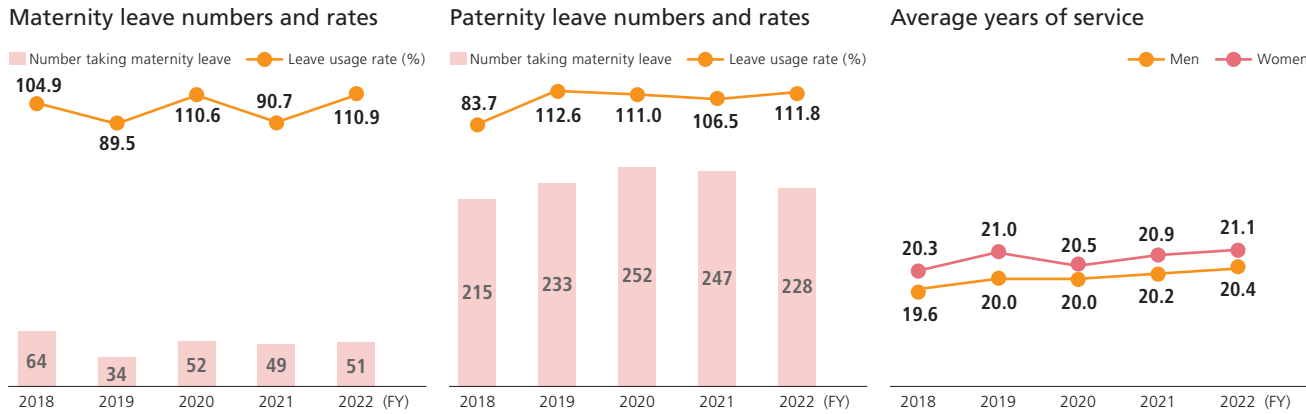
We rolled out a childcare leave and shorter working hours program in 1990. This was before the Japanese government enacted the Childcare Leave Law. Our goal was to help employees balance their work commitments and childcare and eldercare obligations. We update our programs to better cater to employee needs and changes in the social landscape. We create workplace environments that make these initiatives more accessible.

For example, we encourage men to involve themselves more in childcare, thus gradually transforming workplace cultures.

For managers, we have included diversity management in 360° assessments* and seminars to help them become more supportive.

Through these efforts, almost 100% of women eligible for maternity leave and return-to-work programs have used them. Since fiscal 2015, women’s average years of service have exceeded those of men. The number of male employees using paternity leave has also increased significantly, reaching 100% for the fourth consecutive year in fiscal 2022.

* A system in which supervisors, peers, and subordinates, and others assess a person’s performance from various perspectives



*1 Usage rate is the number of employees taking maternity or paternity in the year under review divided by number of employees welcoming new children in that year
*2 Fiscal years in which children are born and in which employees take maternity or paternity leave may differ, so usage rates may exceed 100%
*3 All data on parent company basis

Employee engagement

Ricoh employs around 80,000 people in about 200 countries and regions. Our global personnel management policy fosters self-starters. We create energetic work environments that respect diversity and thereby enhance employee engagement, which is essential for corporate growth.

Global employee engagement survey

We initiated global surveys in fiscal 2020 as part of efforts to increase employee engagement. We have since polled our people annually to monitor progress. We publish companywide findings on our intranet. Business unit and divisional heads also receive results for areas under their purview. We implement measures to improve engagement. We base the Ricoh Family Group engagement score, one of our ESG benchmarks, on global employee awareness surveys. We link ESG targets to

executive compensation to clarify management accountability for employee engagement.

Metric	FY2022 target (for 20th MTP)	FY2022 results
Ricoh Family Group engagement score	At least 50th percentile in each region	Japan: 54th percentile Americas: 45th percentile Europe: 38th percentile APAC: 39th percentile

Ricoh Way Value Award

The annual Ricoh Way Value Award program recognizes efforts that embody the Ricoh Way. We received 119 entries worldwide in fiscal 2022. The grand prize went to a marketing initiative in Europe.

The winning team earned this accolade for addressing surging customer demand for digital services after the pandemic struck. It earned kudos for exemplifying the WINNING SPIRIT, one of the seven values of the Ricoh Way. The team reorganized marketing and activities in more than 20 countries. In just five months, it switched the marketing structure and website focus from products and services to customer issues. This effort generated €177 million in new business.

The special award went to a success story for deploying

Ricoh Interactive Whiteboards at a university hospital in Niigata, Japan. This prize was for fulfilling the CUSTOMER-CENTRIC and PASSION values of the Ricoh Way. That institution’s disaster medical assistance team used the whiteboards in training before the pandemic. It drew on its experience from that training when patient numbers rocketed during that outbreak to help prefectural and city authorities establish a medical system employing these whiteboards to help prop up medical services.

It is through approaches like the award-winning ones we described that our people embody Ricoh Way at each customer touchpoint, doing their very best to satisfy those stakeholders.

Regional initiatives to enhance employee engagement

Employee engagement scores have improved steadily since we began surveying workforce attitudes domestically and abroad. In fiscal 2022, engagement level growth was particularly high overseas. In Europe, we started a project to boost engagement by having supervisors better assist subordinates through training in specific skills and support techniques. The regional employee engagement score jumped 9 percentage points from a year earlier, to 38%. In Latin America, where the business climate remains challenging because of high inflation and rising worker turnover rates, our efforts to verbalize, visualize, and effectively communicate our employee value proposition boosted the worker engagement rate there by 14%.

In North America, we rolled out the Culture of Excellence branding initiative for employees, which has proven very successful. Business leaders candidly explain through that initiative’s content what makes it so worthwhile to work for Ricoh. This approach has contributed much to recruiting professionals who share Ricoh’s business growth. It has also lowered the worker turnover rate, leading to 2,700 new hires in the United States and Canada in fiscal 2022. Despite competition intensifying to secure talent in North America, we have been able to secure the exceptional individuals we need to expand our business.

Human rights ¹

Basic stance

“Love your neighbor” is pivotal to the Spirit of Three Loves, founding principles that epitomize our respect for human rights, including by complying with national regulatory requirements and international norms*. We support the Ten Principles of the United Nations Global Compact, of which we are a signatory. We strive to enhance corporate value by respecting

the human rights of all stakeholders while endeavoring to prevent human rights violations.

* Including the International Bill of Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, and the Guiding Principles on Business and Human Rights of the United Nations

Ricoh Group’s Human Rights Policy ²

In April 2021, we established the Ricoh Group’s Human Rights Policy in line with the United Nations Guiding Principles on Business and Human Rights. We formulated this commitment to respecting human rights in light of internal and external expert opinions, ESG Committee deliberations, and the CEO’s approval. We long respected human rights in keeping with the Ricoh Group Code of Conduct. Still, we will strengthen our efforts to comply with global norms under this policy in view of an expanding human rights scope in the international community.

We have positioned this policy above all of our human rights-related regulations to prevent human rights violations. It applies to all Group executives and employees.

We have disseminated this policy in 10 languages, including Japanese, English and Chinese, to all major Group companies worldwide. We will endeavor to ensure that suppliers and business partners also support and implement the policy.

Ricoh Group’s Human Rights Policy (established on April 6, 2021)

1. Position of the policy and scope
2. Conforming to international principles and standards
3. Respect for human rights of stakeholders
4. Human rights due diligence
5. Remedy
6. Education and training
7. Dialogue
8. Transparency

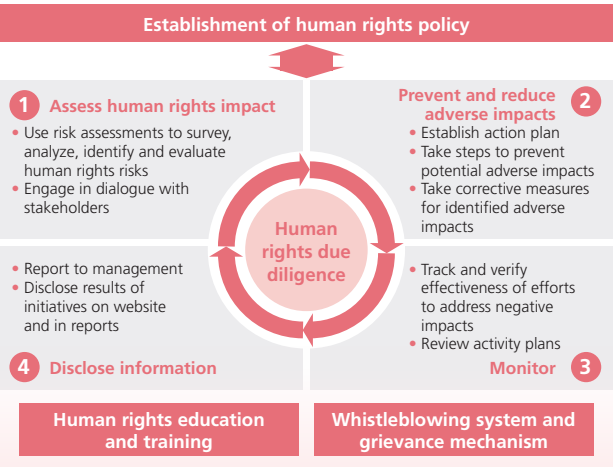
 Refer to our website:
1 Human Rights **2 Ricoh Group’s Human Rights Policy**

Human rights due diligence

Human rights impact assessments

We identify human rights issues for each stakeholder by assessing the adverse impacts of our operations on these rights. In 2015, we organized the relevance of identified risks and stakeholders. In fiscal 2021, we responded to the growing complexity of human rights issues by conducting related impact assessments. We based those efforts on key international human rights rules and frameworks and drew on advice from external experts. Our first evaluation was of parent company and Group manufacturing affiliate worker protections. After consulting with top management in light of results, we identified seven significant human rights issues and addressed them.

We will conduct groupwide human rights impact assessments in view of the importance of risk management.



* Human rights due diligence is a process that companies undertake to identify, prevent, and mitigate adverse impacts on human rights, assess efforts, and disclose information

Key human rights risks	Examples of possible adverse impacts	Adversely affected stakeholders			
		Employees	Suppliers and business partners	Indigenous people and communities	Customers
Forced labor	<ul style="list-style-type: none">Coercing nonconsensual work or falsifying or not fulfilling labor contractsEngaging in human trafficking, bonded labor, or charging recruitment feesViolating freedom of residence or movement				
Excessive and unreasonable working hours	<ul style="list-style-type: none">Requiring excessive overtime or consecutive working hours or restricting leave entitlements	✓	✓		
Occupational health and safety	<ul style="list-style-type: none">Industrial accidents attributable to inadequate health and safety conditionsPhysical and mental health problems from inadequately considering women's pregnancy and child-raising needs				
Child and youth labor	<ul style="list-style-type: none">Inhibiting children's learning opportunities and violating their health and safetyForcing people under 18 to engage in overtime, late-night, and hazardous work	✓	✓	✓	
Discrimination and harassment	<ul style="list-style-type: none">Placing discriminatory advertisementsGiving women unequal pay for equal workInsufficiently considering diversity and minorities (through sexual, power, maternity, paternity, nursing care, and other forms of harassment)Discriminating against foreign national employees or job applicants				
Rights to privacy	<ul style="list-style-type: none">Inappropriately acquiring, using, providing to third parties, or unintentionally leaking sensitive personal information	✓	✓	✓	✓
Human rights issues in the supply chain	<ul style="list-style-type: none">Becoming directly or indirectly involved in human rights abuses* in the supply chain				

* Including forced and child labor, poor working conditions, or other serious risks

Preventing and mitigating adverse impacts

We take corrective action to prevent or mitigate the impacts of significant human rights issues.

In 2020, for example, it was revealed that some temp staffing agencies in China had charged workers commissions related to hiring. The subsidiary reimbursed those people. Later that year, we prohibited contractors from imposing such charges on workers.

In keeping with international standards, we decided in fiscal 2022 to abolish disciplinary pay cuts to protect workers as part of steady efforts to address that issue. We plan to terminate such disciplinary measures at all domestic and Group companies by the end of fiscal 2023.

For sites where there are concerns about adverse impacts from human rights issues, Human Resources and ESG departments that are responsible for safeguarding human rights consult with the relevant units to confirm the details of issues and make improvements on individual bases.

Monitoring

Production sites with particularly high human rights risks have used the Responsible Business Alliance’s self-assessment questionnaire every year since fiscal 2020 to evaluate risks. Major production sites undergo the alliance’s Validated Assessment Program audits every two years to gauge prevention and mitigation measures and corrective actions. In 2022, the alliance certified all four audited sites, awarding Gold certifications to two units in Japan.

In December 2022, a third-party human rights audit was conducted at our domestic production sites. Although no serious risks were identified, we will make improvements to prevent any negative effects from the recruitment process, which may lead to age discrimination, and other issues that were pointed out.

In addition, we conducted assessments in line with the alliance’s standards for key suppliers. For at-risk suppliers surveyed in fiscal 2022, we formulated corrective measures and improvement plans and provided mutually agreed support.

Specific initiatives

Education and training

Since fiscal 2012, the Ricoh Group has conducted human rights education for all executives and employees. In fiscal 2021, we invited external experts to conduct a study session for Ricoh executives to understand business and human rights. We educated more than 75,000 directors and employees globally about business and human rights and the Ricoh Group’s Human Rights Policy in fiscal 2021 and 2022.

Educational overview

Title	Fiscal year	Targets	Attendance rates
Business and human rights Ricoh Group’s Human Rights Policy (e-learning, webinars, and other channels)	2021	All 33,000 Ricoh Group executives and employees in Japan	94%
	2022	All 45,000 executives and employees of 80 Ricoh Group companies outside Japan	96%

Remedies

Our whistleblowing and response framework enables stakeholders to report human rights concerns without fearing retaliation. We promptly investigate alleged human rights violations and take remedial steps in response to reports.

Supporting LGBT+ people

We conduct seminars and provide e-learning training for Group employees so they can better understand LGBT+ people, and established a support desk for that purpose.

Complying with Modern Slavery Act

Group companies in the United Kingdom and Australia have issued statements on the Act. Operations in other countries look to take action.

Supply chain management ¹

Basic stance

Suppliers are vital business partners with whom we pursue mutual progress in serving society across the supply chain. We engage in business based on trust from sharing policies and

visions. The Ricoh Group Purchasing Regulation governs our fundamental approach to procurement in view of regulatory requirements, fairness, and environmental and societal impacts.

Purchasing Regulation

[Fair transactions]

We will purchase fairly, equitably, rationally, and openly in Japan and abroad.

[Environmental conservation]

As a good corporate citizen, we engage in purchasing that helps maintain and improve the environment.

[Corporate social responsibilities]

We ensure legal and ethical purchasing.

[Prospering with partners]

We move forward with suppliers by ensuring that they and we act in good faith.



Refer to our website:

1 Supply Chain Management

Building trust with suppliers

Joining Responsible Business Alliance

In November 2019, we joined the Responsible Business Alliance, committing ourselves through our ESG efforts to this global coalition’s corporate social responsibility ethos across global supply chains.

Ricoh Group Supplier and Partner Code of Conduct

We formulated the Ricoh Group Supplier Code of Conduct in fiscal 2006. Through it, we have worked with suppliers to benefit society and the environment and develop sustainably.

We revised our code in fiscal 2020 to conform with the Responsible Business Alliance Code of Conduct, which derives from the United Nations’ Guiding Principles on Business and Human Rights and other key international standards. In 2022, we renamed the code the Ricoh Group Supplier and Partner Code of Conduct, which we expect business partners to adhere to.

We ask suppliers and partners to sign the code to confirm that they operate ethically in line with it. In 2022, 98% of key suppliers signed the code.

Assessing supplier ESG risks

To monitor compliance with the Ricoh Group Supplier and Partner Code of Conduct, we ask suppliers who have signed the agreement to complete an ESG risk self-assessment. Of the key suppliers that responded to the assessment in fiscal 2022, around 80% received a low-risk rating, with none getting a high-risk rating.

We will increase the low-risk supplier ratio by encouraging certain suppliers to make improvements as required.

Holding procurement policy and ESG briefings

We conduct Ricoh Group Purchasing Policy briefings annually to explain our procurement and ESG policies to suppliers. We additionally hold ESG briefings for key suppliers. From fiscal 2020, we convened online and in-person sessions to stay in touch with suppliers in China, Thailand, and Japan.

Maintaining the Supplier Hotline

Suppliers can report Ricoh Group director, officer, or employee violations of laws and regulations, the Ricoh Group Code of Conduct, or contracts to this hotline, including through the Internet. The hotline received and investigated one report in fiscal 2022 that we fully dealt with.

Addressing conflict minerals issues

We have surveyed our raw materials and parts suppliers annually since 2013 to learn whether their offerings contain tantalum, tin, tungsten or gold and whether they source these four minerals from conflict zones or high-risk areas. We added cobalt to our survey list in fiscal 2020. The fiscal 2022 response rate to surveys about tantalum, tin, tungsten, and gold was 96%. The rate for cobalt was 92%.

	Fiscal 2022 survey findings	
	Four minerals	Cobalt
Total number of smelters and refineries	345	72
Number of RMAP-certified* conflict-free smelters and refineries	229	39
Percentage of RMAP-certified smelters	66%	54%
Survey response rates	96%	92%

* The Responsible Minerals Assurance Process (RMAP) is a smelter and refinery accreditation program of the Responsible Minerals Initiative, an American entity that supports responsible mineral production and sourcing globally

Contributing to society ²

Basic stance

We are helping reach SDGs by addressing seven material issues through our operations. Sustainably enhancing corporate value by resolving social issues is a top management priority in these efforts. We are undertaking social contribution

activities in keeping with our management strategy and SDGs. We have established priority areas based on material issues and global requirements.

Inclusion at work



Digital support program for young people (launched in fiscal 2021)

An information gap resulting from digitalization has increased the number of young people finding it hard to get jobs.

In Japan, we responded to this situation by undertaking worker inclusion initiatives. These efforts included introducing workplaces in which people can immerse themselves in changing work practices and participate in image production. In fiscal 2022, 40 people participated in the program, with 62 Ricoh volunteers assisting them.

In fiscal 2023, we began a training program to assist young people in Vietnam whose educations are inadequate because of challenging family circumstances. Instructors from a partner non-profit organization teach them graphic design and software skills. Our employees have started mentoring these people to develop interview skills.



Regional and social development (education, healthcare, and community development)



Ricoh Science Caravan (launched in fiscal 2007)

This initiative draws on Group resources in offering children opportunities to become passionate about science in classrooms and through science events.

We began developing inquiry-based and other learning programs under this initiative from fiscal 2020, collaborating with many schools to help implement classes.

In fiscal 2022, 1,150 people participated in the Ricoh Science Caravan, bringing the cumulative total to 174,979.

The Ichimura Nature School Kanto (started in 2001)

We set up this non-profit organization to commemorate the centennial of the birth of Ricoh founder Kiyoshi Ichimura.

This institution fosters growth and understanding among children about the power of nature through hands-on experience in agriculture and communal living across a year.

In fiscal 2022, 24 students graduated, bringing the cumulative total to 1,003.



Response to climate crisis and biodiversity



One Million Trees Project (launched in fiscal 1999)

We conserve forests to protect biodiversity, prevent global warming, and help communities flourish.

We hold regular nature classes for local children in the Ena Forest, which we own.

In fiscal 2022, 583 students participated in these nature classes.



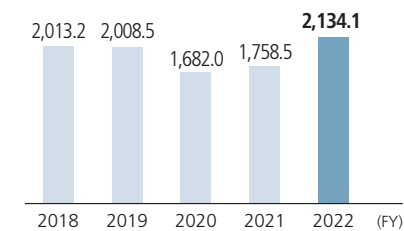
Refer to our website:

2 Social Contribution Activities

Financial and Future Financial Highlights

Sales

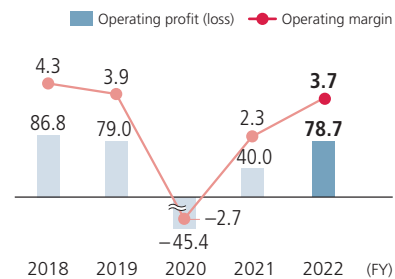
(Billions of yen)



Sales up 21.4%, to ¥2,134.1 billion

Operating profit (loss)/ Operating margin

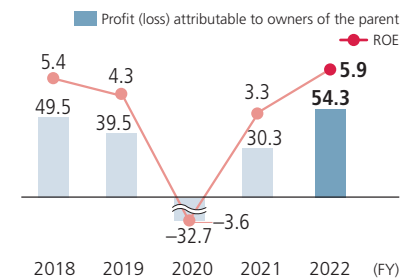
(Billions of yen/%)



Operating profit up 96.6%, to ¥78.7 billion

Profit (loss) attributable to owners of the parent/ROE

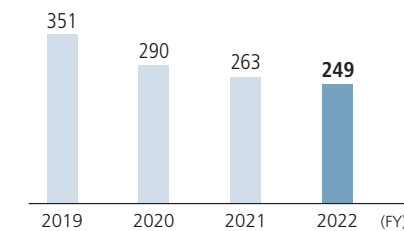
(Billions of yen/%)



Earnings up 79.0%, to ¥54.3 billion

GHG emissions (Scopes 1 and 2)[■]

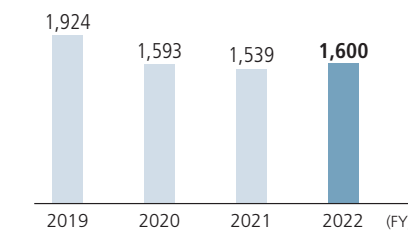
(1,000 t-CO₂)



Strengthened the introduction of renewable energy in terms of both quality and quantity, including the Group's first domestic virtual power purchase agreement

Greenhouse gas emissions (Scope 3)*

(1,000 t-CO₂)

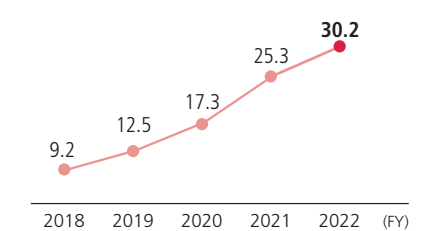


We strove to reduce emissions by downsizing and lightening products and enhancing their energy efficiency while expanding sales of models incorporating recycled parts and using more recycled materials

* Procurement, use, and logistics categories

Renewable energy ratio

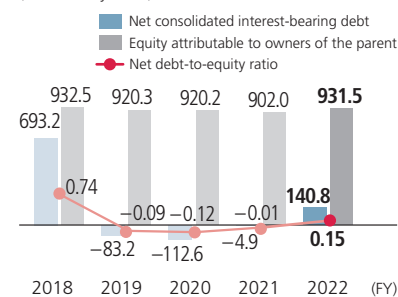
(%)



37 group companies in 25 countries used 100% renewable electricity

Net consolidated interest-bearing debt*, equity attributable to owners of the parent, and net debt-to-equity ratio**

(Billions of yen/%)



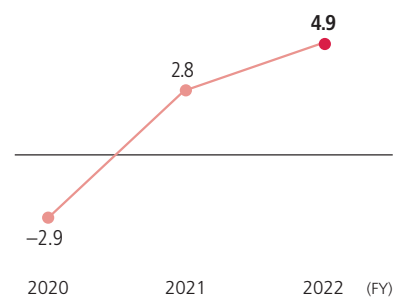
Upheld robust financial position on net debt-to-equity ratio of 0.15

*1 Bonds and borrowings – Cash and cash equivalents – Time deposits

*2 Net consolidated interest-bearing debt + Equity attributable to owners of the parent

ROIC

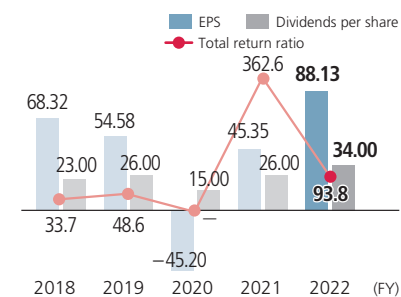
(%)



Optimized ROIC management

Earnings per share (EPS), Dividends per share, and Total return ratio

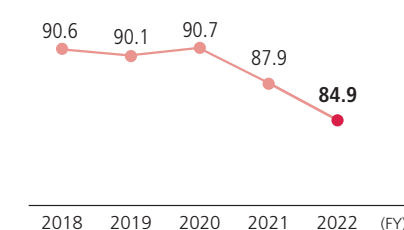
(Yen/%)



Pursued a total return ratio of 50%, continued to lift dividends, and undertook flexible additional measures to boost total shareholder returns

Virgin material usage ratio

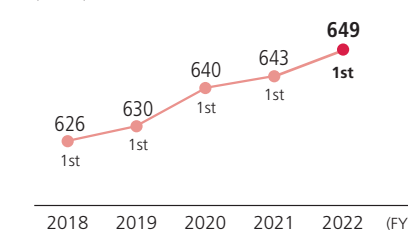
(%)



We launched new MFPs with 50% recycled plastic content

J.D. Power Japan Color Laser Printer Customer Satisfaction StudySM results

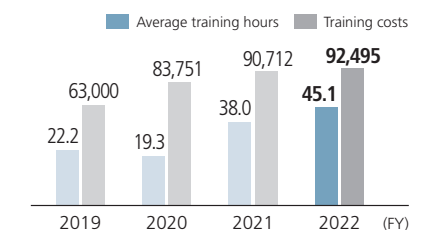
(Points)



We maintained top spot for five straight years

Average training hours and training costs per employee

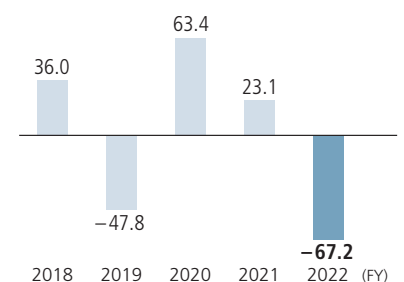
(Hours/Yen)



We helped employees develop the skills they need to succeed

Free cash flow

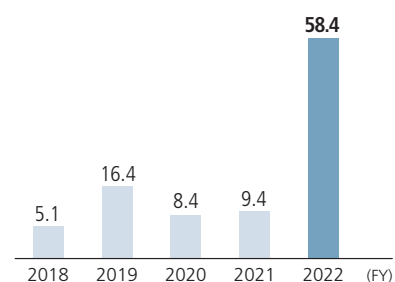
(Billions of yen)



Cash inflows declined ¥90.3 billion from a year earlier, resulting in net outflows of ¥67.2 billion, owing largely to PFU and other extensive acquisition investments

Business acquisitions*

(Billions of yen)

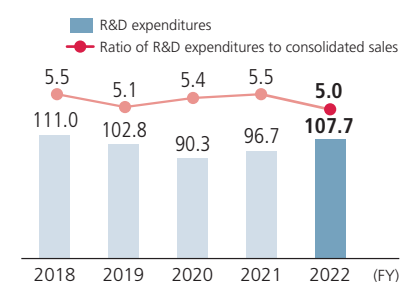


We continued acquiring companies strategically to flexibly secure required businesses growth resources, investing in PFU and other information and communication technology firms across Europe and the United States

* Funded acquisitions with net cash provided by investing activities

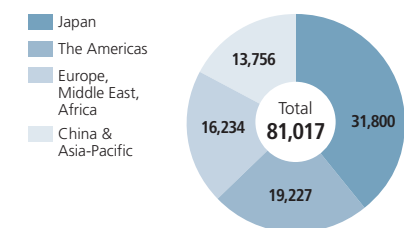
R&D expenditures/Ratio of R&D expenditures to consolidated sales

(Billions of yen/%)



We invested in development under a consolidated setup for each field, extending from medium- and long-term research to current product development, design, and production

Number of employees by region



We have deployed people across regions in line with our global expansion

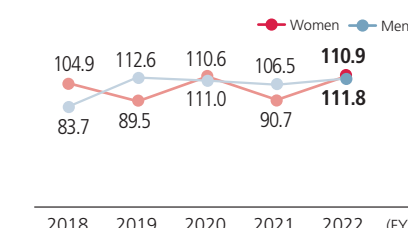


Refer to our website:

ESG data

Childcare leave utilization rate

(%)

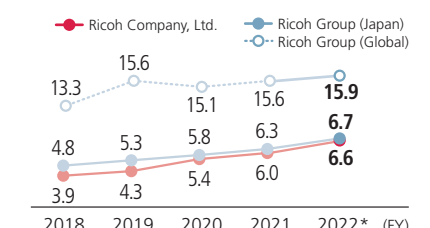


* Ricoh Company, Ltd.

Men fully utilized childcare leave for four years running

Female-held managerial position ratio

(%)



We have steadily increased the number of female managers through training and other initiatives to cultivate talented and motivated individuals

* PFU Limited included in fiscal 2022 number



Keisuke Yokoo
Chairperson of Board of Directors,
Outside Director

Appointment of Chairperson of Board of Directors

I was appointed chairperson of the Board of Directors in June 2023. I will endeavor to encourage deliberations that make the Board more effective. One particular priority will be to enhance preparatory information about proposal details to outside directors. I look to draw on points and questions raised in such gatherings to foster constructive question-and-answer sessions between directors and executives in Board meetings. I also aim to inspire more vibrant discussions among outside directors about core issues.

We will therefore keep stepping up initiatives so directors better understand our business. Examples would include having them attend management meetings as observers and tour business sites. We will also solicit solid suggestions and advice from outside directors by conveying and highlighting important issues to them in advance.

Creating a board culture that embodies Ricoh's founding principles

The structure and procedures of the Board of Directors continue to evolve with the business climate. We thus clearly defined the board culture as vital for the Board of Directors to foster and maintain.

We have based our board culture on the Spirit of Three Loves, the founding principles of the Ricoh Group. That culture has three core elements. The first is for the Board of Directors to respect the interests of diverse stakeholders, including shareholders, customers, employees, business partners, and communities and society. It does that by engaging in dialogue with those stakeholders and by overseeing efforts to formulate and implement management strategies that help resolve social issues. Second, the Chairperson of the Board of Directors

manages that entity impartially so its highly diverse and independent members can candidly discuss issues from broad perspectives, with Ricoh's operations reflecting the results of such deliberations. Third, the Board oversees efforts to formulate and implement decisions that help improve corporate value over the medium through long term while ensuring solid business growth, capital returns, and ESG progress. I believe all directors have embraced the Spirit of Three Loves and that they reflect the Board culture in making decisions, supervising management, and advising on operations and businesses.

Governance challenges

One issue requiring ongoing discussion is the ideal setup of the Board of Directors. It currently comprises internal and outside directors with diverse backgrounds. The Board will ultimately need to both supervise management and suitably advise about business operations. Because of the Ricoh Group's transformation into a digital services company, the Board needs to continuously assess its size, the proportion of outside directors, and member selections. It also needs to consider skills and backgrounds that can help enhance corporate value by appointing directors based on its overall skills matrix balance.

Given growing efforts concerning Board successions, it is vital to create an appropriate structure for that body and constantly examine its roles and functions while reviewing its design and operational approaches. As well as evaluating the Board's composition and talent acquisition, we will endeavor to make it more effective from various angles. That approach will include appointing outside directors who can help maintain and enhance the functions of the Board and the Nomination and Compensation Committees, improving members' capabilities, evaluating effectiveness, and providing solid feedback.

Board of Directors and Audit and Supervisory Board Members As of June 29, 2023

Board of Directors

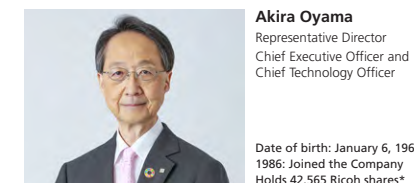


Yoshinori Yamashita
Representative Director
Chairperson
Nomination Committee
Member
Compensation Committee
Member

Date of birth: August 22, 1957
1980: Joined the Company
Holds 101,640 Ricoh shares*

Currently
Chairperson, Ricoh Company, Ltd.

Formerly
President & CEO, Chief Human Resources Officer, and other positions at Ricoh Company, Ltd.
President, Ricoh Electronics, Inc.



Akira Oyama
Representative Director
Chief Executive Officer and
Chief Technology Officer

Date of birth: January 6, 1961
1986: Joined the Company
Holds 42,565 Ricoh shares*

Currently
President, Ricoh Company, Ltd.

Formerly
Director and Chairperson, Ricoh Japan Corporation
General Manager, Europe Marketing Group,
Ricoh Company, Ltd.
President, Ricoh Europe Plc



Takashi Kawaguchi
Director
Chief Financial Officer

Date of birth: January 29, 1963
1986: Joined the Company
Holds 8,100 Ricoh shares*

Currently
General Manager, Finance and Accounting Division, Ricoh Company, Ltd.
Chairperson and President, Ricoh Americas Holdings, Inc.
Executive Corporate Officer

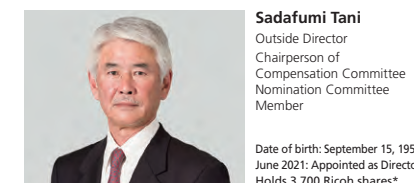
Formerly
Director and Corporate Senior Vice President, Ricoh Leasing Company, Ltd.
General Manager, Finance Department, Finance and Legal Division,
and General Manager, CEO Office, Ricoh Company, Ltd.



Keisuke Yokoo
Outside Director
Chairperson of the Board of
Directors
Nomination Committee
Member
Compensation Committee
Member

Date of birth: November 26, 1951
June 2020: Appointed as Director
Holds 3,200 Ricoh shares*

Currently
President, Member of the Board & Chief Executive Officer,
Japan Investment Corporation
Outside Director, The Dai-ichi Life Insurance Company, Limited
Chairperson, Sonar Advisers Inc.
Outside Director, Takashimaya Company, Limited



Sadafumi Tani
Outside Director
Chairperson of
Compensation Committee
Nomination Committee
Member

Date of birth: September 15, 1954
June 2021: Appointed as Director
Holds 3,700 Ricoh shares*

Currently
Executive Director and Editor in Chief, Nippon.com
Advisor and Visiting Researcher, Jiji Research Institute, Ltd.



Kazuhiko Ishimura
Outside Director
Lead Independent Director
Chairperson of Nomination
Committee
Compensation Committee
Member

Date of birth: September 18, 1954
June 2022: Appointed as Director
Holds no Ricoh shares

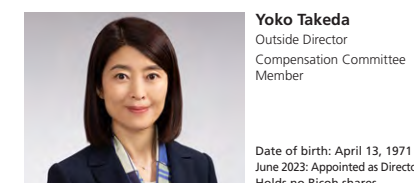
Currently
President and CEO, National Institute of Advanced
Industrial Science and Technology
Outside Director, Nomura Holdings, Inc.
Vice Chairperson, Japan Association of Corporate Executives



Shigenao Ishiguro
Outside Director
Nomination Committee
Member

Date of birth: October 30, 1957
June 2023: Appointed as Director
Holds no Ricoh shares

Currently
Chairperson & Director, TDK Corporation
Outside Director, NTT DATA Corporation



Yoko Takeda
Outside Director
Compensation Committee
Member

Date of birth: April 13, 1971
June 2023: Appointed as Director
Holds no Ricoh shares

Currently
Research Fellow, Deputy General Manager of Think Tank
Unit, General Manager of Planning and Administration
Office, and General Manager of Center for Policy and the
Economy, Mitsubishi Research Institute, Inc.
Outside Director, FANUC CORPORATION

* Including the number of dilutive shares
(corresponding to number of points in relation
to which rights are vested under stock
compensation system)

Audit and Supervisory Board



Kazuhiro Tsuji
Audit and Supervisory Board
Member

Date of birth: January 25, 1961
1984: Joined the Company
June 2020: Appointed as Audit
and Supervisory
Board Member
Holds 7,800 Ricoh shares

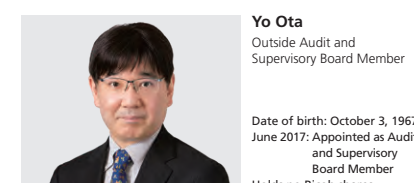
Formerly
General Manager, Human Resources Division and
Corporate Vice President, Ricoh Company, Ltd.



Shinji Sato
Audit and Supervisory Board
Member

Date of birth: May 2, 1960
2017: Joined the Company
June 2021: Appointed as Audit
and Supervisory
Board Member
Holds 7,200 Ricoh shares

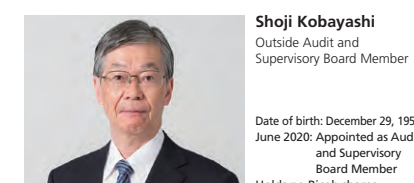
Formerly
General Manager, Finance and Legal Division and
Corporate Vice President, Ricoh Company, Ltd.



Yo Ota
Outside Audit and
Supervisory Board Member

Date of birth: October 3, 1967
June 2017: Appointed as Audit
and Supervisory
Board Member
Holds no Ricoh shares

Currently
Partner, Nishimura & Asahi
Director, Japan Association of Corporate Directors
Councilor, LOTTE Foundation
Vice Chairperson, Corporate Governance Committee,
Japan Association of Corporate Directors
Outside Director, Nippon Kayaku Co., Ltd.



Shoji Kobayashi
Outside Audit and
Supervisory Board Member

Date of birth: December 29, 1953
June 2020: Appointed as Audit
and Supervisory
Board Member
Holds no Ricoh shares

Currently
Member, Contract Monitoring Committee, National
Institute of Technology and Evaluation (NITE)



Yasunobu Furukawa
Outside Audit and
Supervisory Board Member

Date of birth: October 11, 1953
June 2020: Appointed as Audit
and Supervisory
Board Member
Holds no Ricoh shares

Currently
External Director, Keisei Electric Railway Co., Ltd.

Jake Yamashita
Chairperson

Kazuhiko Ishimura
Lead Independent Director

Special feature

A conversation between the Chairperson
and the Lead Independent Director

Engaging in a transparent and objective CEO succession process to accelerate Ricoh's transformation into a digital services company

Akira Oyama became Ricoh's president and CEO in April 2023. The Company simultaneously announced the 21st MTS, a three-year initiative.

Jake Yamashita, the chairperson, and Kazuhiko Ishimura, the lead independent director, recently sat down to discuss their roles in the processes to nominate Mr. Oyama and formulate the new strategy.

Reflecting on the CEO selection process

Yamashita: It was in fall 2017, not long after I became president and CEO at Ricoh, that we began the succession planning process that culminated in Akira Oyama's appointment. From fiscal 2021, the Nomination Committee met 12 times to discuss this matter. It also commissioned a third-party assessment

of multiple candidates. The committee further discussed this matter, after which the Board of Directors resolved to select Mr. Oyama. This committee evaluates the CEO at two stages annually, including to determine if that person is fit to continue. While rigorously assessing the current CEO, we also systematically consider CEO succession. In early November every year, I proposed several candidates to the Nomination

Committee. Other than myself, all Nomination Committee members are outside directors. So, I tried to engage more with them through Board of Directors meetings and preliminary briefings to help them assess the personalities and other attributes of candidates. Choosing a successor is one of the CEO's most important tasks. I started thinking about this right after I took the helm. Given that we positioned the 21st MTS to accelerate Ricoh's transformation into a digital services company, we wanted to choose someone who could steer the ship in the right direction.

Ishimura: It's certainly important to maintain strategic continuity. Succession planning from soon after a CEO's appointment is a significant part of that person's mission. It's paramount to tackle such matters early because it takes time to prepare candidates during your tenure. When you have multiple candidates, you should give them tough assignments as a part of the evaluation process.

I became an outside director in June 2022, so I was only involved in the final stages of the selection process. Still, I found

that the methods were meticulous and that the Nominating Committee had extensively discussed the matter to that point. In my view, the process was objective and transparent because we interviewed several candidates individually, taking into account the findings of third-party assessments.

Yamashita: I heard from Mr. Oyama that you advised him about mindfulness as a CEO during an interview. I think it was very useful for his executive development. I first met Mr. Oyama in 1996, when we were considering copier recycling in Europe. Some worried that recycling would dampen new product sales. But Mr. Oyama said, "Let's consider the best interests of our customers." Those words left a lasting impression on me because his altruistic work ethic demonstrated that he is a remarkable individual. When I later reminded him of this episode, he chuckled and said he could barely remember it. He's the sort of person who listens to others, absorbs what they say, and then expresses his views after careful consideration. You have to trust your gut when making decisions. Otherwise, you end up constantly revising things. So, I'm

confident in his decision-making, which he has also based on listening attentively to people at all levels in Ricoh.

Ishimura: In interviewing Mr. Oyama, I told him that it can be lonely at the top. Unlike the person in second spot, he is in a position to make final decisions and steer the organization. You have to be able to withstand solitude and heavy responsibilities.

Although his management style differs from yours, I think that's perfectly acceptable. I observed through several interviews that Mr. Oyama is quiet and calm. His tranquil way of listening to others fostered trust and reassurance.

I concluded that his management style—listening attentively to those around him and synthesizing their views—would be just what we need to bring together a diverse workforce worldwide in striving to make Ricoh a digital services company. This is why the Board of Directors unanimously elected him.

Yamashita: That's true. It's also worth noting that we've regularly commissioned third-party evaluations since I joined the Board of Directors. For the CEO selection process, we requested an assessment of candidates' interpersonal skills based on an array of data points.

The assessment included candidates' prior employment experiences, how their life experience shaped their values, and their narratives about how they overcame challenges. On top of that, I think that the Nomination Committee played a useful role in discussing numerous areas beyond the purview of the third-party evaluation report.



About Ricoh's New Mid-Term Management Strategy

Yamashita: We formulated the 21st MTS to capitalize on rapid changes in the world of work resulting from the COVID-19 pandemic and materialize our core policy of transitioning into a digital services company. A priority is to strengthen our regional strategies so digital professionals engaging directly with customers can resolve their concerns locally. Customer characteristics differ across the Japanese, Americas, and European markets. Our strategic approaches must adapt to regional needs to optimize added value for each customer.

Ishimura: We've had to consider why this policy would drive the Ricoh Group's success. In Board meetings, we've asked what makes the Ricoh Group strong and gives it a competitive edge.

A key Ricoh strength is its last-mile customer touchpoints, for which it has developed a range of services for office environments centered around its printing business. We also understood that our transformation as a digital services company that fully leverages these strengths is a cornerstone of Ricoh's growth strategy.

Additionally, we reviewed a matrix chart of countries and products needed to expand our business. There were also proposals for acquisitions and other initiatives to fill in any capability gaps. I believe that our prospects for success will improve as we implement a strategy that fully leverages Group strengths.

Yamashita: We are moving from an era in which hardware drove our competitiveness to one in which we create customer value by delivering software as a service that leverages hardware.

That is why we concluded a basic accord with Toshiba Tec in May 2023 to form a new company together. We will use that vehicle to demonstrate our last-mile strengths while maintaining our manufacturing prowess. At the same time, we seek to be a digital services company that delivers new customer value by using our MFPs and other unique edge devices as gateways to our RICOH Smart Integration platform. As part of this process, I want to provide the Board with more opportunities to visit the frontline to help enhance governance.

Ishimura: I very much look forward to that. Visiting plants and research facilities around Japan in 2022 deepened my insights into what makes Ricoh tick. Engaging with frontline employees gave me a feel for workplace environments that is often hard to fully grasp in board meetings.

Growing over the medium and long terms

Yamashita: I readily admit that our price-to-book ratio of less than 1x isn't good enough. Mr. Oyama and his executive team have launched a project to boost the ratio above this level. The first step in a positive direction must be to deliver results that demonstrate our growth potential, raising expectations for the Ricoh Group and increasing our corporate value. We also must properly convey what we're doing to investors, analysts, and other capital market players who assess such value.

Ishimura: A key factor in boosting the price-to-book ratio is to lift the ROE by increasing bottom-line earnings rather than reducing shareholders' equity. I think it would be a great idea to show the outside world a clear connection between Ricoh's policy to become a digital services company and its top-line revenue and profit margin trends.

Yamashita: Our people need to understand that as a digital services company we have to transform our business structure and tackle new challenges. I believe that corporate expansion is the sum of employee growth. So, I want Ricoh to be accountable to external stakeholders while improving information transparency internally.

Ishimura: As they say in Japan, "people are power," and they certainly drive corporate growth. Given that aggregate talent development will enable the Ricoh Group to expand, ensuring employee engagement will remain important for enhancing our corporate vitality overall. Four engagement basics determine how to improve employee satisfaction and loyalty to Ricoh. The first is to have a shared vision.

At Ricoh, we are sharing worldwide our commitment to the Spirit of Three Loves and our key policy of transitioning into a digital services company. The second basic is whether we are a good employer, which is a quality that external parties prize. Third is job satisfaction, which will become even more important in coming years. In visiting sites in 2022, I got the impression that frontline employees find their work fulfilling. The fourth basic is growth opportunities. As the Nomination Committee's chairperson, I would also like to speak with the Human Resources Department about what promotion opportunities employees could anticipate from contributing to growth. I believe that we have tremendous potential in view of the aggregate clout that our people can deliver.

Yamashita: Thank you very much for sharing those perspectives. I'm particularly conscious about the third basic, which is job satisfaction. I do wonder if Ricoh's workstyle reforms are about more than just boosting efficiency from an employer's perspective. Self-realization is vital for us in view of our commitment to Fulfillment through Work. Employees should find it very rewarding personally to deliver new value to customers, thereby enhancing job satisfaction. That constitutes a virtuous cycle for Ricoh and our people, putting both interests on an equal footing and fostering mutual growth. In view of the four engagement basics that you outlined, I'm confident that Mr. Oyama is well able to leverage his ability to head and understand employees and lead Ricoh toward a very bright future.



Corporate Governance Structure

The Ricoh Group, through its corporate activity as a whole, including activities by management, is working to enhance its governance system to strengthen competitiveness in line with stakeholder expectations while ensuring management transparency based on corporate ethics and legal compliance. By doing so, the Ricoh Group aims to achieve sustainable growth and improve shareholder and corporate value.

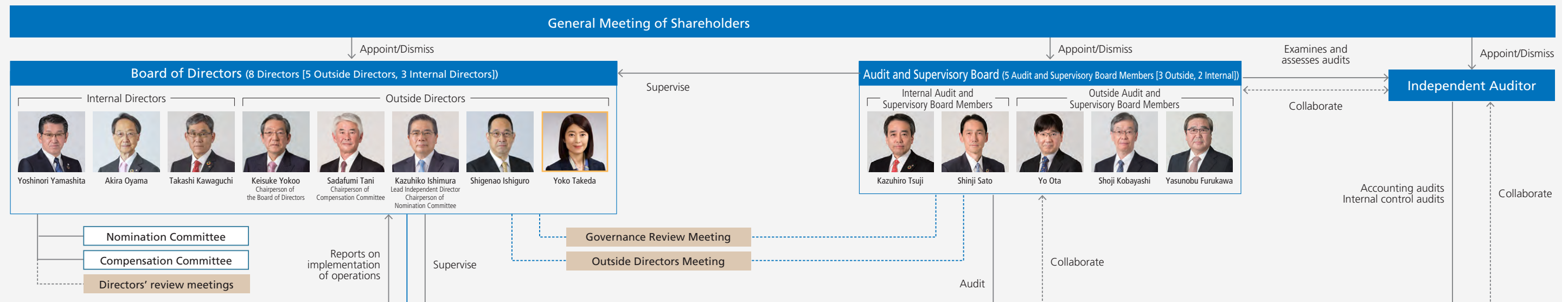
The Company has introduced a corporate audit system. In addition, it is making efforts to enhance oversight of

executive management by the Board of Directors and enhance execution of operations by the executive officer system. Furthermore, by appointing Outside Directors, the Company is making efforts toward further improvement of corporate governance by decision-making and oversight of executive management through discussion from their independent perspectives. The nomination and compensation of Directors and Executive Officers are deliberated by the Nomination Committee and the Compensation Committee, advisory bodies comprising a majority of Independent Outside Directors. The recommendations of each committee are reported to the Board of Directors.

Governance structure to enhance supervisory structure for transformation into a digital services company and to facilitate agile decision-making

□ : Foreign national □ : Female

Corporate governance structure



Business Execution and Control System



The Board of Directors

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

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

An Independent Outside Director chairs Board of Directors meetings, and the Independent Outside Directors on the Board of Directors constitute a majority. In fiscal 2023, five of the eight Directors are Independent Outside Directors. In addition, the Company appoints a Lead Independent Director to enable Outside Directors to better fulfill their roles and functions on the Board of Directors. In conjunction with the Chairperson of the Board of Directors, the Lead Independent Director is responsible for improving and enhancing governance and serves as the leader of Independent Outside Directors at the Company.

The appointment of the Lead Independent Director is as necessary based on the judgment of the Board of Directors in

light of the Company's management situation and the appointment of the Chairperson of the Board of Directors and the Directors. Appropriate collaboration and division of roles by the Chairperson of the Board of Directors and the Lead Independent Director ensure the smooth operation of the Board of Directors and the fulfillment of its functions.

Furthermore, the Company appointed a Chairperson in April 2023. In appointing the Chairperson, the Board and the Nomination Committee have carefully considered the role of the Chairperson so that the relationship of their authority and responsibility to that of the CEO is well defined. As a result, the role of the Chairperson in the Company has been defined as an Internal Director who primarily supervises management, does not concurrently serve as an Executive Officer, and is not involved in the day-to-day execution of the Company's business. The definition has been clearly stated in the internal rules and regulations. Based on the above roles, the delegation of the Chairperson's duties is based on the perspectives of strengthening the supervisory function, providing support to the business execution, and external activities. By granting the Chairperson representative authority, we have further strengthened the Chairperson's support for business execution and external activities and clarified their responsibilities in enhancing corporate value. The Chairperson's position and duties are reviewed regularly based on the business environment and the execution status.

The Ricoh Board culture

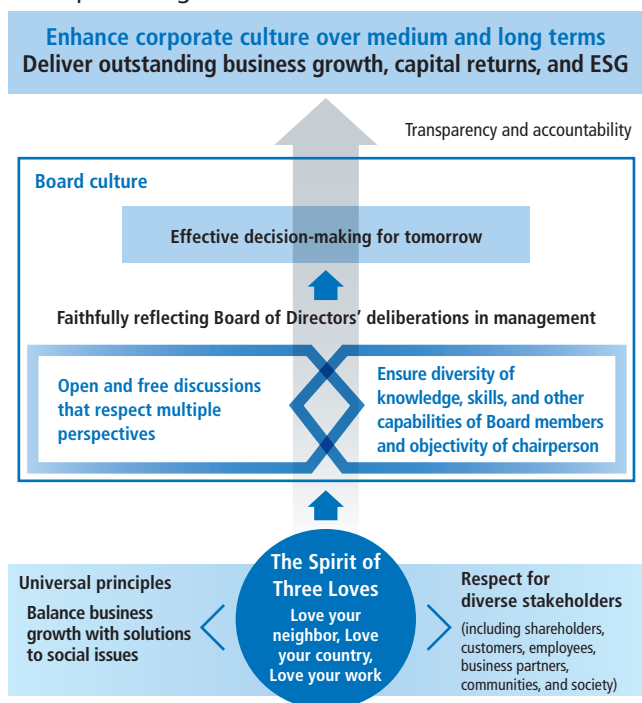
The Board of Directors reflected on Ricoh's founding spirit to discuss the ideas and principles that underpin that body's deliberations, decisions, and actions to help enhance corporate value. It accordingly established the following values for Board culture in fiscal 2022.

The Board of Directors shall:

1. Honor the **Spirit of Three Loves**, engaging with and **respecting the interests** of shareholders, customers, employees, partner companies, communities and society, and other **stakeholders** while overseeing management strategies and plans that help **resolve social issues**.
2. The **chairperson** shall **objectively** lead **diverse and highly independent** Board members to engage in constructive deliberations that value a **diversity of open and free viewpoints**. **Management shall faithfully reflect** the results of these deliberations.
3. Board members shall understand their social responsibilities, make **robust decisions for the future**, and oversee management's implementation of decisions, so that the Ricoh Group can **enhance medium- and long-term corporate value** by delivering exceptional **business growth, capital profitability**, and **ESG goals**.

As the business climate and management structure change, the Board of Directors will constantly refer to the above culture in deliberating, making decisions, choosing Directors, and engaging with shareholders and other stakeholders.

Conceptual diagram of Ricoh Board culture



Skills matrix

The compositions of the Board of Directors and the Audit and Supervisory Board and the expertise of directors and Audit and Supervisory Board members are as follows.

The table below represents the skills of Directors and Audit and Supervisory Board members that are deemed exemplary, and does not represent all of their knowledge and experience.

Positioning of major skills and notable fields of expertise

- The Company lists major skills that more than one Director or Audit and Supervisory Board member should ideally cover in light of the business environment and strategies. Based on their positions and roles on the Board of Directors and committees, a maximum of three major skills each individual possesses are marked with a "●."
- In addition, we consider it necessary for individual Directors and Audit and Supervisory Board members to demonstrate outstanding knowledge and skills in their respective fields of expertise in order to address increasingly sophisticated and diverse management issues, and have listed these as notable fields of expertise.

Reasons for selecting major skills

- Corporate management: To understand business opportunities and risks in consideration of the management environment, and ensure appropriate decision-making and oversight to enhance corporate value.
- Governance and risk management: To achieve a higher level of governance that is trusted by diverse stakeholders and to appropriately address increasingly complex and sophisticated business risks, such as geopolitical risk and economic security through global information gathering and analysis.
- Finance and accounting: To achieve sustainable enhancement of shareholder value and corporate value through capital policy and communication with the capital market, as a company listed on the Prime Market.
- Sustainability: To promote solutions to social issues through ESG initiatives, which Ricoh considers essential for sustainable enhancement of shareholder value and corporate value, in order to realize Ricoh's goal of a society in which the balance among the three Ps*1 is maintained (Three Ps Balance).
- Technology and digital processes: To accelerate the transformation into a digital services company by utilizing edge devices*2 that are unique to Ricoh and providing digital services such as platforms and software that leverage these strengths.

*1 Three Ps: Prosperity, People, and Planet

*2 Edge device: A networked device with data processing functions, such as a multifunctional printer or a camera that serves as an entry and exit point for various data, including text, photographs, audio, and video

Directors

		Years of service	Nomination Committee	Compensation Committee	Key skills					Notable fields of expertise
					Corporate management	Governance and risk management	Finance and accounting	Sustainability	Technology and digital processes	
Yoshinori Yamashita	Male Non-executive officer *	11 years	●	●	●	●		●		Supply chain management and marketing
Akira Oyama	Male	2 years			●		●		●	Global marketing
Takashi Kawaguchi	Male	—				●	●			Accounting and finance and investment management
Keisuke Yokoo	Male Outside Independent	3 years	●	●	●	●	●			Finance and investment management
Sadafumi Tani	Male Outside Independent	2 years	●	● Chairperson	●	●				Information analysis and distribution and communication
Kazuhiro Ishimura	Male Outside Independent	1 year	●	● Chairperson	●	●			●	Technology management and ESG management
Shigenao Ishiguro	Male Outside Independent	—	●		●			●	●	Global business and manufacturing management
Yoko Takeda	Female Outside Independent	—		●		●	●	●		Economic and financial analysis

* An internal Director who does not concurrently serve as an Executive Officer of the Company and is not involved in the day-to-day execution of its business

Audit and Supervisory Board Members

		Years of Board service	Nomination Committee	Compensation Committee	Key skills					Notable fields of expertise
					Corporate management	Governance and risk management	Finance and accounting	Sustainability	Technology and digital processes	
Kazuhiro Tsuji	Male	3 years				●		●		Human resources and personnel development
Shinji Sato	Male	2 years				●	●			Finance and accounting
Yo Ota	Male Outside Independent	6 years		Observer		●	●			Corporate legal affairs
Shoji Kobayashi	Male Outside Independent	3 years			●				●	Technology and R&D
Yasunobu Furukawa	Male Outside Independent	3 years		Observer		●	●			Accounting audits

Approach to electing Directors

Election criteria for Directors
Management capabilities

Superior insight and judgment necessary for management functions

1. Broad knowledge about businesses and functions and the ability to think and make decisions appropriately from companywide and long-term perspectives
2. Keen insight to discern the essence and clarify issues
3. Vision to make best decisions at a global level
4. Broad range of experiences as a basis for judgment and insight and a proven track record in dramatically improving corporate value and competitiveness
5. Solid understanding of corporate governance and the ability to think and make appropriate judgments from the perspective of diverse stakeholders, including shareholders and customers

Character and personality

Mutual trust between Directors and management team for the smooth execution of oversight functions

1. Integrity: Exemplifies fair and honest decisions and actions based on a high sense of morality and ethics in addition to the strict observance of laws, regulations, and internal rules.
2. Interacts with others with respect and trust based on a spirit of respect for humanity. Has a deep understanding and accepts diverse values and ideas, and sets an example through decisions and actions that respect individuality.

Election criteria for Outside Directors

The above criteria applies to both inside and outside Directors. Outside Directors should also have expertise in different fields, be able to identify and resolve problems, provide insights, be able to think strategically, manage risks, and lead. They must also satisfy Ricoh's Criteria for Independence of Outside Directors and Outside Corporate Auditors.

Diversity policy

We believe that the Company's Board of Directors should comprise of Directors with management ability, character and personality, and diverse viewpoints and backgrounds, in addition to sophisticated multilateral skills. We maintain a policy of selecting candidates based on their character and knowledge without distinction as to race, ethnicity, gender, or nationality and to ensure diversity relating to these attributes.

Director election and evaluation processes
Nomination Committee

The Board established the Nomination Committee to ensure objectivity, transparency and timeliness in the selection, dismissal and evaluation of Directors, the CEO and senior management. We enhance objectivity and independence by having an independent outside Director chair the committee, with independent outside Directors constituting a majority of the committee. One outside auditor attends committee meetings so deliberations are transparent.

Election process

In order to maintain a Board of Directors structure that enables appropriate and effective management decision-making and supervision of business execution, the Nomination Committee undertakes ongoing deliberations on the composition of the Board and the specializations, experience (skill matrix), etc., required of Directors. Candidate nominations for Director are deliberated by the Nomination Committee over several sessions and undergo a strict screening process. Based on the report of the Nomination Committee, the Board of Directors deliberates from a shareholder perspectives and recommends candidates to the General Meeting of Shareholders.

Evaluation process

The Nomination Committee consults with the Board to conduct two-stage evaluation of Directors annually. The first assessment encompasses whether Directors are sufficiently competent to continue performing their duties and ensures timely appointments and dismissals. The second assessment looks at performance from multiple perspectives, clarifying issues, and providing feedback to the evaluated Directors to enhance management. The Nomination Committee submits reports on its Director evaluation deliberations and conclusions to the Board, which carefully oversees the ability of Directors to keep discharging their duties.

Key items for Director evaluations

* Directors concurrently serving as Executive Officers

Evaluation perspectives	Categories	Key evaluation items	Examples of evaluation item details
Management oversight	Qualities and abilities	Actions to maximize shareholder and corporate value, stances on executive oversight and mutual checks and balances among directors, risk management, and vital insights for corporate management	
Financial indicators	Results	Consolidated results	Sales, operating profit, profit attributable to owners of the parent, ROE, ROIC, and free cash flow
		Progress with annual business plans	Key measures by business unit and region
		Performance under mid-term management plan	Finance and key measures
Capital market and shareholder indicators	Capital markets	Share price indicators	Share price, market capitalization, and price-to-book ratio
		Ratings	
	Shareholders	Total shareholder returns	

In evaluating directors, we use total shareholder returns, a criterion for contributing to shareholders and capital market evaluation perspectives. We base the calculation on the average share price for the fiscal year to avert the impact of sudden share price fluctuations.

Evaluation of CEO and CEO Succession Plan

The CEO Succession Plan is an important initiative for continuously improving shareholder value and corporate value of the Ricoh Group over the medium to long term and fulfilling its social responsibilities as a member of society.

The CEO Succession Plan is being continuously improved through procedures that are objective, timely, and transparent in order to strengthen corporate governance.

CEO evaluation

The Board of Directors advises the Nomination Committee, which consults with the Board in evaluating the CEO at two stages each year. In the first assessment, careful and appropriate deliberations are made on the soundness of the CEO, ensuring timeliness of appointment and dismissal. In the second assessment, the CEO's achievements are evaluated with a multifaceted approach, clarifying issues and other factors, and providing feedback to improve the quality of management. The Nomination Committee's deliberations and conclusions on the evaluation of the CEO are reported to the Board of Directors to oversee the CEO effectively.

As with Directors who concurrently serve as Executive Officers, the CEO is evaluated based on management oversight status as a director, financial aspects including key management indicators regarding business results, return on capital, etc., and contribution to shareholders and evaluation by capital markets, as well as future financial viewpoint to evaluate their overall management supervision and business execution capabilities as a CEO.

Key items for CEO evaluation

Evaluation perspectives	Categories	Key evaluation items	Examples of evaluation item details
Management supervision	Same categories and evaluation items as for directors		
Financial indicators	As above		
Capital market and shareholder indicators	As above		
Future finance indicators	ESG	Environment	Environmental management initiatives
		Social	SDGs initiatives
		Governance	Systems, disclosure, investor relations, and compliance
	Employees	Development and use of human resources	Personnel systems and work environment
		Employee engagement	External surveys
		Safety and health	Workplace safety and health management
	Customers	Serious incidents	Product and information security
		Customer satisfaction	External surveys

Selection, development, and evaluation of CEO candidates

Around September each year, the CEO prepares a list of potential successors and a development plan for them. The proposed CEO candidates and the development plans are presented to the Nomination Committee meeting in early November. The Nomination Committee deliberates the validity of the CEO candidate list and development plans, advises the CEO on candidate development, and reports the findings to the Board of Directors. The Board of Directors confirms the validity of the candidate selection and development plans upon reporting from the Nomination Committee and is actively involved in selecting and developing CEO candidates.

For more information about the CEO selection process, see page 73.

Candidate selections

CEO candidates are selected based on the assumption that the CEO will be replaced at the end of each term. In the event of an unforeseen incident, an alternate candidate is selected by resolution of the Board of Directors when the CEO is appointed.

Terms	Number of persons selected
Alternate candidate in case of unforeseen incident	One
Next term candidates in line	Several
Subsequent term candidates in line	Several

Candidate development

The Nomination Committee deliberates on the development plan for future CEO candidates. It provides guidance to the CEO, who offers growth opportunities suited to all candidates according to their individual targets during the next fiscal year, allowing them to gain experience. The CEO also directly mentors the candidates to promote their development based on individual assessments.

Candidate evaluations

CEO candidates are reviewed annually. The CEO reports on the achievements and growth of each candidate during the development period (April to March) to the Nomination Committee in early November (the evaluation period is from April to October, which is the month before the Nomination Committee meets). The Nomination Committee deliberates whether to maintain or replace individuals on the CEO candidate list. Where necessary, it assesses candidates, tapping advice from outside experts and other sources, reports on its findings to the Board of Directors. Upon reporting from the Nomination Committee, the Board of Directors evaluates the CEO candidates. It confirms the validity of deliberations on which candidates are to be retained and is actively involved in the process.

Compensation of Directors and Audit and Supervisory Board Members

• Policy determination on the content of individual compensation, etc.

The Compensation Committee, an advisory body to the Board of Directors, discusses and reports on this policy to the Board of Directors, which makes decisions based on this discussion.

• Compensation policy

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

Compensation Composition	<ul style="list-style-type: none">• Compensation for Internal Directors who concurrently serve as Executive Officers is comprised of three elements: i) basic compensation that reflects expected roles and responsibilities, ii) bonuses that reflect business results (performance-linked compensation), and iii) compensation that reflects medium- to long-term increase in shareholder value• Compensation for Internal Directors who do not concurrently serve as Executive Officers is comprised of basic compensation, bonuses and stock-based compensation in light of their role of overseeing business execution as full-time Director with extensive knowledge of the actual situation of the Company• Compensation for Outside Directors responsible for management oversight and Audit and Supervisory Board Members responsible for auditing is comprised only of basic compensation in order for them to focus on fair oversight and auditing, thereby ensuring independence from the execution of business
Governance	<ul style="list-style-type: none">• Ensure objectivity, transparency, and suitability in designing the compensation system, setting compensation levels, and basing individual compensation on appropriate external benchmarks and the Compensation Committee's ongoing deliberations and monitoring• The Compensation Committee and the Board of Directors shall deliberate whether compensation levels for individual Director are appropriate in light of the Nomination Committee's director evaluations and other factors

3. Compensation for Directors

Compensation category	Compensation program	Internal Directors	Outside Directors	Comments
Fixed	Basic compensation	●	●	Compensation based on roles and responsibilities
Variable (short term)	Performance-linked bonuses	●	—	Linked to performance target achievements
Variable (medium and long terms)	Compensation for acquiring stock	●	—	All payments used to acquire Ricoh shares through Executive Stock Ownership Plan
	Stock-based compensation linked to performance	●	—	Incentive to enhance shareholder and corporate values over medium through long terms

(1) Basic compensation (fixed)

Basic compensation is monetary remuneration paid monthly during the term of office as compensation that reflects the roles and responsibilities expected of Directors. The amount of compensation is decided within the range of the total amount of compensation determined at the General Meeting of Shareholders. The total amount of compensation paid for fiscal 2022 was ¥263.01 million.

Compensation composition		Prime methods for setting compensation levels
Internal Directors	Centering on compensation for management oversight roles and compensation reflecting the importance of management roles and responsibilities, with additional compensation for those in representative Director, Nomination and Compensation committee members and other roles	<ul style="list-style-type: none">• Weightings of management responsibilities and roles of Directors serving concurrently as executive officers determined with reference to job grade frameworks of external professional institutions• Compensation for non-executive Directors based on roles in overseeing business implementation by drawing on extensive knowledge of in-house situations from full-time service with the Company
Outside Directors	Centering on compensation for management oversight roles and compensation for advice to management, with additional compensation for chairperson role of either the Board of Directors, Nomination Committee, Compensation Committee, or others	<ul style="list-style-type: none">• Compensation levels set after referring to objective data from external professional institutions

For more details, see:
① Executive compensation on page 36

• Policy on deciding the content of individual compensation, etc., and matters related to performance-linked compensation, non-monetary compensation, etc., for fiscal 2022

1. Process for determining compensation

The Company has established the Compensation Committee to build a more objective and transparent compensation review process that helps increase profits, enhance corporate value, and strengthen corporate governance through incentives. The Compensation Committee determines base compensation, bonuses, compensation for acquiring stock, and stock-based compensation linked to performance following multiple deliberations based on the compensation standards for Directors and business performance and on the Nomination Committee's evaluation of Directors, and presents recommendations to the Board of Directors.

The Board of Directors assesses and approves remuneration plans from the Compensation Committee. The Board of Directors determines the total bonus pool after confirming that amounts for each Director are in line with the formula for such bonuses⁹, and decides whether to submit a Director bonus payment proposal at the General Meeting of Shareholders. Payments are subject to shareholder approval in that gathering of the proposal.

2. Policy for determining compensation levels

In order to ensure appropriate linkage with corporate performance, the Compensation Committee confirms every fiscal year whether the target level of the Company's performance has been secured for each compensation category of basic compensation and short-, medium-, and long-term incentives. The compensation levels of the peer group officers based on the results of a survey by an external professional organization are used as guides, while the payment rate for short-, medium-, and long-term incentives is set to fluctuate according to the Company's performance.

(2) Short-term performance-linked bonuses

The Company pays these bonuses after fiscal year-end in line with operating results and shareholder value improvements during the fiscal year. Ricoh adopted the following indicators in fiscal 2022.

Evaluation indicators	Rationale for indicator setup
Consolidated operating profit target achievement rate	Hold Directors accountable for increasing earnings and improving profitability by using operating profit, which correlates with market capitalization and demonstrates progress with business activities, as an evaluation indicator
ROE target achievement rate	Hold Directors accountable for improving shareholder value by using ROE, a key benchmark for enhancing returns on capital, as an evaluation indicator
Annual Dow Jones Sustainability World Index* rating	Incentivize ESG improvements by using the annual Dow Jones Sustainability World Index rating, a tool for confirming companywide ESG efforts, as an evaluation indicator

The Compensation Committee discusses the suitability of individual bonus payment amounts based on results calculations with the formula below, including for Nomination Committee assessments of Directors. It then makes recommendations to the Board of Directors, which decides whether to submit a Director bonus payment proposal at the General Meeting of Shareholders.

For fiscal 2022, the Compensation Committee concluded that results calculated according to the formula below were appropriate, and the total bonus payments were ¥74.94 million.

* Dow Jones Sustainability Indices: Dow Jones & Company of the United States and sustainability investment research firm S&P Global jointly developed these indices, analyzing corporate sustainability from economic, environmental, and social perspectives

(3) Compensation that reflects the improvement of shareholder value (over medium to long terms)

i) Compensation that reflects the stock price consists of compensation for acquiring stock and performance-linked stock-based compensation for the purpose of further strengthening Directors' commitment to improving the Company's corporate value over the medium to long terms.

ii) We partially revised stock-based compensation with stock price conditions, introduced in fiscal 2019, to further enhance a common awareness of profits and risks with shareholders. Another revision goal was to demonstrate our commitment to improving shareholder value, including in terms of the Company's sustainable growth and appropriate shareholder returns. We accordingly decided to continue the stock-based compensation with stock price conditions from September 1, 2023, as a performance-linked stock-based compensation plan.

Key points of change in plan

	Performance-linked stock-based compensation scheme (new)	Stock-based compensation with stock price conditions (before)
1 Evaluation indicators (Rationale and aim for indicator setup)	The company's TSR growth rate relative to TOPIX (including dividends) and its ranking relative to its peer group for the period covered by the performance evaluation, as well as ESG target achievement (to strengthen link between management responsibility for increasing shareholder value and achieving SDGs and stock-based compensation)	Results of comparison of the Company's stock price growth rate with TOPIX growth rate during tenure (to share with shareholders the benefits and risks of stock price fluctuations)
2 Standard for granting points	Points are granted according to the above evaluation indicators based on the base amount of stock-based compensation by job grade and the base stock price	Points are granted according to the above evaluation indicators based on the position
3 Timing of delivery of Company Shares to the eligible Directors	In principle, after the completion of each performance evaluation period (three years after the commencement of the performance evaluation period)	In principle, at the time of retirement

Compensation reflecting shareholder value improvements over medium through long terms

Compensation program	Program overview
Compensation for acquiring stock	This compensation aims to encourage directors to steadily increase their shareholdings in Ricoh and share the benefits and risks of stock price swings with shareholders. We pay a fixed amount each month during the terms of directors, who use the entire amount to purchase Ricoh shares through the Executive Stock Ownership Plan * The compensation amount is position-based within the total remuneration that shareholders determine at the Ordinary General Meeting of Shareholders. The total payment in fiscal 2022 was ¥10.43 million
Performance linked stock-based compensation	This is a plan under which the Board Incentive Plan Trust established by the Company acquires the Company's common stock from the stock exchange market and delivers the number of Company Shares equivalent to the number of points granted by the Company to each Director through the Trust. In principle, Directors will receive Company Shares after the completion of each period subject to performance evaluation (each period of three consecutive fiscal years commencing on April 1 of each year after 2023). The number of points granted to each Director by the Company will be determined based on the base amount for each job grade in accordance with the rule of performance shares determined by the resolution of the Board of Directors and will vary within a range of 0% to 200% by taking into account the evaluation of the Company's TSR relative to TOPIX (including dividends) growth rate as well as its ranking relative to the total shareholder returns of the peer group, and the degree of achievement of ESG targets during the performance evaluation period. Company Shares will be delivered at a rate of one share per point. In addition, a pre-issuance malus-clawback clause has been established to request the return of stock-based compensation in the event of serious misconduct, etc., that causes an impact on the Company during a Director's term of office * The amount of expenses recorded based on the points granted for the fiscal 2022 under the Plan before the amendments was ¥32.03 million, and shares (4,000 shares) were granted to a Director who retired during fiscal 2022 in proportion to the result of the comparison of the Company's stock price growth rate (95.7%) with the TOPIX growth rate (122.0%) during the tenure of the Director to the accumulated points

Summary of Board of Directors effectiveness assessment for fiscal 2022

This evaluation focused not just on the effectiveness of the Board of Directors but also on how executives responded to requests from the Nomination Committee, Compensation Committee, and Board of Directors. In addition, a third-party evaluation was implemented to ensure objectivity.

Fiscal 2022 Board of Directors effectiveness assessment

Evaluation process

The evaluation was conducted through discussions attended by all Directors and Audit and Supervisory Board Members, after sharing their written assessments and the analysis of third-party questionnaires to ensure anonymity. Through the discussions, participants reviewed and evaluated the Board’s performance during fiscal 2022, in terms of the basic policies on the operation of the Board of Directors and the three improvement items, which were set forth by the Board in the previous effectiveness assessment.

Basic policies for fiscal 2022

- 1. Monitor and support important measures to achieve the goals of the final year of the 20th MTP
- 2. Discuss and support the formulation of the 21st MTS with the aim of maximizing corporate value as a digital services company

Action items for fiscal 2022

- 1. In a highly uncertain business environment, monitor the progress of key management indicators and measures to achieve the business plan for fiscal 2022, and encourage execution as necessary
- 2. In order to maximize corporate value as a digital services company, further enhance discussions on management structure, including business structure transformation, increasing corporate value and capital profitability, and human capital to support this, and reflect the results in the 21st MTS
- 3. Along with continuous improvement of corporate governance, inspect and supervise the business unit structure, risk management system, new personnel system, ESG (future finances), etc., to create an environment for sustainable growth

Results summary of the evaluation of effectiveness of the Board of Directors for fiscal 2022

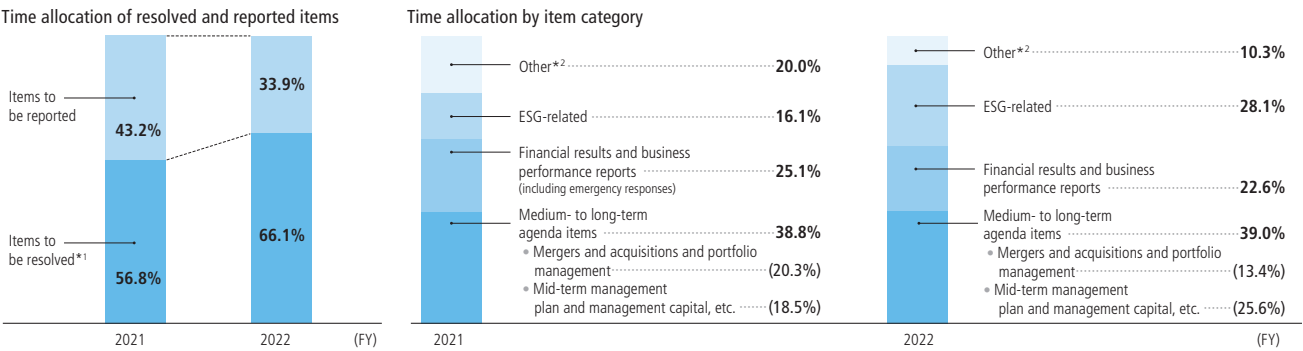
1. Results of operation of the Board of Directors

In fiscal 2022, the final year of the 20th MTP, we monitored the progress of key indicators and measures for each business unit, and also deliberated on medium- and long-term management policies and strategies based on the annual plan as the year for formulating the 21st MTS. With respect to the CEO Succession Plan, the Nomination Committee had sufficient meetings and time to conduct the final selection of the successor CEO and discuss the new management structure.

In addition to the on-site inspections by Outside Directors and Outside Audit and Supervisory Board Members, roundtable discussions with local employees, and participation in management meetings as observers to gain an understanding of the Company’s actual situation, opportunities were provided for dialogue through small meetings between shareholders and Outside Directors to deepen discussions from the shareholders’ perspective, with the aim of reflecting the shareholders’ views in management.

In order to ensure transparency of deliberations at the Board of Directors meetings, the following disclosure regarding time allocated for the agenda items for the fiscal 2022 Board of Directors meetings is provided.

Board of Directors—Time allocation by agenda item



*1 Items to be resolved: In addition to agenda items for resolution by the Board of Directors, these include Directors’ review meetings and governance review meetings held to prepare for deliberations
*2 Other: Resolutions in keeping of the provisions of the Companies Act, personnel matters, other individual proposals, and other factors

2. Summary

The following summarizes the results of Board of Directors deliberations regarding written evaluations from directors and members of the Audit and Supervisory Board and third-party evaluations.

The unanimous evaluation was that the composition of the Board of Directors was appropriate, that free and vigorous discussions were held under the Chairperson of the Board of Directors, an Outside Director, who presided from a neutral standpoint, that appropriate supervision and decision-making were carried out in response to various changes in the business environment, and that the effectiveness of the Board of Directors was ensured.

The Nomination Committee ensured that the process of the changes of CEO was highly fair and transparent, and the Compensation Committee revised the executive compensation system from a shareholder perspective, including the introduction of performance-linked stock-based compensation. Both committees, which are chaired by an Outside Director and consist of a majority of Outside Directors, conducted extensive deliberations and were evaluated as effectively functioning as advisory bodies to the Board of Directors.

It was judged that the selection of a new Lead Independent Director has further strengthened the effectiveness of governance, and the Board of Directors now engages in deliberations with a more shareholder-oriented perspective, with Directors aware of shareholder expectations and concerns through ongoing shareholder relations efforts by senior management and small meetings between shareholders and Outside Directors.

On the other hand, it was pointed out that further enhancement of deliberations and response to issues to achieve corporate value that meets the expectations of stakeholders and qualitative growth with transformation into a digital services company through steady implementation of the fiscal 2023 business plan are needed, based on the trends of the Company’s corporate value and evaluation of the current business performance.

In addition, it was pointed out that, in transforming the business structure, it is necessary to review and continuously improve integrated risk management under the business unit structure.

Fiscal 2022 action items 1 and 2

In a highly uncertain business environment, the Board of Directors made efforts to understand the actual status of the business through monitoring the performance and measures of each business unit, and encouraged improvement of issues in response to the business environment.

It was positively evaluated that the Board of Directors also supported the development of the management infrastructure through deliberations on human capital strengthening, capital policy, and IT infrastructure overhaul, laying the foundation for the implementation strategies under the 21st MTS, as well as supervision and decision-making toward the transformation of the business structure, including implementation of growth investments and business alliances aimed at strengthening digital services.

On the other hand, recognizing that the highly uncertain business environment will continue, there were remarks pointing out the need for discussion on a resilient management structure, as well as the need to accelerate the transformation of the business structure to enhance corporate value, and the importance of deepening discussions on improving the profitability of the office services business and business portfolio management using ROIC.

Fiscal 2022 action item 3

The Board of Directors was commended for sharing governance issues through governance review meetings and Outside Executive Meetings, and for regularly requesting reports on internal audits, risk management, and ESG progress to strengthen the governance structure necessary for a digital services company.

Efforts to directly understand the operation status of the new personnel system and environmental initiatives through on-site inspections and communication with local employees, as well as in-depth discussions at Board of Directors’ meetings and inspections from multiple perspectives, were highly evaluated as having led to improved effectiveness of the supervisory function.

Meanwhile, the need for verification of integrated risk management in accordance with the management structure based on the business unit structure, the response to risks specific to each region and business unit, the head office structure, and Ricoh-style job-based personnel system and its operation was also pointed out.

Efforts to improve the effectiveness of the Board of Directors in fiscal 2023

Based on the above evaluation, the Company’s Board of Directors will operate in accordance with the following basic policies and work to improve the effectiveness of the Board of Directors based on three specific action items.

Basic policies for fiscal 2023

- 1. Discuss and oversee the realization of corporate value that meets stakeholder expectations
- 2. Monitor and support performance and key measures, from both quantitative and qualitative aspects, to achieve qualitative growth with transformation into a digital services company

Fiscal 2023 action items

- 1. Enhance deliberations on improving corporate value, deepen discussions to a level where concrete measures can be implemented, and provide more effective supervision from the perspective of corporate value
- 2. Supervise and support the Company to achieve qualitative growth with transformation into a digital services company through steady implementation of the fiscal 2023 business plan
- 3. Continuously improve integrated risk management linked to the management system, which enables both sound risk-taking and risk control in order to accelerate the transformation into a digital services company

Audit and Supervisory Board

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

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

• Audit and Supervisory Board Members' activities and disclosure

Outline of audit activities by Audit and Supervisory Board Members

This body reviews risks and issues in five areas and formulates annual activity plans. These areas are 1) Directors, 2) Business execution, 3) Subsidiaries, 4) Internal audits, and 5) Accounting audits. The chart below outlines audit activities in each area and divisions of duties. Audit activities are mainly carried out by full-time Audit and Supervisory Board Members, and the contents are shared in a timely manner at Audit and Supervisory Board meetings. Outside Audit and Supervisory Board Members conduct audits with full-time Audit and Supervisory Board Members and make recommendations, taking advantage of their respective expertise and backgrounds, and express their opinions from an independent standpoint.






Framework for the Audit and Supervisory Board Office to assist the execution by Audit and Supervisory Board Members



Areas of Audit focus and actions for fiscal 2022

In fiscal 2022, the final year of the Company's 20th MTP, the Company engaged in a variety of initiatives, including for the business unit structure that was introduced in the previous fiscal year, and introduced a new Ricoh-style job-based personnel system, with the aim of transforming into a digital services company. The Audit and Supervisory Board examined these business activities as well as associated expected risks based on changes in the internal and external environment. As a result, "the optimal form of headquarters function governance for a digital service company," "autonomous internal control and risk management by business units and management of subsidiaries," and "control environments within individual organizations," were established as areas of focus for fiscal 2022.

Outline of audit activities by Audit and Supervisory Board Members

	★ Meeting organized by Audit and Supervisory Board Members	Full-time Audit and Supervisory Board Members	Outside Audit and Supervisory Board Members
 1. Directors	Attending Board of Directors meetings, monitoring Board of Directors effectiveness improvement measures, and reviewing and following up on Board of Directors proposals Attending as an observer in the Nomination Committee and Compensation Committee meetings Holding regular meetings with Chairperson of the Board of Directors, Lead Outside Director and Representative Director ★ Holding governance review meetings attended by Directors and the Audit and Supervisory Board Members ★ Holding Outside Executive Meeting (meeting for exchange of opinions by Outside Directors and Audit and Supervisory Board Members) ★	● ● ● ●	● ● ● ●
 2. Business execution	Audit and Supervisory Board Member review*1 on headquarters and principal offices (individual business units and individual Group headquarters organization) Attending GMC Attending performance review meetings, business unit operation meetings, Investment Committee meetings and other important meetings Holding separate regular meetings with the CEO, CFO, and the CHRO respectively (monthly) ★ Holding information sharing meetings with presidents of business units and Group Headquarters function officers ★ Reviewing and confirming important documents (agendas and minutes of important meetings, documents for approval, written agreements, etc.) Holding regular meetings with risk management department (monthly) ★ Auditing business reports, supplementary schedules and financial statements; other period-end auditing duties	● ● ● ● ● ● ● ● ●	○ ○ ○ ○ ○ ○ ○ ○ ●
 3. Subsidiaries	Audit and Supervisory Board Member review on subsidiaries*1 Holding regular meetings with Audit and Supervisory Board Members of subsidiaries (every other month) ★ Holding regular meetings with the internal audit division ★	● ● ●	○ ○
 4. Internal Audits	Receiving explanation from the internal audit division about the internal audit plan, and reporting the results thereof (quarterly) ★ Holding regular meetings with the internal audit division (monthly) ★	● ●	●
 5. Accounting audits	Holding three-way audit meetings (quarterly) ★ Sharing information with the Independent Auditor (monthly (except for months in which three-way audit meetings are conducted)) Receiving explanation about audit plan and reports of quarterly review and audit results from the Independent Auditor Evaluating the Independent Auditor	● ● ●	● ●

*1 Audit and Supervisory Board Member review: A series of audit procedures to be conducted including on-site audit at headquarters, principal offices, and subsidiaries as a general rule
Number of Audit and Supervisory Board Member reviews conducted: 5 business unit audits, 17 Group headquarters audits, and 22 subsidiary audits (9 in Japan and 13 overseas)

● In charge
○ Voluntary or partly in charge

Notes on the Audit Performance

The Audit and Supervisory Board reviews its work at the end of each fiscal year and discusses prospective improvements. It also discloses specific audit activities, including review findings, in Notes on the Audit Performance. The Audit and Supervisory Board voluntarily prepares these Notes as complementary material to its report to enhance dialogue with shareholders and other stakeholders.



Refer to our website:
[Notes on the Audit Performance](#)

Committees

• Nomination Committee and Compensation Committee

We established the Nomination Committee, whose chair and members are largely outside Directors, and the Compensation Committee, to transparently and objectively select and dismiss directors and executive officers and remunerate them. In addition, one Outside Audit and Supervisory Board Member attends the deliberations of the Nomination Committee and Compensation Committee as an observer each time.

• Governance and Directors' review and Outside Executive Meetings

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

Directors' review meetings provide an opportunity and time for Directors and Audit and Supervisory Board members to thoroughly discuss important corporate themes (such as the mid-term management strategy) in advance of Board of Directors resolutions.

Outside Executive Meetings are forums to contribute to the deliberations of the Board of Directors by sharing information and views between outside Directors and members of the Audit and Supervisory Board based on independent and objective perspectives.

• GMC

The Board of Directors authorizes the president and CEO to chair this decision-making body, which comprises executive officers with certain qualifications.

• Internal Control Committee

The president and CEO directly oversees this body to deliberate and make decisions about Group internal controls. It comprises executive officers with certain qualifications and meets quarterly in principle, but may also conduct ad-hoc or emergency meetings as needed.

• ESG Committee

The ESG Committee aims to respond promptly and appropriately to the expectations and requests of stakeholders by continuously discussing environmental, social, and governance issues

• Issues to be monitored in fiscal 2023

Based on the result of a fiscal 2022 audit performance review, the Audit and Supervisory Board examined the issue to be monitored in fiscal 2023.

The Audit and Supervisory Board will continue to pay close attention to measures aimed at transforming the Company into a digital services company, and it has identified governance under the new management system through changes to the management structure, including the change in Representative Director and CEO, and measures for enhancing corporate value as issues to be monitored in fiscal 2023.

faced by the Ricoh Group. Chaired by the president and CEO and comprising* internal directors, GMC members, and business unit presidents, this decision-making body meets every quarter.

* Outside auditors participate as observers

• Information Security Committee

The Information Security Committee was newly established in the second half of fiscal 2022 as a body under the president and CEO to make decisions regarding the security of the Ricoh Group.

• Disclosure Committee

This committee is composed of representatives from different functional organizations, including the disclosure management division, accounting division, legal division, business planning division, Board of Directors operating division, public relations division, and internal control division, information-generating and acknowledging departments, the Supervising Organizations managing affiliates, and the CFO, who is responsible for information disclosure.

• Investment Committee

This advisory body to the GMC scrutinizes investment plans in financial perspective terms in view of capital costs and in terms of profitability and growth risks from business strategy perspectives. The committee aims to accelerate and improve investment decision-making for diverse external investment and funding projects through members representing different functional organizations engage in preliminary assessments and discussions to be more consistent with management strategies and improve investment effectiveness.

• Risk Management Committee

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

In addition, in order to establish a more effective and integrated risk management system through coordination between management and each business execution organization, we have appointed risk management managers and promoters from each organization, and established an autonomous risk management system for each organization.

Fiscal 2022		Agenda
First meeting	April	<ul style="list-style-type: none"> Consideration of strengthening the rolling planning process for managerial risks Consideration of risk information disclosure
Second meeting	October	<ul style="list-style-type: none"> Confirmation of changes in the internal and external environment Confirmation of the status of response to managerial risks for fiscal 2022
Third meeting	November	<ul style="list-style-type: none"> Consideration of plans of managerial risks for fiscal 2023
Fourth meeting		
Fifth meeting	January	<ul style="list-style-type: none"> Report on the results of the response to managerial risks in fiscal 2022 Discussion of promotion plan concerning managerial risks for fiscal 2023
Sixth meeting	March	

Moreover, at the Group Risk Management Collaboration Reinforcement Conference for each risk management promoter, study sessions and information sharing related to risk management are held, and ongoing efforts are making the organization more responsive to risk.

Ricoh Group's material management risks

Strategic risks	Operational risks
(1) Transition of profit structure as a digital services company	(1) Long-term delay and suspension in supply of products
(2) Acceleration of digital strategy	(2) Large-scale disasters/incidents or accidents
(3) Reinforcement of advanced technologies	(3) Unexpected impact of changes in the global environment
(4) Information security	(4) Human resources-related compliance
(5) Securing, developing, and managing human resources	(5) Risks related to Group governance
(6) Responding to ESG and SDGs	
(7) Geopolitical risks	

Refer to our website:
[Business risks](#)

Risk management structure

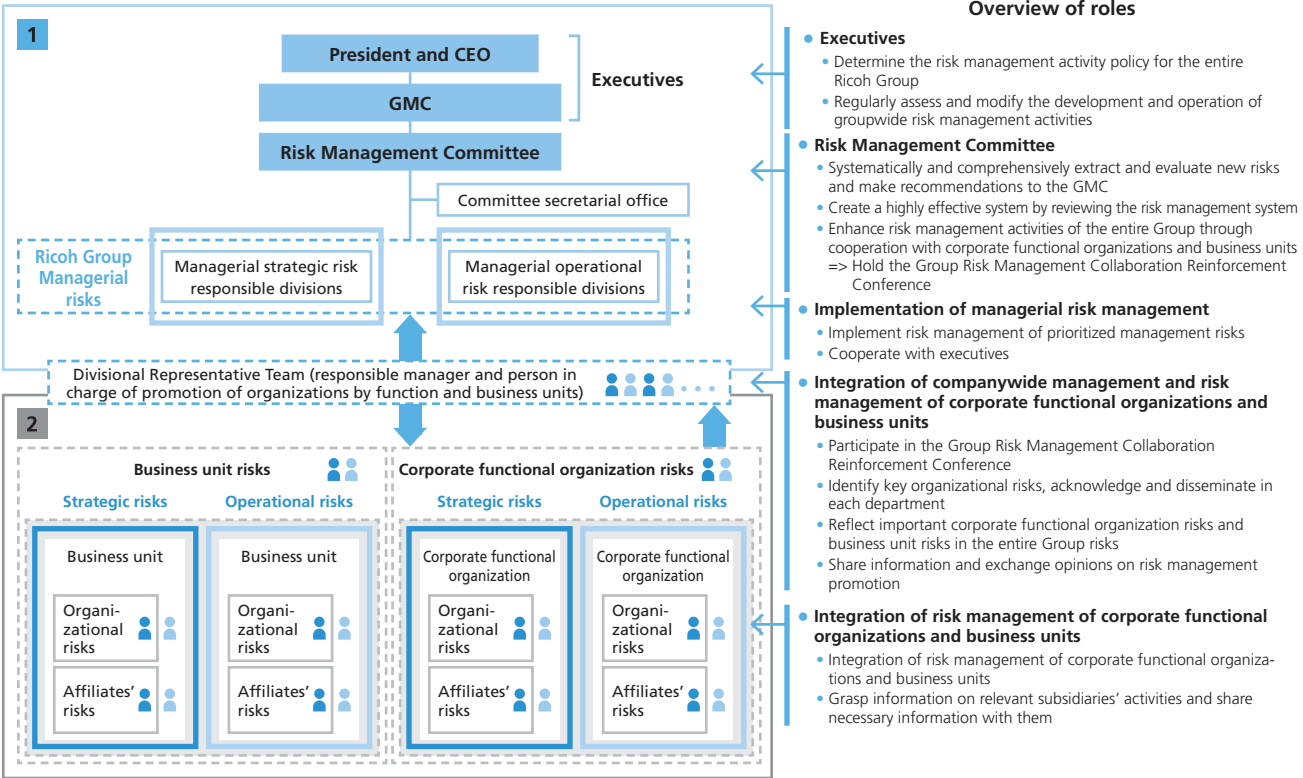
The Ricoh Group's risk management systems

The Ricoh Group's risk management systems can be divided into two main levels, as shown in the figure below:

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

These two levels clarify the bodies responsible for risk management enabling agile decision-making and swift action in response to each level of risk, and together form an integrated risk management system. The management of some risks may be transferred from one level to the another, due to changes in the level of impact caused by environmental changes. The role of each risk management body is shown on the right-hand side of the risk management structure.

Ricoh Group's risk management structure



Internal Controls

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

Compliance

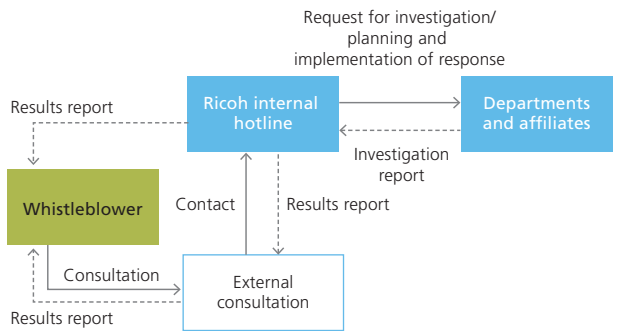
The Ricoh Group considers compliance to mean observing not only laws and regulations but also internal rules and social ethics. The Group Code of Conduct which sets forth the principles and basic code of conduct for officers and employees, is thoroughly communicated to all Group employees, and everyone is expected to comply with it in their daily activities.

Hotline system

The Ricoh Group Hotline is available to all Ricoh Group officers and employees in Japan (including part-time and temporary staff and retirees (within one year after retirement)) for whistleblowing and consultation regarding compliance violations. In addition to the hotline, major subsidiaries in Japan and overseas have established their own local contacts for whistleblowing and consultation according to their organizational and regional characteristics. In addition, in November 2018, the Ricoh Group established the Ricoh Group Global Whistleblowing System, which is available to all Directors and employees at Ricoh Group companies in Japan and overseas. We have built a system through which workers can report directly via Ricoh's Audit and Supervisory Board website. In May 2020, we established the Supplier Hotline, which allows Ricoh Group suppliers globally to report issues through this website.

Refer to our website:
[1 Internal controls](#)
[2 Compliance](#)
[3 Ricoh Group Code of Conduct](#)
[4 Supplier Hotline](#)

Basic flow of the hotline system in Japan



Cross-shareholdings

Policy

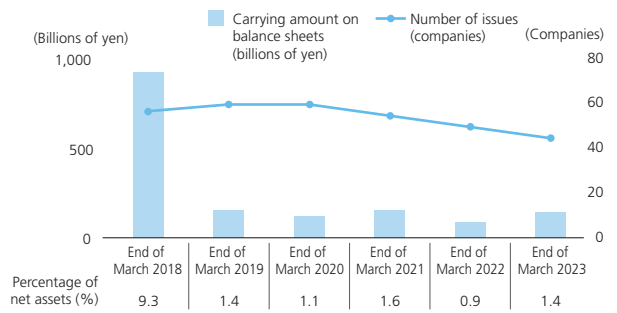
From the viewpoint of streamlining and strengthening of business alliance and development of collaborative businesses, the Company shall be able to hold shares of related partners only when such holding of shares is deemed necessary and effective for the future development of the Ricoh Group, while taking the returns such as dividends into consideration. Specifically, the Board of Directors will verify, for each stock, whether the benefits and risks of holding shares are worth the capital cost, and if holding shares loses significance in the medium to long terms, those holdings will be reduced accordingly.

Exercise Criteria for Voting Rights

The Company will exercise voting rights attached to cross-shareholdings upon examining each agenda for whether they

enhance the corporate value of the investee in the medium to long terms or whether they impair shareholder value, and will determine approval or disapproval.

Status of cross-shareholdings



Information Security

New Information Security Committee

The Information Security Committee was established in the second half of fiscal 2022. It reports directly to the president and CEO to make decisions regarding the security of the Ricoh Group. The committee consists of Executive Officers who meet certain eligibility requirements and has, in principle, met quarterly beginning in fiscal 2023.

The committee mainly deliberates on the Ricoh Group's security strategy, security governance, and security operations.

The risks to information security have been increasing rapidly in recent years. The scope of response by companies is also expanding due to the frequency of cyberattacks, the diversification and sophistication of malware technologies, such as ransomware, the tightening and diversification of laws and regulations in various countries, and the emergence of geopolitical risks.

In addition, as we transform ourselves into a digital services company, we must not only mitigate security risks in our digital services but also view them as investments for business growth in order to further solidify profitability in our existing businesses.

Recently, while companies are striving to improve their competitiveness through DX, there are also security issues that need to be resolved. To this end, the Security Promotion Department was established in fiscal 2022 under the direct control of the CEO, who is in charge of security management, to plan and implement security and privacy protection strategies for the Ricoh Group as a whole. The department supports the operation of the committee by making prompt management decisions on security and clarifying strategies to comply with the laws and regulations of various countries.

Specific initiatives to reinforce security

• Product security

■ Security by Design (SBD): We are committed to implementing SBD, which ensures information security from the planning and design stages. In-house regulations based on ISO/IEC 27034-1, the international standard for secure development, have been established and are being gradually applied.

■ Security risk initiatives: We take immediate action on vulnerability countermeasures in accordance with international standards ISO/IEC 29147 and 30111. Specifically, we notify the public on our response status and alerts to high cyber-attack risks, set up a contact point to handle security researchers' vulnerability reports, and provide information on countermeasures.

• Corporate security

As cyberattacks targeting companies such as ransomware become more sophisticated and complex, the Ricoh Group is promoting cyber security measures globally.

■ Setting up and running Computer Security Incident Response Team: We created the RICOH-Computer Security Incident Response Team in fiscal 2013 to analyze threats based on incident reports from the Security Operation Center and external response team organizations, and information from security information websites. The team takes the lead in promptly and optimally responding to threats, such as by preserving evidence, analyzing attacks, investigating causes, and preventing and containing spreads.

■ Establishing and running Security Operation Center: It constantly monitors Group IT systems. The center quickly detects external unauthorized intrusions and internal unauthorized use, collaborating with the RICOH-Computer Security Incident Response Team to quickly detect incidents.

• Factory security

We are bolstering the security of operational technologies in plant networks. Attackers generally attempt to gain entry through weak points. That makes it vital to strengthen security in factories, which are less secure than office IT setups.

We are constantly deploying initiatives to enhance organizational governance, with all plants proactively evaluating their situations situation through internal and third-party assessments while taking steps to address issues that come to light.

• Data privacy policy

Progress with digitization and the growing use of big data have heightened concerns about data privacy and personal data protection. That said, rules for using personal data remain unclear, including as to the appropriate usage levels. Customers are concerned about personal data handling and privacy protection.

We manage information based on a data privacy policy for all customer personal data that complies with the Personal Information Protection Act and other laws and regulations. We will launch a full-fledged data business to create new value by drawing on AI to help customers grow and resolve their issues.

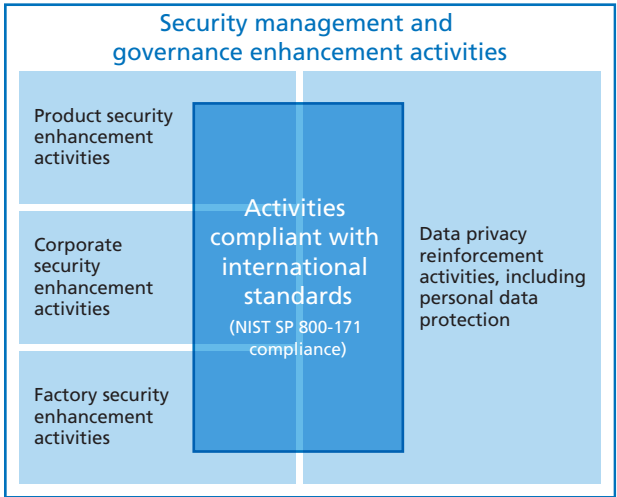
Complying with international security standards

Cyberattacks are increasing and becoming more sophisticated, targeting all sorts of industries. We undertake security activities that primarily aim to safeguard customer information assets in line NIST SP 800-171 guidelines for protecting sensitive information. These activities are part of comprehensive efforts to reinforce corporate, product, factory and data privacy security.

For Group products and services, we focus on customers that seek secure business environments and require those environments to be NIST SP 800-171-compliant. We will accordingly supply offerings that enable such compliance.

Ricoh will continue deploying measures to comply with NIST SP 800-171 in its business environment to rigorously safeguard the information assets of customers.

Our initiatives to boost security meet the security requirements of customers, who consider implementing our product security services, and protect their information assets, thus lowering their business risks.



Message from the General Manager of the Security Management Center

As part of Ricoh's transition to become a digital services company, we position security as one of our corporate values. This is not only to mitigate geopolitical risks in digital services, but also to enhance the profitability of our existing businesses. A good example of this was our entry into the data business in 2021 by launching AI for Work series services in Japan that use proprietary natural language processing AI and other operational support technologies.

We also set up the Information Security Management Center (renamed the Security Management Center in June 2023) to reach swift business decisions about companywide information security, clarify strategies to comply with national laws and regulations, and link security to enhancing corporate value.

We will closely monitor changes in the operating climate, such as stronger security standards in the public and private sectors to operate flexibly as a digital services company, and continue to bolster security and accordingly reinforce our information security structure.

Hiroyuki Teshima
General Manager, Information Security Management Center, Ricoh Company, Ltd.

Consolidated Financial Statements

Consolidated Statements of Financial Position

Ricoh Company, Ltd., and consolidated subsidiaries

	The Years Ended March 31 (Millions of yen)					Thousands of U.S. dollars
	2019	2020	2021	2022	2023	2023
Assets						
Current assets:						
Cash and cash equivalents	240,099	262,834	334,810	240,308	221,890	1,668,346
Time deposits	70	50	238	81	207	1,556
Trade and other receivables	604,804	392,780	392,132	397,148	476,429	3,582,173
Other financial assets	294,351	87,226	92,823	92,293	93,906	706,060
Inventories	207,748	201,248	192,016	232,558	314,368	2,363,669
Other current assets	40,107	36,428	46,725	50,034	68,499	515,030
Subtotal	1,387,179	980,566	1,058,744	1,012,422	1,175,299	8,836,835
Assets classified as held for sale	2,583	1,125,582	—	—	—	—
Total current assets	1,389,762	2,106,148	1,058,744	1,012,422	1,175,299	8,836,835
Non-current assets:						
Property, plant and equipment	250,287	201,569	191,963	188,439	196,512	1,477,534
Right-of-use assets	—	59,425	63,653	57,730	57,003	428,594
Goodwill and intangible assets	219,806	231,898	225,510	259,482	366,394	2,754,842
Other financial assets	708,295	139,181	136,093	128,321	135,158	1,016,226
Investments accounted for using the equity method	12,521	14,305	79,504	81,396	83,529	628,038
Other investments	22,443	14,951	18,504	12,329	19,359	145,556
Other non-current assets	38,006	29,550	29,773	31,942	44,540	334,887
Deferred tax assets	84,012	70,618	84,124	81,193	72,162	542,571
Total non-current assets	1,335,370	761,497	829,124	840,832	974,657	7,328,248
Total assets	2,725,132	2,867,645	1,887,868	1,853,254	2,149,956	16,165,083

	The Years Ended March 31 (Millions of yen)					Thousands of U.S. dollars
	2019	2020	2021	2022	2023	2023
Liabilities and Equity						
Current liabilities:						
Bonds and borrowings	266,957	51,492	82,731	114,395	157,828	1,186,677
Trade and other payables	306,189	246,055	287,160	268,534	312,429	2,349,090
Lease liabilities	—	27,230	25,475	22,665	26,185	196,880
Other financial liabilities	521	—	1,669	2,079	2,582	19,414
Income tax payables	15,455	9,455	7,213	11,143	11,864	89,203
Provisions	12,277	11,686	12,946	9,941	10,968	82,466
Other current liabilities	242,799	233,909	240,322	264,691	307,258	2,310,211
Subtotal	844,198	579,827	657,516	693,448	829,114	6,233,940
Liabilities directly related to assets held for sale	—	969,069	—	—	—	—
Total current liabilities	844,198	1,548,896	657,516	693,448	829,114	6,233,940
Non-current liabilities:						
Bonds and borrowings	666,462	128,172	139,676	121,042	205,110	1,542,181
Lease liabilities	—	38,741	46,737	44,444	38,147	286,820
Other financial liabilities	3,420	—	—	—	27,566	207,263
Accrued pension and retirement benefits	105,288	99,795	70,463	45,728	41,058	308,707
Provisions	6,610	6,458	11,413	9,607	8,347	62,759
Other non-current liabilities	77,619	34,143	34,469	29,029	24,742	186,030
Deferred tax liabilities	2,547	2,913	3,742	4,131	17,790	133,759
Total non-current liabilities	861,946	310,222	306,500	253,981	362,760	2,727,519
Total liabilities	1,706,144	1,859,118	964,016	947,429	1,191,874	8,961,459
Equity:						
Common stock	135,364	135,364	135,364	135,364	135,364	1,017,774
Authorized — 1,500,000,000 shares as of March 31, 2019 1,500,000,000 shares as of March 31, 2020 1,500,000,000 shares as of March 31, 2021 1,500,000,000 shares as of March 31, 2022 1,500,000,000 shares as of March 31, 2023 Issued and outstanding, excluding treasury stock — 744,912,078 shares and 724,862,648 shares as of March 31, 2019 744,912,078 shares and 724,433,550 shares as of March 31, 2020 744,912,078 shares and 718,219,946 shares as of March 31, 2021 637,468,178 shares and 636,999,478 shares as of March 31, 2022 609,521,978 shares and 609,074,807 shares as of March 31, 2023						
Additional paid-in capital	186,086	186,173	186,231	180,942	158,529	1,191,947
Treasury stock	(37,394)	(37,795)	(45,024)	(460)	(427)	(3,211)
Other components of equity	73,645	41,768	82,097	126,341	167,368	1,258,406
Other comprehensive income related to disposal group held for sale	—	130	—	—	—	—
Retained earnings	574,876	594,731	561,578	459,855	470,722	3,539,264
Equity attributable to owners of the parent	932,577	920,371	920,246	902,042	931,556	7,004,180
Non-controlling interests	86,411	88,156	3,606	3,783	26,526	199,444
Total equity	1,018,988	1,008,527	923,852	905,825	958,082	7,203,624
Total liabilities and equity	2,725,132	2,867,645	1,887,868	1,853,254	2,149,956	16,165,083

Ricoh's consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). For Critical Accounting Policies and Notes to Consolidated Financial Statements, please refer to securities reports.

 Refer to our websites:
[Investor Relations](#) [Securities Reports](#) [Financial Results](#)

Consolidated Statements of Profit or Loss

	The Years Ended March 31 (Millions of yen)					Thousands of U.S. dollars
	2019	2020	2021	2022	2023	2023
Sales	2,013,228	2,008,580	1,682,069	1,758,587	2,134,180	16,046,466
Cost of sales	1,246,345	1,287,003	1,109,762	1,135,920	1,388,758	10,441,789
Gross profit	766,883	721,577	572,307	622,667	745,422	5,604,677
Selling, general and administrative expenses	702,912	658,435	619,740	600,269	688,156	5,174,106
Other income	23,449	15,911	5,791	17,960	21,544	161,985
Impairment of goodwill	581	13	3,787	306	70	526
Operating profit (loss)	86,839	79,040	(45,429)	40,052	78,740	592,030
Finance income	4,598	4,926	4,373	2,532	4,522	34,000
Finance costs	7,965	8,319	3,617	3,800	8,105	60,940
Share of profit of investments accounted for using the equity method	492	244	3,645	5,604	6,151	46,248
Profit (loss) before income tax expenses	83,964	75,891	(41,028)	44,388	81,308	611,338
Income tax expenses	28,587	31,478	(8,364)	13,763	25,667	192,985
Profit (loss)	55,377	44,413	(32,664)	30,625	55,641	418,353
Profit (loss) attributable to:						
Owners of the parent	49,526	39,546	(32,730)	30,371	54,367	408,774
Non-controlling interests	5,851	4,867	66	254	1,274	9,579
	The Years Ended March 31 (Yen)					U.S. dollars
Per share of common stock:	2019	2020	2021	2022	2023	2023
Earnings per share attributable to owners of the parent:						
Basic	68.32	54.58	(45.20)	45.35	88.13	0.66
Diluted	—	54.58	(45.20)	45.34	88.10	0.66
Cash dividends, paid	23.00	26.00	15.00	26.00	34.00	0.26

Consolidated Statements of Comprehensive Income

	The Years Ended March 31 (Millions of yen)					Thousands of U.S. dollars
	2019	2020	2021	2022	2023	2023
Profit (loss)	55,377	44,413	(32,664)	30,625	55,641	418,353
Other comprehensive income (loss):						
Components that will not be reclassified subsequently to profit or loss:						
Remeasurement of defined benefit plan	(6,389)	(2,481)	13,804	14,515	5,097	38,323
Net change in fair value of financial assets measured through other comprehensive income	(1,929)	(946)	2,868	(1,851)	742	5,579
Share of other comprehensive income of investments accounted for using equity method	—	—	197	187	(318)	(2,391)
Total components that will not be reclassified subsequently to profit or loss	(8,318)	(3,427)	16,869	12,851	5,521	41,511
Components that will be reclassified subsequently to profit or loss:						
Net changes in fair value of cash flow hedges	56	190	(827)	590	(77)	(579)
Exchange differences on translation of foreign operations	(10,979)	(29,562)	38,594	46,775	40,591	305,195
Share of other comprehensive income of investments accounted for using equity method	—	—	81	99	59	444
Total components that will be reclassified subsequently to profit or loss	(10,923)	(29,372)	37,848	47,464	40,573	305,060
Total other comprehensive income (loss)	(19,241)	(32,799)	54,717	60,315	46,094	346,571
Comprehensive income	36,136	11,614	22,053	90,940	101,735	764,924
Comprehensive income attributable to:						
Owners of the parent	30,304	6,949	21,897	90,733	100,564	756,120
Non-controlling interests	5,832	4,665	156	207	1,171	8,804

Ricoh's consolidated financial statements have been prepared in accordance with IFRS.
For Critical Accounting Policies and Notes to Consolidated Financial Statements, please refer to securities reports.



Refer to our website:
[Investor Relations](#) [Securities Reports](#) [Financial Results](#) [Selected Consolidated Financial Data](#)

Consolidated Statements of Cash Flows

	The Years Ended March 31 (Millions of yen)					Thousands of U.S. dollars
	2019	2020	2021	2022	2023	2023
Cash flows from operating activities:						
Profit (loss)	55,377	44,413	(32,664)	30,625	55,641	418,353
Adjustments to reconcile profit for the period to net cash provided by operating activities						
Depreciation and amortization	94,288	120,688	104,618	90,479	97,468	732,842
Impairment of property, plant and equipment and intangible assets	2,138	909	24,879	762	37	278
Impairment of goodwill	581	13	3,787	306	70	526
Other income	(23,449)	(6,748)	(1,502)	(13,299)	(13,128)	(98,707)
Share of profit (loss) of investments accounted for using the equity method	(492)	(244)	(3,645)	(5,604)	(6,151)	(46,248)
Finance income and costs	3,367	3,393	(756)	1,268	3,583	26,940
Income tax expenses	28,587	31,478	(8,364)	13,763	25,667	192,985
(Increase) decrease in trade and other receivables	(6,595)	16,408	29,727	13,448	(39,546)	(297,338)
(Increase) decrease in inventories	(30,097)	3,158	16,413	(28,533)	(45,536)	(342,376)
(Increase) decrease in lease receivables	(13,527)	(33,953)	15,572	23,285	5,852	44,000
Increase (decrease) in trade and other payables	10,024	(18,987)	(4,712)	(26,212)	22,654	170,331
Decrease in accrued pension and retirement benefits	(6,937)	(6,805)	(12,315)	(9,306)	(10,661)	(80,158)
Other, net	553	(4,966)	14,056	13,907	195	1,467
Interest and dividends received	4,123	4,557	3,418	3,457	6,004	45,143
Interest paid	(5,007)	(4,429)	(3,259)	(3,795)	(5,512)	(41,444)
Income taxes paid	(30,987)	(32,184)	(18,291)	(22,089)	(29,929)	(225,030)
Net cash provided by operating activities	81,947	116,701	126,962	82,462	66,708	501,564
Cash flows from investing activities:						
Proceeds from sales of property, plant and equipment	9,707	8,615	4,823	15,062	14,340	107,820
Expenditures for property, plant and equipment	(72,462)	(86,596)	(42,155)	(37,359)	(45,459)	(341,797)
Proceeds from sales of intangible assets	969	221	60	—	—	—
Expenditures for intangible assets	(29,589)	(27,188)	(24,779)	(33,683)	(35,156)	(264,331)
Payments for purchases of available-for-sale securities	(8,639)	(14,982)	(1,052)	(442)	(6,539)	(49,165)
Proceeds from sales of available-for-sale securities	63,830	3,985	491	6,327	923	6,940
Net increase of time deposits	458	12	(168)	162	(122)	(917)
Purchase of business, net of cash acquired	(5,133)	(16,462)	(8,431)	(9,422)	(58,453)	(439,496)
Net increase due to loss of control of subsidiaries	10,223	—	7,846	—	—	—
Others, net	(15,295)	(32,196)	(194)	—	(3,473)	(26,114)
Net cash used in investing activities	(45,931)	(164,591)	(63,559)	(59,355)	(133,939)	(1,007,060)
Cash flows from financing activities:						
Net proceeds (repayments) of short-term debt	26,236	6,068	(19,428)	15,990	24,159	181,647
Proceeds from long-term debt	152,234	292,885	98,482	37,140	150,027	1,128,023
Repayments of long-term debt	(139,399)	(200,950)	(12,817)	(46,664)	(44,032)	(331,068)
Proceeds from issuance of bonds	50,000	72,119	—	—	—	—
Repayments of bonds	(35,000)	(42,148)	(12,413)	—	(13,725)	(103,195)
Repayments of lease liabilities	—	(30,065)	(35,728)	(31,146)	(32,229)	(242,323)
Dividends paid	(12,685)	(18,841)	(14,851)	(14,058)	(18,635)	(140,113)
Payments for purchase of treasury stock	(10)	(401)	(7,296)	(92,717)	(30,006)	(225,609)
Proceeds from purchase of investments in subsidiaries without change in scope of consolidation	3,006	—	—	—	—	—
Others, net	(1,958)	(2,910)	(34)	(230)	(105)	(791)
Net cash provided by (used in) financing activities	42,424	75,757	(4,085)	(131,685)	35,454	266,571
Effect of exchange rate change on cash and cash equivalents	1,091	(4,278)	7,338	12,254	8,641	64,970
Net increase (decrease) in cash and cash equivalents	79,531	23,589	66,656	(96,324)	(23,136)	(173,955)
Cash and cash equivalents at beginning of year	160,568	240,099	263,688	330,344	234,020	1,759,549
Cash and cash equivalents at end of year	240,099	263,688	330,344	234,020	210,884	1,585,594

Note 1: The difference in the amount of cash and cash equivalents between consolidated statement of financial position and consolidated statement of cash flows represents a reclassification to assets classified as held for sale at the year ended March 31, 2020, and bank overdrafts at the year ended March 31, 2021
Note 2: The difference in the amount of cash and cash equivalents between consolidated statement of financial position and consolidated statement of cash flows represents bank overdrafts at the years ended March 31, 2022, and 2023

Commitment and Recognition

Refer to our website:
[Commitment and Recognition](#)

Commitment to Society

We committed wholeheartedly to achieving a sustainable society by signing international agreements and policy guidelines

WE SUPPORT



United Nations Global Compact
In April 2002, we became the second Japanese company to sign this pact

RE100

CLIMATE GROUP



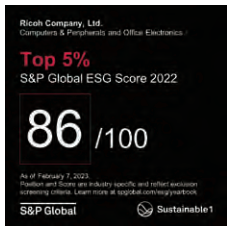
RE100
In April 2017, we were the first Japanese company to join this collaborative, global initiative of influential businesses

ESG Index Inclusions and Assessments

External organizations in Japan and abroad have included us in their ESG benchmarks

In July 2023, Japan's Government Pension Investment Fund included us in six major ESG indices for domestic equities that it has adopted

Member of
Dow Jones Sustainability Indices
Powered by the S&P Global CSA



2023 CONSTITUENT MSCI JAPAN ESG SELECT LEADERS INDEX

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2023 CONSTITUENT MSCI JAPAN EMPOWERING WOMEN INDEX (WIN)

NIKKEI Integrated Report Award
Received an Excellence Award in Nikkei Integrated Report Award 2022

Major Awards

Domestic and international awards attest to the Ricoh Group's excellence

NIKKEI Smart Work
Awards 2023 Innovation Prize

GPIF
Selected for Excellent TCFD Disclosure Highly Commended by Five Institutions

Selected as Excellent Integrated Report Included in six major ESG investment indices

Editorial Policy

This integrated report aims to deepen stakeholder understanding of Ricoh Group efforts to increase long-term corporate value by producing and disclosing management policies and financial and ESG information.

The Ricoh Group continues to evolve in keeping with its goal to transform into a digital services company by 2025 that connects workplaces and supports worker creativity. This report presents value creation processes and specific examples of initiatives across the medium through long terms to enhance corporate value. We encourage all employees to understand how they can help create value and contribute to social progress. We also want them to remain aware of how their jobs relate to society and embody our Mission & Vision of Fulfillment through Work.

In producing this report, we referred to the IFRS Foundation-recommended International Integrated Reporting Framework and the Guidance for Collaborative Value Creation of Japan's Ministry of Economy, Trade and Industry. We also interviewed institutional investors regarding last year's report and made improvements based on their feedback.

Target readership

All Ricoh Group stakeholders

Scope of coverage

Ricoh Company, Ltd., and consolidated subsidiaries

Reporting period

Fiscal 2022 (April 1, 2022, to March 31, 2023), also presenting some activities after that period



Disclosure Framework



We augment the Ricoh Group Integrated Report, which outlines our overall initiatives, with comprehensive ESG information in the ESG Data Book, TCFD Report, and Circular Economy Report.

Significant Organizational Changes

In September 2022, we acquired 80% of the issued and outstanding shares of PFU Limited and made it a consolidated subsidiary.

Exchange Rate Used in This Report

The translation of yen-denominated amounts into U.S. dollar equivalents as of March 31, 2023, and for fiscal 2022, is solely for the convenience of readers outside Japan. We used an exchange rate of ¥133 = US\$1, the Federal Reserve Board's approximate prevailing rate on March 31, 2023.

Cautionary Note Regarding Forward-Looking Statements

The data and projections in this Integrated Report are based on information available as of the publication date. They are subject to a range of factors. As results may differ materially from forecasts, do not

rely unduly on these forward-looking statements. We are under no obligation to update them based on new information or future events.

Third-Party Verification of Environmental and Social Data

SGS Japan Inc., a third-party audit provider, independently verifies the Ricoh Group's environmental performance data, including GHG emissions (Scopes 1, 2, and 3), and social data, to enhance the credibility of our data and compliance. We post audit results on our website for easy stakeholder access.

Verification has encompassed information systems, data collection methods, tabulation and analysis, and data accuracy. We will keep

enhancing data credibility by using third-party verification services and broadening the scope of verification, thereby improving our environmental activities. See the website below for details.



Refer to our website:
[Third-party verification of environmental and social data](#)

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

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