

To Our Shareholders

Enhancing Corporate Value over the Medium to Long Term with Our Shareholders

In delivering this convocation notice for the 122nd Ordinary General Meeting of Shareholders, I would like to express my sincere appreciation to our shareholders for their support.

In fiscal 2021, ended March 31, 2022, the COVID-19 pandemic continued to significantly affect our operations, particularly MFPs in our Office Printing business. Key developments included sluggish production owing to shortages of semiconductors and other supplies, higher purchasing costs, surging logistics expenses because of scarce container availabilities and other factors, and lost sales opportunities as a result of product supply shortages. The rapid spread of the Omicron variant during the second half slowed returns to offices among our customers and greatly hampered our earnings recovery.

It was against that challenging backdrop that the Ricoh Group and its business units together pursued structural reforms and controlled costs. We responded to rising demand for digitalization during the pandemic by developed customer-centric services and solutions while steadily increasing digital services revenues.

Consolidated sales for the term accordingly rose by 4.5%, to ¥1,758.5 billion. Profit attributable to owners of the parent was ¥30.3 billion. We will propose a year-end dividend of ¥13.00 per share for fiscal 2021, as originally forecasted, at the 122nd Ordinary General Meeting of Shareholders. Combined with the already disbursed interim dividend, the annual payment would be ¥26.00 per share.

Fiscal 2022 is the final year of our 20th Mid-Term Management Plan. Under this two-year initiative, we seek to become a digital services company that propels work productivity innovations. We also look to attain a return on equity of 7% by driving business growth and improving returns on capital. We will endeavor to create a corporate culture that invests in the future while generating shareholder returns and delivering sustainable growth. We will strengthen human capital while pushing further ahead with our capital policy to achieve a capital structure that is optimal for a digital services company.

For fiscal 2022, we forecast ¥2,050 billion in sales and ¥63 billion in profit attributable to owners of the parent. Under the business unit structure that we adopted in April 2021, each unit will operate autonomously and accelerate structural reform efforts while swiftly addressing market changes. We will endeavor groupwide to drive our transformation, by cultivating talent to support our digital services company structure and overhauling our enterprise systems.

We look forward to your ongoing understanding and support.

Sincerely,

May 2022

Yoshinori Yamashita
*Representative Director,
President and CEO,
Rico^h Company, Ltd.*

Video Message from Management

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

Japanese

<https://v.srdb.jp/7752/message2022/>

English

https://v.srdb.jp/7752/message2022/index_en.html

(Translation)

**NOTICE OF
122ND ORDINARY GENERAL MEETING OF SHAREHOLDERS**

Date and Time: Friday, June 24, 2022, from 10:00 a.m.
(Reception will start at 9:00 a.m.)

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

Purpose:

- Items to be reported:**
1. The Business Report, Consolidated Financial Statements and the results of the audit of the Consolidated Financial Statements by the Independent Auditor and the Audit & Supervisory Board for FY2021 (from April 1, 2021 to March 31, 2022)
 2. The Non-consolidated Financial Statements for FY2021 (from April 1, 2021 to March 31, 2022)

Items to be resolved:

- Agenda 1: Partial Amendments to the Articles of Incorporation (1)
(Amendments to enable general meetings of shareholders to be held without a designated location)
- Agenda 2: Partial Amendments to the Articles of Incorporation (2)
(Amendments to prepare for the introduction of the system for electronic provision of materials for general meetings of shareholders)
- Agenda 3: Appropriation of surplus
- Agenda 4: Election of eight (8) Directors
- Agenda 5: Payment of bonuses to Directors

Treatment of voting rights

- (1) Those who will not be able to attend the meeting on the day are kindly requested to consider the appended "Reference Material for Ordinary General Meeting of Shareholders" and exercise their voting rights via postal mail or the Internet no later than 5:30 p.m., Thursday, June 23, 2022.
- (2) When voting rights are exercised both via postal mail and the Internet, the later of the votes received shall be deemed effective. However, if votes are received on the same day, the vote exercised via the Internet shall be deemed effective.
- (3) When voting rights are exercised via the Internet more than once, the latest vote shall be deemed effective.

Reference Material for Ordinary General Meeting of Shareholders

Agenda 1: Partial Amendments to the Articles of Incorporation (1) (Amendments to enable general meetings of shareholders to be held without a designated location)

1. Reasons for amendments

The Company implemented a hybrid participation-type virtual general meeting for the June 2020 general meeting of shareholders and a hybrid attendance-type virtual general meeting for the June 2021 general meeting of shareholders to make it easier for many shareholders to attend the general meeting of shareholders regardless of their place of residence, thereby revitalizing, streamlining, and facilitating the general meeting of shareholders.

On June 16, 2021, the “Act for Partially Amending the Industrial Competitiveness Enhancement Act and Other Related Acts” was enforced, enabling listed companies to hold a general meeting of shareholders without a designated location (so-called virtual-only general meeting of shareholders) under certain conditions by stipulation in their Articles of Incorporation. The Company’s basic policy is to hold a hybrid attendance-type virtual general meeting that combines a real general meeting of shareholders and a virtual general meeting of shareholders. However, the Company believes that it is important from a corporate risk management perspective to have the option of holding a virtual-only general meeting of shareholders in order to ensure the holding of a general meeting of shareholders and the continuation of business in the event of emergencies such as the occurrence of various infectious diseases and natural disasters in the future. Based on these considerations, Article 13, Paragraph 2 of the Articles of Incorporation shall be added to allow the Company to hold a virtual-only general meeting of shareholders only in emergency situations, such as the occurrence of various infectious diseases and natural disasters. In submitting this proposal, the Company has received the confirmations from the Minister of Economy, Trade and Industry and the Minister of Justice, which are necessary for holding a virtual-only general meeting of shareholders.

In addition, it is the Company’s policy not to hold a virtual-only general meeting of shareholders in cases where a general meeting of shareholders that is deemed extremely important to the shareholders is to be held, such as when a shareholder proposal is made.

<Approach regarding convocation of general meeting of shareholders>

Basic policy:

Hybrid attendance-type virtual general meeting of shareholders

(A format in which shareholders can choose to attend the meeting either at the meeting venue or virtually)

Virtual-only general meeting of shareholders: Only in emergencies such as the occurrence of various infectious diseases and natural disasters.

*A virtual-only general meeting of shareholders shall not be held in cases where a general meeting of shareholders that is deemed extremely important to the shareholders is to be held, such as when a shareholder proposal is made.

If a virtual-only general meeting of shareholders is held, the Company will ensure the following rights of shareholders, introduce a system and mechanism to prevent arbitrary operation, and hold a transparent general meeting of shareholders.

- Right to ask questions
- Right to exercise voting rights
- Right to submit a motion
- Right to be given an opportunity to explain a proposal (in the event that a shareholder makes a proposal, etc.)

<Process to be followed when deciding to hold a virtual-only general meeting of shareholders>

In the event of the occurrence of various infectious diseases or natural disasters, etc., the Company shall follow the policies and guidelines set forth by the government, and if the Company determines that it is not appropriate to hold a general meeting of shareholders with a designated location, in light of the interests of shareholders due to circumstances such as physical difficulty in securing a venue or inability to ensure the safety of shareholders, the Board of Directors shall decide whether or not to hold a virtual-only general meeting of shareholders, after careful discussions and deliberations, in the best interest of the rights of shareholders.

2. Details of amendments

The details of the amendments are as follows:

(Amended parts are underlined.)

Current Articles of Incorporation	Proposed Amendments
<p>(Calling of Meeting) Article 13 The ordinary general meeting of shareholders shall be called in June each year, and an extraordinary general meeting of shareholders shall be called as the necessity arises.</p>	<p>(Calling of Meeting) Article 13 The ordinary general meeting of shareholders shall be called in June each year and an extraordinary general meeting of shareholders shall be called as the necessity arises. 2. <u>The Company may hold a general meeting of shareholders without a designated location if the Board of Directors determines that it is not appropriate to hold a general meeting of shareholders with a designated location in light of the interests of shareholders due to the spread of an infectious disease or the occurrence of a natural disaster, etc.</u></p>

Agenda 2: Partial Amendments to the Articles of Incorporation (2)
(Amendments to prepare for the introduction of the system for electronic provision of materials for general meetings of shareholders)

1. Reasons for amendments

The amendment provisions stipulated in the proviso of Article 1 of the supplementary provisions of the “Act Partially Amending the Companies Act” (Act No. 70 of 2019) will be enforced on September 1, 2022. Accordingly, in order to prepare for the introduction of the system for electronic provision of materials for general meetings of shareholders, the Articles of Incorporation of the Company shall be amended as follows:

- (1) The proposed Article 17, Paragraph 1 provides that the Company shall take electronic provision measures for information that constitutes the contents of reference materials, etc. for the general meeting of shareholders.
- (2) The purpose of the proposed Article 17, Paragraph 2 is to establish a provision to limit the scope of matters to be included in the paper copy to be sent to shareholders who have requested it.
- (3) The provisions related to the Internet disclosure and deemed provision of the reference materials for the general meeting of shareholders, etc. (Article 17 of the current Articles of Incorporation) will become unnecessary and will therefore be deleted.
- (4) In line with the above establishment and deletion of the provisions, supplementary provisions related to the effective date, etc. shall be established.

2. Details of amendments

The details of the amendments are as follows.

(Amended parts are underlined.)

Current Articles of Incorporation	Proposed Amendments
<p>(<u>Disclosure and Deemed Provision of Reference Materials for General Meeting of Shareholders via the Internet</u>) <u>Article 17 In calling the general meeting of shareholders, the Company may deem that the information regarding the matters which should be described or shown in the reference materials for the general meeting of shareholders, business reports, financial documents and consolidated financial documents have been provided to the shareholders by disclosing them via the Internet in accordance with the Ministerial Ordinance of the Ministry of Justice.</u></p>	<p><Deleted></p>
<p><Newly established></p>	<p>(<u>Electronic Provision Measures, Etc.</u>) <u>Article 17 In calling the general meeting of shareholders, the Company shall take electronic provision measures for information that constitutes the contents of reference materials, etc. for the general meeting of shareholders.</u> <u>2. Among the matters for which the electronic provision measures are taken, the Company may choose not to include all or part of such matters as stipulated in the Ministerial Ordinance of the Ministry of Justice in the paper copy to be sent to shareholders who have requested it by the record date for voting rights.</u></p>

Current Articles of Incorporation	Proposed Amendments
<Newly established>	<p data-bbox="831 248 1150 277"><u>(Supplementary provisions)</u></p> <ol data-bbox="831 277 1406 880" style="list-style-type: none"> <li data-bbox="831 277 1406 495">1. <u>The amendments to Article 17 shall come into effect on September 1, 2022, the date of enforcement of the amendment provisions stipulated in the proviso of Article 1 of the supplementary provisions of the Act Partially Amending the Companies Act (Act No. 70 of 2019) (the “Effective Date”).</u> <li data-bbox="831 495 1406 689">2. <u>Notwithstanding the provisions of the preceding paragraph, Article 17 of the current Articles of Incorporation shall remain in force with respect to a general meeting of shareholders to be held on a date within six months from the Effective Date.</u> <li data-bbox="831 689 1406 880">3. <u>These supplementary provisions shall be deleted after the elapse of six months from the Effective Date or the elapse of three months from the date of the general meeting of shareholders set forth in the preceding paragraph, whichever is the later.</u>

Agenda 3: Appropriation of surplus

The appropriation of surplus will be as follows:

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

The year-end dividends for FY2021 will be ¥13 per share.

As a result, the annual dividend for FY2021 including the interim dividend will be ¥26 per share.

Year-end dividends

(1) Type of dividend assets

Cash

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

¥13 per common share of the Company

Total: ¥8,286,175,014

(3) Effective date of the surplus distribution

June 27, 2022

Basic Capital Policy

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

The target value for return on equity (ROE) for FY2022, the final year of the 20th Mid-Term Management Plan, is 7%*. To achieve this goal, we have been working on management reforms to improve capital efficiency. In FY2020, to pursue a return on invested capital (ROIC) that exceeds our understanding of the Company's capital costs, we set up a mechanism to implement PDCA's using the ROIC tree.

In our investment initiatives, an Investment Committee has been established to verify investment plans from a financial perspective based on capital costs and a business strategy perspective based on medium- to long-term profitability, growth potential and risks and has developed a system to make decisions while pursuing investment efficiency. We understand that expanding profits through strategic investments aimed at sustainable growth is the way to meet the expectations of our stakeholders.

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

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

*On May 10, 2022, we reviewed our operating profit plan for FY2022, the final year of the 20th Mid-Term Management Plan, and revised the target value from ¥100.0 billion in the initial plan to ¥90.0 billion, taking into account the status of recovery from the most recent COVID-19 pandemic and the external environment. Accordingly, the ROE target has also been revised from 9% or more to 7%.

Policy Regarding Cross-Shareholdings

From the viewpoint of streamlining and strengthening of business alliance and development of collaborative businesses, the Company shall be able to hold shares of the 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 issue, whether the benefits and risks of holding shares are worth the capital cost, and if holding shares loses significance in the medium- to long-term, they will be reduced accordingly.

Exercise Criteria for Voting Rights to Cross-Shareholdings

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



Agenda 4: Election of eight (8) Directors

The tenure of office of all the ten (10) Directors will expire at the conclusion of this Ordinary General Meeting of Shareholders. Accordingly, the Company proposes the appointment of eight (8) Directors, including five (5) Outside Directors. When selecting the candidates for Directors, the Nomination Committee chaired by an Independent Outside Director nominated candidates based on the election criteria for Directors (refer to page 56) and the skills and experience required to supervise management of the Company (Skill Matrix: refer to pages 31 to 33), and made recommendations to the Board of Directors. The candidates were determined through subsequent discussions by the Board of Directors. In FY2022, the final year of the 20th Mid-Term Management Plan, in which we aim to fulfill the steady implementation of the formulated policies, it has been concluded that a composition of five (5) Independent Outside Directors and three (3) Internal Directors is appropriate to further strengthen the supervisory structure and accelerate decision-making.

In addition, the Company has changed its policy regarding the ratio of Independent Outside Directors on the Board of Directors from a minimum of one-third to a majority from FY2022 onward. To date, the Company has established an effective supervisory structure that ensures its independence from the execution of operations, with half of the Board of Directors composed of Independent Outside Directors and the majority of non-executive Directors. If this proposal is approved as proposed, continuity of supervision and decision-making from an objective and diverse perspective will be ensured under the Board of Directors that consists of a majority of Independent Outside Directors.

At the same time, under the business unit structure, the Company is pursuing the expansion of revenue on a global scale and transformation into a digital services company, etc. With a certain number of Directors who are familiar with the Company's business and internal affairs, the Board of Directors will fulfill supervision, including decision-making on important executive matters.

The composition of the Board of Directors is deliberated annually by the Nomination Committee and the Board of Directors. While the Company's policy is to continue to deliberate on the structure of the Board of Directors with a majority of Independent Outside Directors as a standard, the number and ratio of Directors will change according to the composition deemed optimal at that time. While using these formal criteria as a guide, we will continue to communicate appropriately with shareholders so that they can make a comprehensive judgment as to whether the supervisory function of the Board of Directors is effective.

The candidates for Directors are on pages 12 to 30.

No.	Current positions at the Company		Years of service as Director (at the conclusion of this Meeting)	Attendance at Board of Directors and Committee meetings during FY2021	Number of concurrent positions at listed companies, including the Company Upper row: executive Lower row: non-executive
1	Yoshinori Yamashita	Reappointment Male Representative Director	10	Board: 12/12 (100%)	1
				Nomination: 8/8 (100%)	0
				Compensation: 6/6 (100%)	
2	Seiji Sakata	Reappointment Male Director	4	Board: 12/12 (100%)	1
					0
3	Akira Oyama	Reappointment Male Director	1	Board: 10/10 (100%)	1
				[Attendance after appointment at general meeting of shareholders]	0
4	Masami Iijima	Reappointment Non-executive Male Outside Independent	6	Board: 12/12 (100%)	0
				Nomination: 8/8 (100%)	4
				Compensation: 6/6 (100%)	
5	Mutsuko Hatano	Reappointment Non-executive Female Outside Independent	6	Board: 12/12 (100%)	0
				Nomination: 8/8 (100%)	1
				Compensation: 6/6 (100%)	
6	Keisuke Yokoo	Reappointment Non-executive Male Outside Independent	2	Board: 12/12 (100%)	0
				Nomination: 8/8 (100%)	2
				Compensation: 6/6 (100%)	
7	Sadafumi Tani	Reappointment Non-executive Male Outside Independent	1	Board: 10/10 (100%)	0
				[Attendance after appointment at general meeting of shareholders]	1
				Compensation: 5/5 (100%)	
8	Kazuhiko Ishimura	New Non-executive Male Outside Independent (planned)	-		0
					2

*If this proposal is approved.

No.	Name (Date of birth)	Reasons for nomination as a candidate for Director
1	<p>Yoshinori Yamashita (August 22, 1957)</p> <p>Reappointment</p> <p>Male</p> <p>Responsibilities as a Director of the Company Nomination Committee Member / Compensation Committee Member</p> <p>Responsibilities as an Executive Officer of the Company CEO (Chief Executive Officer)</p> <p>Class and number of the Company's shares held Common shares: 54,300 Dilutive shares: 26,050</p> <p>*The number of dilutive shares represents the number of shares corresponding to the number of points in relation to which rights are expected to be vested under the stock compensation system utilizing a trust.</p> <p>Years of service as Director 10 years (at the conclusion of this Meeting)</p> <p>Attendance during fiscal year ended March 31, 2022</p> <p>Board of Directors meeting 12/12 (100%)</p> <p>Nomination Committee meeting 8/8 (100%)</p> <p>Compensation Committee meeting 6/6 (100%)</p>	<p>Mr. Yoshinori Yamashita has contributed greatly to the development of the Company for many years through his work at the Company, including the management of production and global marketing, management strategy and overseeing the Company's core business, and assumed the office of Director in 2012.</p> <p>Since assuming the post of Representative Director, President and CEO in April 2017, he has promoted structural reforms and growth strategies in a top-down manner to improve the corporate value of the Company, with a strong will to revise legacies and precedents that hamper the growth of the Company without exception. Simultaneously, he has worked to enhance governance and business management systems, which are the management foundation that supports growth strategies, realizing reform of operational structure and enhancing profitability in the process. In FY2021, as the first year of the 20th Mid-Term Management Plan, he worked to establish a stronger management foundation and to execute growth investments in line with the business portfolio management, including strengthening and transforming human capital for the Company to become a digital services company, and accelerated business renewal. He also worked to expand the development of the service business, which promotes the digitalization of offices and workplaces, while at the same time strengthening the business structure through cost reductions and other measures. Furthermore, he steadily implemented capital policies to support these efforts.</p> <p>The Company's Board of Directors has determined that it is appropriate for him to continue to manage the Company, based on the recognition that his extensive experience at the Company, outstanding management skills and unparalleled leadership are necessary to realize the 20th Mid-Term Management Plan and growth strategy, as well as to enhance the Company's shareholder and corporate value. Thus, the Company's Board of Directors nominates him as a candidate for Director.</p> <p>[Message to our shareholders from the candidate for Director] The COVID-19 pandemic has transformed the way people live and work over the past two years. Amid increasing uncertainty, we have been strengthening our business structure more than ever while confronting a challenging business environment that includes falling print volumes, production delays due to shortages of materials including semiconductors, and skyrocketing logistics costs. Meanwhile, in work-style reform, we have been working to thoroughly link our own practices to the value we provide to customers.</p> <p>I have taken the crisis of the pandemic as an opportunity, and have led the transformation from an OA* manufacturer to a digital services company with undaunted determination. In April 2021, we introduced the business unit structure, and we have been working on the two pillars of business portfolio management and human capital strengthening and transformation. In business portfolio management, we have been promoting renewal and business transformation, focusing on the digitalization of offices, workplaces, and society. For human capital strengthening and transformation, we have secured digital human resources, who are the source of our digital services, and introduced a Ricoh-style job-based personnel system in addition to developing systems that enable autonomous human resources who can create value with customers to play an active role in the Company.</p> <p>In order to realize our vision of "Fulfillment through Work" toward 2036, the 100th anniversary of Ricoh's founding, we will strive to enhance our corporate value to meet the expectations of our shareholders by continuing to assist in resolving issues faced by our customers and society through the power of digitalization, while always closely following trends in work.</p> <p>*OA: Office automation</p>

		<p>[Brief personal profile, positions and responsibilities at the Company and significant concurrent positions]</p> <p>Mar. 1980 Joined the Company</p> <p>Feb. 1995 General Manager of Business Planning Division of Ricoh UK Products Ltd.</p> <p>Apr. 2008 President of Ricoh Electronics, Inc.</p> <p>Apr. 2010 Group Executive Officer</p> <p>Apr. 2011 Corporate Senior Vice President General Manager of Corporate Planning Division</p> <p>June 2012 Director Corporate Executive Vice President</p> <p>Apr. 2014 General Manager of Business Solutions Group</p> <p>Apr. 2015 In charge of core business</p> <p>June 2016 Deputy President</p> <p>Apr. 2017 Representative Director (Current) President (Current) CEO (Chief Executive Officer) (Current)</p> <p>Apr. 2020 CHRO (Chief Human Resource Officer)</p> <p>[Status of concurrent positions as director or officer at listed companies, including the Company (planned)]</p> <table border="1"> <thead> <tr> <th>Number of positions held as executive director or officer</th> <th>Number of positions held as non-executive director or officer</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">1</td> <td style="text-align: center;">0</td> </tr> </tbody> </table> <p>*If this proposal is approved.</p>	Number of positions held as executive director or officer	Number of positions held as non-executive director or officer	1	0
Number of positions held as executive director or officer	Number of positions held as non-executive director or officer					
1	0					

Notes:

1. There are no special interests between candidate Mr. Yoshinori Yamashita and the Company.
2. The term of office of candidate Mr. Yoshinori Yamashita shall be up to the conclusion of the Ordinary General Meeting of Shareholders with respect to the last fiscal year that ends within one (1) year of his election in accordance with the Company's Articles of Incorporation.
3. The number of the Company's shares and dilutive shares held by candidate Mr. Yoshinori Yamashita is as of March 31, 2022 and as of the closing of this Meeting on June 24, 2022, respectively.
4. The Company has entered into a directors and officers liability insurance contract pursuant to Article 430-3, Paragraph 1 of the Companies Act with an insurance company, with all insurance premiums at the Company's expense. Candidate Mr. Yoshinori Yamashita is insured under the insurance contract, which covers damages and litigation expenses arising from claims made to insured officers during the insurance period as a result of their actions in their capacity as an officer. However, certain damages are not covered by the insurance, including those arising from an action of the insured officer taken with the knowledge that it violates laws and regulations. The Company intends to renew the insurance contract during the candidate's term of office if his election is approved.

No.	Name (Date of birth)	Reasons for nomination as a candidate for Director
2	<p>Seiji Sakata (September 12, 1958)</p> <p>Reappointment</p> <p>Male</p> <p>Responsibilities as an Executive Officer of the Company CTO (Chief Technology Officer)</p> <p>Class and number of the Company's shares held Common shares: 20,000 Dilutive shares: 7,265 *The number of dilutive shares represents the number of shares corresponding to the number of points in relation to which rights are expected to be vested under the stock compensation system utilizing a trust.</p> <p>Years of service as Director 4 years (at the conclusion of this Meeting)</p> <p>Attendance during fiscal year ended March 31, 2022</p> <p>Board of Directors meeting 12/12 (100%)</p>	<p>Mr. Seiji Sakata has been for many years involved in design and development related to office printing, which is the Company's core business, as a leader of the design and development division of printers and multifunctional printers at the Company. Based on his wealth of experience and deep knowledge and insight into the core business and design and development, as the person responsible for the design and development division of the Company's core business, he has taken a leading role in promoting reorganization and reforms within the Ricoh Group, including the establishment of design-related subsidiaries and the integration of production-related subsidiaries. In addition, he has a record of achievements as the person responsible for the Company's human resources division, such as establishing a global human resources system.</p> <p>Since assuming office as a Director in June 2018 and as the CTO in April 2019, he has sought advanced technologies and developed competitive technologies while formulating and implementing technology strategies and plans for the Ricoh Group as a whole. In FY2021, he promoted R&D and the development of new business creation domains, in which the Company will invest over the medium to long term as set forth in the 20th Mid-Term Management Plan, and has also created a framework that contributes to the growth and success of research and development engineers in order to introduce the Ricoh-style job-based personnel system. Furthermore, he has deepened the Board's understanding of the Company's medium- to long-term technology strategies by regularly reporting the Company's technology situation at the Board of Directors meetings, and has contributed to the enhancement of the Company's corporate value through his extensive experience in design and development as well as his deep knowledge and insight into technology.</p> <p>The Company's Board of Directors has determined that his extensive experience in design and development and deep knowledge and insight into technology, as well as management decisions and oversight from the viewpoint of company-wide optimization based thereon are necessary to realize the 20th Mid-Term Management Plan and growth strategy, as well as to enhance the Company's shareholder and corporate value. Thus, the Company's Board of Directors nominates him as a candidate for Director.</p> <p>[Message to our shareholders from the candidate for Director] FY2021 was a year in which we were forced to fundamentally change our business structure due to the continuing impact of COVID-19, as well as shortages of semiconductors and various materials, and soaring transportation costs, all of which were unforeseen at the beginning of the fiscal year.</p> <p>Under these circumstances, we have been operating our business to generate appropriate profits by looking at ROIC for each business unit under the business unit structure, which started in FY2021. Furthermore, as a mechanism to help demonstrate the abilities of our human resources, which are the most important management asset for the Company to become a digital services company, we incorporated Ricoh's unique expert (specialist) system into the Ricoh-style job-based personnel system, which started in April 2022, and have been able to build a framework in which our employees can aim for higher skills and provide better value to our customers.</p> <p>In the R&D function at the headquarters, we have been working on two research and development themes, Human Digital Twin at Work (HDT) and Industrial Digital Printing System (IDPS), with the aim of "delivering services that enable new work practices to customers" as a digital services company.</p> <p>For HDT, we focused on future work styles that bring fulfillment through work and conducted research on systems that support the creation of a positive and lively work environment for each and every worker. For IDPS, we conducted research to solve social issues such as reducing waste</p>

		<p>generation and conserving energy through DX* of production processes, using Ricoh's strengths in inkjet and materials technologies. We were able to carry out such research in collaboration with many universities, external research institutions, and external companies such as venture companies. I believe that management from both a business perspective and a technology perspective is important for Ricoh's growth. As CTO, I will manage the Company from both perspectives to accelerate the development of existing businesses and create many new business seeds through technological innovation, which will lead Ricoh to take a further growth path.</p> <p>*DX (digital transformation): Measures taken by companies in response to dramatic changes in the business environment to establish competitive advantage by transforming their products, services, and business models, as well as the operations themselves, organizations, processes, and corporate cultures, through utilization of data and digital technologies, based on the needs of customers and society.</p> <p>[Brief personal profile, positions and responsibilities at the Company and significant concurrent positions]</p> <p>Apr. 1981 Joined the Company</p> <p>Apr. 2006 General Manager of 1st Designing Center, MFP Business Group</p> <p>Apr. 2007 General Manager of Designing Center and General Manager of Peripheral Products Business Center, MFP Business Group</p> <p>Apr. 2008 Deputy General Manager of MFP Business Group</p> <p>Apr. 2009 General Manager of Controller Development Division and Deputy General Manager of MFP Business Group</p> <p>Apr. 2010 Corporate Vice President</p> <p>Apr. 2011 General Manager of Human Resources Division</p> <p>Apr. 2012 Corporate Senior Vice President</p> <p>Apr. 2014 General Manager of Japan Management Division</p> <p>Feb. 2015 General Manager of Japan Management Division and General Manager of Imaging Systems Development Division</p> <p>Apr. 2017 General Manager of Office Printing Development Division, Deputy General Manager of Office Printing Business Group</p> <p>Apr. 2018 Corporate Executive Vice President General Manager of Office Printing Business Group</p> <p>June 2018 Director (Current)</p> <p>Apr. 2019 CTO (Chief Technology Officer) (Current)</p> <p>Apr. 2021 Executive Corporate Officer (Current) General Manager of Advanced Technology R&D Division</p> <p>[Status of concurrent positions as director or officer at listed companies, including the Company (planned)]</p> <table border="1" data-bbox="520 1509 1394 1599"> <thead> <tr> <th data-bbox="520 1509 959 1570">Number of positions held as executive director or officer</th> <th data-bbox="959 1509 1394 1570">Number of positions held as non-executive director or officer</th> </tr> </thead> <tbody> <tr> <td data-bbox="520 1570 959 1599" style="text-align: center;">1</td> <td data-bbox="959 1570 1394 1599" style="text-align: center;">0</td> </tr> </tbody> </table> <p>*If this proposal is approved.</p>	Number of positions held as executive director or officer	Number of positions held as non-executive director or officer	1	0
Number of positions held as executive director or officer	Number of positions held as non-executive director or officer					
1	0					

Notes:

1. There are no special interests between candidate Mr. Seiji Sakata and the Company.
2. The term of office of candidate Mr. Seiji Sakata shall be up to the conclusion of the Ordinary General Meeting of Shareholders with respect to the last fiscal year that ends within one (1) year of his election in accordance with the Company's Articles of Incorporation.
3. The number of the Company's shares and dilutive shares held by candidate Mr. Seiji Sakata is as of March 31, 2022 and as of the closing of this Meeting on June 24, 2022, respectively.
4. The Company has entered into a directors and officers liability insurance contract pursuant to Article 430-3, Paragraph 1 of the Companies Act with an insurance company, with all insurance premiums at the Company's expense. Candidate Mr. Seiji Sakata is insured under the insurance contract, which covers damages and litigation expenses arising from claims made to insured officers during the insurance period as a result of their actions in their capacity as an officer. However, certain damages are not covered by the insurance, including those arising from an action of the insured officer taken with the knowledge that it violates laws and regulations. The Company intends to renew the insurance contract during the candidate's term of office if his election is approved.

No.	Name (Date of birth)	Reasons for nomination as a candidate for Director
3	<p data-bbox="272 421 478 481">Akira Oyama (January 6, 1961)</p> <p data-bbox="272 510 464 539">Reappointment</p> <p data-bbox="344 568 408 598">Male</p> <p data-bbox="252 633 499 813">Responsibilities as an Executive Officer of the Company President of Ricoh Digital Services Business Unit</p> <p data-bbox="252 846 499 994">Class and number of the Company's shares held Common shares: 27,100 Dilutive shares: 8,070 *The number of dilutive shares represents the number of shares corresponding to the number of points in relation to which rights are expected to be vested under the stock compensation system utilizing a trust.</p> <p data-bbox="252 1328 499 1485">Years of service as Director 1 year (at the conclusion of this Meeting)</p> <p data-bbox="252 1518 499 1720">Attendance during fiscal year ended March 31, 2022 (attendance rate after his appointment at the General Meeting of Shareholders)</p> <p data-bbox="252 1753 499 1854">Board of Directors meeting 10/10 (100%)</p>	<p data-bbox="515 271 1390 573">Since joining the Company, Mr. Akira Oyama has been involved in various operations at local subsidiaries in Europe and the U.S. for many years, and served in many positions of top management at local subsidiaries. Utilizing his wealth of experience overseas and his knowledge and insight into global marketing, he has contributed to enhancing the corporate value of the Company. In addition, he was placed in charge of global marketing as the CMO (Chief Marketing Officer) from April 2019, and from April 2020, as General Manager of Workplace Solutions Business Group, he has enabled the steady growth of the Office Services business, which is the key to the Company's future growth.</p> <p data-bbox="515 573 1390 730">He has been in charge of Ricoh Digital Services since April 2021 and has taken on the role of leading the expansion of the Company's largest business unit. In FY2021, he steadily implemented necessary M&As to push forward the strengthening of the Office Services business in order for the Company to transform into a digital services company.</p> <p data-bbox="515 730 1390 976">The Company's Board of Directors has determined that his management decisions and oversight from the viewpoint of company-wide optimization, with the application of his extensive overseas experience and deep knowledge and insight into global marketing to discussions at the Board of Directors meetings, are necessary to realize the 20th Mid-Term Management Plan and growth strategy, as well as to enhance the Company's shareholder and corporate value. Thus, the Company's Board of Directors nominates him as a candidate for Director.</p> <p data-bbox="515 1003 1390 1149">[Message to our shareholders from the candidate for Director] In FY2021, as the president of Ricoh Digital Services Business Unit, I strived to provide services that are indispensable for the growth of our customers' businesses and to increase revenue in return for our contributions to their businesses.</p> <p data-bbox="515 1149 1390 1373">By maximizing our global customer contact capabilities, we worked to respond to customer requests, create packages of services that meet the specific needs of various operations and industries, and strengthen the deployment of these services in various regions around the world. We also worked to enhance our profitability by strengthening our service delivery capabilities through corporate acquisitions and expanding our in-house software portfolio.</p> <p data-bbox="515 1373 1390 1552">In FY2021, the business environment was very challenging due to the prolonged impact of COVID-19, shortages of commercial materials triggered by the shortage of semiconductors, supply chain disruptions, and rising ocean freight costs. As a business unit, we were able to achieve increases in both revenue and profit through various emergency responses and the aforementioned measures to improve profitability.</p> <p data-bbox="515 1552 1390 1675">In FY2022, we will continue to contribute to the growth of our customers' businesses and increase the ratio of revenue from annuity business* by continuing to do business with them, thereby contributing to the Group's sustainable revenue growth.</p> <p data-bbox="515 1675 1390 1798">Furthermore, in transforming the Company's business model into a digital services company, I will oversee the execution of the business as a Director, optimize resource allocation and returns, and work to further improve our return on capital and thereby maximize our corporate value.</p> <p data-bbox="515 1821 1390 1910">*Annuity business: A business model of generating revenue on a recurring basis by developing systems and infrastructure for providing value (supplying fixed-rate services).</p>

		<p>[Brief personal profile, positions and responsibilities at the Company and significant concurrent positions][Brief personal profile, positions and responsibilities at the Company and significant concurrent positions]</p> <p>July 1986 Joined the Company</p> <p>Apr. 2011 President and COO of Ricoh Europe Plc</p> <p>Aug. 2012 Group Executive Officer General Manager of Europe Marketing Group CEO of Ricoh Europe Plc Chairperson of Ricoh Europe B.V.</p> <p>Apr. 2014 Corporate Senior Vice President General Manager of Corporate Division</p> <p>Apr. 2015 President of Ricoh Americas Holdings, Inc.</p> <p>June 2015 Director</p> <p>Sep. 2015 General Manager of New Business Development Division</p> <p>June 2016 Corporate Executive Vice President</p> <p>Apr. 2017 CFO (Chief Financial Officer) General Manager of CEO Office</p> <p>Apr. 2018 General Manager of Sales and Marketing Group</p> <p>Apr. 2019 CMO (Chief Marketing Officer)</p> <p>Apr. 2020 General Manager of Workplace Solutions Business Group</p> <p>Apr. 2021 Executive Corporate Officer (Current) President of Ricoh Digital Services Business Unit (Current)</p> <p>June 2021 Director (Current)</p> <p>Apr. 2022 Director and Chairperson of Ricoh Japan Corporation (Current)</p> <p>[Status of concurrent positions as director or officer at listed companies, including the Company (planned)]</p> <table border="1"> <thead> <tr> <th>Number of positions held as executive director or officer</th> <th>Number of positions held as non-executive director or officer</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>0</td> </tr> </tbody> </table> <p>*If this proposal is approved.</p>	Number of positions held as executive director or officer	Number of positions held as non-executive director or officer	1	0
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1	0					

Notes:

1. There are no special interests between candidate Mr. Akira Oyama and the Company.
2. The term of office of candidate Mr. Akira Oyama shall be up to the conclusion of the Ordinary General Meeting of Shareholders with respect to the final last year that ends within one (1) year of his election in accordance with the Company's Articles of Incorporation.
3. The number of the Company's shares and dilutive shares held by candidate Mr. Akira Oyama is as of March 31, 2022 and as of the closing of this Meeting on June 24, 2022, respectively.
4. The Company has entered into a directors and officers liability insurance contract pursuant to Article 430-3, Paragraph 1 of the Companies Act with an insurance company, with all insurance premiums at the Company's expense. Candidate Mr. Akira Oyama is insured under the insurance contract, which covers damages and litigation expenses arising from claims made to insured officers during the insurance period as a result of their actions in their capacity as an officer. However, certain damages are not covered by the insurance, including those arising from an action of the insured officer taken with the knowledge that it violates laws and regulations. The Company intends to renew the insurance contract during the candidate's term of office if his election is approved.

No.	Name (Date of birth)	Reasons for nomination as a candidate for Outside Director / an outline of roles expected to be performed as an Outside Director
4	<p>Masami Iijima (September 23, 1950)</p> <p>Reappointment</p> <p>Non-executive</p> <p>Male</p> <p>Outside Director</p> <p>Independent Director</p> <p>Responsibilities as a Director of the Company Chairperson of the Nomination Committee / Compensation Committee Member</p> <p>Number of the Company's shares held 13,500</p> <p>Years of service as Director 6 years (at the conclusion of this Meeting)</p> <p>Attendance during fiscal year ended March 31, 2022</p> <p>Board of Directors meeting 12/12 (100%)</p> <p>Nomination Committee meeting 8/8 (100%)</p> <p>Compensation Committee meeting 6/6 (100%)</p>	<p>Mr. Masami Iijima demonstrated outstanding management skills as Representative Director of MITSUI & CO., LTD., contributing greatly to the development of the company for six years from April 2009. From April 2015, as Representative Director, Chairperson of the Board of Directors of MITSUI & CO., LTD., he focused on management oversight and contributed to the highly effective operation of the Board of Directors.</p> <p>At the Company, as an Outside Director, he has played an important role in ensuring the validity and appropriateness of management decisions and management oversight of the Board of Directors of the Company. With his extensive experience and expertise in management, he has provided very useful advice and recommendations on matters such as global business development, overseas M&A, and risk management. In addition, as Chairperson of the Nomination Committee, he has also contributed to strengthening the supervisory function of the committee by leading objective discussions from an independent standpoint, based on his deep knowledge of and insight into corporate governance. In FY2021, in the midst of a challenging business environment, including shortages of semiconductors and other materials and soaring logistics costs, in addition to various restrictions due to the COVID-19 pandemic that had persisted since the previous year, he provided useful advice and recommendations on global risk management, taking into account rapid changes in world affairs and regional characteristics based on his wealth of experience, knowledge and insight as a management executive. He also provided advice and recommendations from a multifaceted perspective, in relation to business portfolio management, human resource strategies, growth investment, and capital policy, and made a significant contribution to the Company's efforts to enhance corporate value through business growth and strengthening of its structure.</p> <p>The Company's Board of Directors expects objective management decisions and oversight from an independent standpoint based on his extensive experience as a management executive, along with his knowledge and insight into global business and risk management, and has determined that these are all necessary to realize the 20th Mid-Term Management Plan and the growth strategy, as well as to enhance the Company's shareholder and corporate value. Thus, the Company's Board of Directors nominates him as a candidate for Outside Director.</p> <p>[Message to our shareholders from the candidate for Director] The COVID-19 pandemic still casts a shadow over the world despite progress in vaccination. However, both society and companies have been adapting to the situation, albeit gradually, by finding measures to both control the infection and maintain activities. This is undoubtedly supported by various digital technologies, and the Ricoh Group is doing its utmost to respond to the demands of society through its business activities.</p> <p>Under these circumstances, we have reaffirmed the aptness of the Company's major policy of transformation into a digital services company, which was announced in March 2020. We are now entering the phase of materializing this in the form of actual businesses. In addition, supply chain problems have emerged, such as shortages in the supply of semiconductors and various other parts and materials, as well as logistical stagnation, and addressing these issues has become a pressing issue for us.</p> <p>I believe that my role as an Outside Director is to understand these changes in the times and environment from a medium- to long-term perspective and with the broad perspective I have cultivated through management of MITSUI & CO., LTD. In order for the Ricoh Group to continue to be a company that contributes to society through digital technology, I, as an Outside Director, will continue to work to fulfill the supervisory function of the Board of Directors and strive to achieve corporate governance that meets the expectations of our shareholders and other stakeholders.</p>

	<p>[Brief personal profile, positions and responsibilities at the Company and significant concurrent positions]</p> <p>Apr. 1974 Joined MITSUI & CO., LTD.</p> <p>June 2000 General Manager of Ferrous Raw Materials Division, Iron & Steel Raw Materials Business Unit of MITSUI & CO., LTD.</p> <p>Apr. 2004 General Manager of Metals Administrative Division of MITSUI & CO., LTD.</p> <p>Apr. 2005 General Manager of Metals & Energy Administrative Division of MITSUI & CO., LTD.</p> <p>Apr. 2006 Managing Officer, Chief Operating Officer of Iron & Steel Raw Materials and Non-Ferrous Metals Business Unit of MITSUI & CO., LTD.</p> <p>Apr. 2007 Managing Officer, Chief Operating Officer of Mineral & Metal Resources Business Unit of MITSUI & CO., LTD.</p> <p>Apr. 2008 Executive Managing Officer of MITSUI & CO., LTD.</p> <p>June 2008 Representative Director, Executive Managing Officer of MITSUI & CO., LTD.</p> <p>Oct. 2008 Representative Director, Senior Executive Managing Officer of MITSUI & CO., LTD.</p> <p>Apr. 2009 Representative Director, President and Chief Executive Officer of MITSUI & CO., LTD.</p> <p>Apr. 2015 Representative Director, Chairperson of the Board of Directors of MITSUI & CO., LTD.</p> <p>June 2016 Outside Director (Current)</p> <p>June 2018 Outside Director of SoftBank Group Corp. (Current)</p> <p>June 2019 Counselor of the Bank of Japan (Current)</p> <p> Outside Director of Isetan Mitsukoshi Holdings Ltd. (Current)</p> <p>Apr. 2021 Director of MITSUI & CO., LTD.</p> <p>June 2021 Counselor of MITSUI & CO., LTD. (Current)</p> <p> Outside Director, Audit & Supervisory Committee member of Takeda Pharmaceutical Company Limited (Current) (Scheduled to be appointed as External Director, Chair of the Board Meeting in June 2022)</p> <p>[Status of concurrent positions as director or officer at listed companies]</p> <table border="1"> <thead> <tr> <th>Company</th> <th>Position</th> </tr> </thead> <tbody> <tr> <td>SoftBank Group Corp.</td> <td>Outside Director</td> </tr> <tr> <td>Isetan Mitsukoshi Holdings Ltd.</td> <td>Outside Director</td> </tr> <tr> <td>Takeda Pharmaceutical Company Limited</td> <td>Outside Director, Audit & Supervisory Committee member (Scheduled to be appointed as External Director, Chair of the Board Meeting in June 2022)</td> </tr> </tbody> </table> <p>[Number of concurrent positions as director or officer at listed companies, including the Company (planned)]</p> <table border="1"> <thead> <tr> <th>Number of positions held as executive director or officer</th> <th>Number of positions held as non-executive director or officer</th> </tr> </thead> <tbody> <tr> <td>0</td> <td>4</td> </tr> </tbody> </table> <p>*If this proposal is approved.</p>	Company	Position	SoftBank Group Corp.	Outside Director	Isetan Mitsukoshi Holdings Ltd.	Outside Director	Takeda Pharmaceutical Company Limited	Outside Director, Audit & Supervisory Committee member (Scheduled to be appointed as External Director, Chair of the Board Meeting in June 2022)	Number of positions held as executive director or officer	Number of positions held as non-executive director or officer	0	4
Company	Position												
SoftBank Group Corp.	Outside Director												
Isetan Mitsukoshi Holdings Ltd.	Outside Director												
Takeda Pharmaceutical Company Limited	Outside Director, Audit & Supervisory Committee member (Scheduled to be appointed as External Director, Chair of the Board Meeting in June 2022)												
Number of positions held as executive director or officer	Number of positions held as non-executive director or officer												
0	4												

Notes:

- There are no special interests between candidate Mr. Masami Iijima and the Company. Candidate Mr. Masami Iijima is Counselor of MITSUI & CO., LTD. The Company has business relations with MITSUI & CO., LTD. such as product sales, with the relevant transactional amounts totaling less than 1% of the consolidated net sales of the Company and MITSUI & CO., LTD., respectively, which is considered extremely insignificant. Thus, there are no special business relations that could affect him in executing his duties as Outside Director. In addition, candidate Mr. Masami Iijima is an Outside Director of SoftBank Group Corp. and Isetan Mitsukoshi Holdings Ltd., and an Outside Director, Audit & Supervisory Committee member of Takeda Pharmaceutical Company Limited. The Company has business relations with each of these companies, such as product sales, with the relevant transactional amounts totaling less than 1% of the consolidated net sales of the Company and each of these companies, respectively, which is considered extremely insignificant. Thus, there are no special business relations that could affect him in executing his duties as Outside Director.

2. The term of office of candidate Mr. Masami Iijima shall be up to the conclusion of the Ordinary General Meeting of Shareholders with respect to the last fiscal year that ends within one (1) year of his election in accordance with the Company's Articles of Incorporation.
3. With the expectation that Outside Directors can fully fulfill the roles associated with their positions, the Company has executed a contract with Mr. Masami Iijima to limit liability for damages as stipulated in Article 423, Paragraph 1 of the Companies Act, to the higher of ¥10 million or the minimum liability limit amount stipulated in Article 425, Paragraph 1 of the Companies Act. If approval is given for Mr. Masami Iijima to be reelected as Outside Director, the Company plans to continue the said liability limitation contract with him.
4. The Company has entered into a directors and officers liability insurance contract pursuant to Article 430-3, Paragraph 1 of the Companies Act with an insurance company, with all insurance premiums at the Company's expense. Candidate Mr. Masami Iijima is insured under the insurance contract, which covers damages and litigation expenses arising from claims made to insured officers during the insurance period as a result of their actions in their capacity as an officer. However, certain damages are not covered by the insurance, including those arising from an action of the insured officer taken with the knowledge that it violates laws and regulations. The Company intends to renew the insurance contract during the candidate's term of office if his election is approved.
5. Candidate Mr. Masami Iijima has been registered as an Independent Director as stipulated in Rule 436-2 of the Securities Listing Regulations of the Tokyo Stock Exchange, and if approval is given for him to be reelected as Outside Director, he will remain registered as Independent Director.
6. The number of the Company's shares held by candidate Mr. Masami Iijima is as of March 31, 2022.

No.	Name (Date of birth)	Reasons for nomination as a candidate for Outside Director / an outline of roles expected to be performed as an Outside Director
5	<p>Mutsuko Hatano (October 1, 1960)</p> <p>Reappointment</p> <p>Non-executive</p> <p>Female</p> <p>Outside Director</p> <p>Independent Director</p> <p>Responsibilities as a Director of the Company Chairperson of the Compensation Committee / Nomination Committee Member</p> <p>Number of the Company's shares held 6,700</p> <p>Years of service as Director 6 years (at the conclusion of this Meeting)</p> <p>Attendance during fiscal year ended March 31, 2022</p> <p>Board of Directors meeting 12/12 (100%)</p> <p>Nomination Committee meeting 8/8 (100%)</p> <p>Compensation Committee meeting 6/6 (100%)</p>	<p>Ms. Mutsuko Hatano contributed to the advancement of the technology of Hitachi, Ltd. as a researcher while delivering achievements as a visiting researcher at a U.S. university. She assumed the position of professor of the Department of Electrical and Electronic Engineering, School of Engineering of National University Corporation Tokyo Institute of Technology in July 2010.</p> <p>She has also contributed to the advancement of science and technology as a Member of the Science Council of Japan and a chairperson of academic societies, and has made many achievements as an expert in government agencies.</p> <p>At the Company, as an Outside Director, she has played an important role in ensuring the validity and appropriateness of the management decisions and management oversight of the Board of Directors of the Company. With her expertise developed from her extensive experience as a researcher, she has provided useful advice and recommendations on matters such as initiatives for advanced technologies, technology strategies in growth areas, and the development and securing of technical personnel. In addition, as Chairperson of the Compensation Committee, she contributes to strengthening the supervisory function and ensuring transparency in the process of determining executive compensation by leading objective discussions from an independent standpoint with a multifaceted perspective, and as a Nomination Committee Member, she is engaged in discussions with an awareness of ensuring objectivity and transparency in the nomination process. In FY2021, she provided useful advice and recommendations on technology and intellectual property strategies and new business strategies from a professional perspective for the Company's transformation into a digital services company amid a challenging business environment, including shortages of semiconductors and other materials and soaring logistics costs, in addition to various restrictions due to the COVID-19 pandemic that had persisted since the previous year. In addition, with respect to digital and human resource strategies, based on her deep knowledge and insight into science and technology as well as human resource development, she provided advice and recommendations from the perspective of securing advanced professional human resources and diversity, and made a significant contribution to the Company's efforts to enhance corporate value through business growth and strengthening of its structure.</p> <p>The Company's Board of Directors expects objective management decisions and oversight from an independent standpoint based on her extensive experience as well as expert knowledge and insight into technology and human resource development, and has determined that these are all necessary to realize the 20th Mid-Term Management Plan and the growth strategy, as well as to enhance the Company's shareholder and corporate value. Thus, the Company's Board of Directors nominates her as a candidate for Outside Director.</p> <p>[Message to our shareholders from the candidate for Director] Respecting the Company's founding principles ("Sanai spirit" - love your neighbor, love your country, love your work), we are accelerating reforms to promote appropriate responses from both the urgent and medium- to long-term perspectives by returning in our discussions to the fundamentals of what the Ricoh Group should do to serve global society, with a view to achieving both business growth and the SDGs. The Board of Directors has held discussions to ensure the achievement of the 20th Mid-Term Management Plan, "RICOH Lift Off," and we have made progress in the reforms for the management foundation by implementing growth strategies, improving return on capital, and reforming corporate governance in a three-pronged approach. Furthermore, the business unit structure, which is the key to</p>

		<p>developing into a digital services company, has been successfully activated, and based on the guiding principles and values for our business activities, employees as autonomous human resources are growing under the strong leadership of the CEO, Yoshinori Yamashita.</p> <p>However, geopolitical risks have grown beyond imagination and uncertainty is growing. We need a more comprehensive forum for discussing rapidly changing risk management. In addition, global social issues are emerging, and we are expected to contribute to the SDGs, accelerate DX and GX*, and pursue public value that enriches spirit and society. Furthermore, human work is becoming more creative and work styles are changing from the traditional office work style. Under these circumstances, innovation creation leading to digital services and new businesses is becoming increasingly important, and we need to further evolve our technology and human capital strategies, as well as speedy and highly transparent deliberation and decision making from a global perspective.</p> <p>Based on my corporate and academic experience, as well as a diverse perspective and insight different from those within the Company, I will strive to contribute to business growth through innovation that is compatible with the improvement of sustainability. As an Outside Director, I will continue to strive to enhance corporate governance from the perspective of our stakeholders in order to achieve the sustainable growth of the Ricoh Group and enhance its corporate value.</p> <p>*GX (green transformation): Reforms aimed at achieving decarbonization.</p> <p>[Brief personal profile, positions and responsibilities at the Company and significant concurrent positions]</p> <p>Apr. 1983 Joined Hitachi, Ltd. Sep. 1997 Visiting Researcher at the University of California, Berkeley Apr. 2005 Chief Researcher of Central Research Laboratory, Hitachi, Ltd. July 2010 Professor at the Department of Electrical and Electronic Engineering, School of Engineering, National University Corporation Tokyo Institute of Technology (Current) Oct. 2014 Council Member of Science Council of Japan June 2016 Outside Director (Current) Oct. 2020 Member of Science Council of Japan (Current) Mar. 2022 Senior Aide to the President of National University Corporation Tokyo Institute of Technology (Current) Executive Member of Council for Science, Technology and Innovation (Current)</p> <p>[Number of concurrent positions as director or officer at listed companies, including the Company (planned)]</p> <table border="1" data-bbox="523 1576 1398 1671"> <thead> <tr> <th data-bbox="523 1576 959 1641">Number of positions held as executive director or officer</th> <th data-bbox="959 1576 1398 1641">Number of positions held as non-executive director or officer</th> </tr> </thead> <tbody> <tr> <td data-bbox="523 1641 959 1671" style="text-align: center;">0</td> <td data-bbox="959 1641 1398 1671" style="text-align: center;">1</td> </tr> </tbody> </table> <p>*If this proposal is approved.</p>	Number of positions held as executive director or officer	Number of positions held as non-executive director or officer	0	1
Number of positions held as executive director or officer	Number of positions held as non-executive director or officer					
0	1					

Notes:

- There are no special interests between candidate Ms. Mutsuko Hatano and the Company. The Company had entered into a consignment contract with candidate Ms. Mutsuko Hatano from April 1, 2016 to June 16, 2016, and had paid ¥1.5 million to her as commission. The purpose of this agreement was to have Ms. Mutsuko Hatano attend the Ricoh Group Technology Management Meetings to provide advice and recommendations from an outsider's point of view on the management of technology at the Company. However, because this agreement was terminated before her appointment as the Company's Outside Director and the Company's Standards for Independence of Outside Directors and Outside Audit & Supervisory Board Members (refer to page 71) do not apply, it has been deemed that this agreement will have no impact on the independence of the Outside Director. Ms. Mutsuko Hatano is Senior Aide to the President of National University Corporation Tokyo Institute of Technology. The Company has business relations with National University Corporation Tokyo Institute of Technology, mainly regarding research and development consignment, with the relevant transactional amounts totaling less than 1% of the consolidated net

- sales of the Company and the annual operating revenue of the university, which is considered extremely insignificant.
2. The term of office of candidate Ms. Mutsuko Hatano shall be up to the conclusion of the Ordinary General Meeting of Shareholders with respect to the last fiscal year that ends within one (1) year of her election in accordance with the Company's Articles of Incorporation.
 3. With the expectation that Outside Directors can fully fulfill the roles associated with their positions, the Company has executed a contract with Ms. Mutsuko Hatano to limit liability for damages as stipulated in Article 423, Paragraph 1 of the Companies Act, to the higher of ¥10 million or the minimum liability limit amount stipulated in Article 425, Paragraph 1 of the Companies Act. If approval is given for Ms. Mutsuko Hatano to be reelected as Outside Director, the Company plans to continue the said liability limitation contract with her.
 4. The Company has entered into a directors and officers liability insurance contract pursuant to Article 430-3, Paragraph 1 of the Companies Act with an insurance company, with all insurance premiums at the Company's expense. Candidate Ms. Mutsuko Hatano is insured under the insurance contract, which covers damages and litigation expenses arising from claims made to insured officers during the insurance period as a result of their actions in their capacity as an officer. However, certain damages are not covered by the insurance, including those arising from an action of the insured officer taken with the knowledge that it violates laws and regulations. The Company intends to renew the insurance contract during the candidate's term of office if her election is approved.
 5. Candidate Ms. Mutsuko Hatano has been registered as an Independent Director as stipulated in Rule 436-2 of the Securities Listing Regulations of the Tokyo Stock Exchange, and if approval is given for her to be reelected as Outside Director, she will remain registered as Independent Director.
 6. The number of the Company's shares held by candidate Ms. Mutsuko Hatano is as of March 31, 2022.

No.	Name (Date of birth)	Reasons for nomination as a candidate for Outside Director / an outline of roles expected to be performed as an Outside Director
6	<p>Keisuke Yokoo (November 26, 1951)</p> <p>Reappointment</p> <p>Non-executive</p> <p>Male</p> <p>Outside Director</p> <p>Independent Director</p> <p>Responsibilities as a Director of the Company Nomination Committee Member / Compensation Committee Member</p> <p>Number of the Company's shares held 2,100</p> <p>Years of service as Director 2 years (at the conclusion of this Meeting)</p> <p>Attendance during fiscal year ended March 31, 2022 Board of Directors meeting 12/12 (100%)</p> <p>Nomination Committee meeting 8/8 (100%)</p> <p>Compensation Committee meeting 6/6 (100%)</p>	<p>Mr. Keisuke Yokoo assumed office as a senior executive of Mizuho Securities Co., Ltd. in June 2001, and then assumed the office of President in April 2007 and Chairperson in June 2011. As a member of top management, he contributed to the development of Mizuho Securities Co., Ltd. by demonstrating his outstanding management skills in financial and capital markets over many years. He also assumed the office of President, Member of the Board & Chief Executive Officer of Japan Investment Corporation in December 2019, and contributes to the improvement of Japan's international competitiveness.</p> <p>At the Company, as an Outside Director, he has played an important role in ensuring the validity and appropriateness of the management decisions and management oversight of the Board of Directors of the Company. With his extensive experience and broad knowledge and insight as a management executive, as well as his views and long-term perspective cultivated over many years in financial and capital markets, he has provided a wide range of useful advice and recommendations. In addition, as a Nomination Committee Member and Compensation Committee Member, he has actively engaged in discussions from an independent standpoint with an investor and shareholder perspective. In FY2021, in the midst of a challenging business environment, including shortages of semiconductors and other materials and rising logistics costs, in addition to the various restrictions due to the COVID-19 pandemic that had persisted since the previous year, he provided advice and recommendations from the perspective of investors and shareholders based on his extensive experience, in relation to corporate finance, communication with capital markets, capital policy, digital and human resources strategy, growth investment, and other areas, and contributed significantly to the Company's efforts to enhance corporate value through business growth and strengthening of its structure.</p> <p>The Company's Board of Directors expects management decisions and oversight from an independent standpoint with an investor and shareholder perspective based on his extensive experience in financial and capital markets over many years and his broad knowledge of and insight into finance, etc., and has determined that these are all necessary to realize the 20th Mid-Term Management Plan and growth strategy, as well as to enhance the Company's shareholder and corporate value. Thus, the Company's Board of Directors nominates him as a candidate for Outside Director.</p> <p>[Message to our shareholders from the candidate for Director] In March 2020, the Company declared that it would transform itself from an OA manufacturer into a digital services company with the determination of a second founding, and in order to implement these changes, we are working to enhance our corporate value with a medium- to long-term perspective in mind, including strengthening of profitability through structural reforms, business restructuring, productivity improvement, and ESG responses. Specifically, in the midst of the recent shift to the business unit structure, we will introduce a framework for implementing autonomous business operations, clarification of business profitability, and efficient allocation of management resources, aiming to build a portfolio that will enable us to win in the global competition.</p> <p>In particular, in the Office Services business, which is to be the core of our business, we plan to capture the needs for digitalization and achieve significant growth while leveraging our strengths in executing a well-balanced global expansion, as well as our customer base and brand power, which support the top share of the MFP market in the world.</p> <p>My role is to perform oversight functions from an objective standpoint and to make effective proposals with a commitment to appropriately disclosing</p>

	<p>information. In addition, I will strive to achieve better corporate governance by keeping our shareholders and other stakeholders in mind, leveraging the views and long-term perspectives I cultivated through 48 years of experience in the financial business sector. At the same time, I will contribute to both the enhancement of corporate value and the pursuit of sustainability.</p> <p>[Brief personal profile, positions and responsibilities at the Company and significant concurrent positions]</p> <p>Apr. 1974 Joined The Industrial Bank of Japan, Ltd. (Current Mizuho Bank, Ltd.)</p> <p>Apr. 2000 General Manager of Nagoya Branch of The Industrial Bank of Japan, Ltd.</p> <p>June 2001 Managing Director, Head of Planning Group of Mizuho Securities Co., Ltd.</p> <p>Apr. 2007 President of Mizuho Securities Co., Ltd. (Shinko Securities Co., Ltd. and Mizuho Securities Co., Ltd. merged in May 2009 to form Mizuho Securities Co., Ltd.)</p> <p>June 2011 Chairperson of Mizuho Securities Co., Ltd.</p> <p>June 2012 Advisor of Mizuho Securities Co., Ltd.</p> <p>Apr. 2015 Vice Chairperson & President of Japan Association of Corporate Executives (KEIZAI DOYUKAI)</p> <p>Oct. 2016 Outside Director of The Dai-ichi Life Insurance Company, Limited (Current)</p> <p>June 2017 Outside Director of Nippon Suisan Kaisha, Ltd.</p> <p>May 2019 Chairperson of Sonar Advisers Inc. (Current)</p> <p>Dec. 2019 President, Member of the Board & Chief Executive Officer of Japan Investment Corporation (Current)</p> <p>May 2020 Outside Director of Takashimaya Company, Limited (Current)</p> <p>June 2020 Outside Director (Current)</p> <p>[Status of concurrent positions as director or officer at listed companies]</p> <table border="1"> <thead> <tr> <th>Company</th> <th>Position</th> </tr> </thead> <tbody> <tr> <td>Takashimaya Company, Limited</td> <td>Outside Director</td> </tr> </tbody> </table> <p>[Number of concurrent positions as director or officer at listed companies, including the Company (planned)]</p> <table border="1"> <thead> <tr> <th>Number of positions held as executive director or officer</th> <th>Number of positions held as non-executive director or officer</th> </tr> </thead> <tbody> <tr> <td>0</td> <td>2</td> </tr> </tbody> </table> <p>*If this proposal is approved.</p>	Company	Position	Takashimaya Company, Limited	Outside Director	Number of positions held as executive director or officer	Number of positions held as non-executive director or officer	0	2
Company	Position								
Takashimaya Company, Limited	Outside Director								
Number of positions held as executive director or officer	Number of positions held as non-executive director or officer								
0	2								

Notes:

- There are no special interests between candidate Mr. Keisuke Yokoo and the Company.
Candidate Mr. Keisuke Yokoo currently serves as Outside Director of The Dai-ichi Life Insurance Company, Limited and Takashimaya Company, Limited. The Company has business relations with each of these companies, such as product sales, with the relevant transactional amounts totaling less than 1% of the consolidated net sales of the Company and each of these companies, respectively, which is considered extremely insignificant. Thus, there are no special business relations that could affect him in executing his duties as Outside Director.
In addition, the Company has business relations with Mizuho Securities Co., Ltd. and Nippon Suisan Kaisha, Ltd., where Mr. Keisuke Yokoo had belonged to in the past 10 years, such as product sales, with the relevant transactional amounts totaling less than 1% of the consolidated net sales of the Company and each of these companies, respectively, which is considered extremely insignificant. Thus, there are no special business relations that could affect him in executing his duties as Outside Director.
- The term of office of candidate Mr. Keisuke Yokoo shall be up to the conclusion of the Ordinary General Meeting of Shareholders with respect to the last fiscal year that ends within one (1) year of his election in accordance with the Company's Articles of Incorporation.
- With the expectation that Outside Directors can fully fulfill the roles associated with their positions, the Company has executed a contract with Mr. Keisuke Yokoo to limit liability for damages as stipulated in Article 423, Paragraph 1 of the Companies Act, to the higher of ¥10 million or the minimum liability limit amount stipulated in Article 425, Paragraph 1 of the Companies Act. If approval is given for Mr. Keisuke Yokoo to be reelected as Outside Director, the Company plans to continue the said liability limitation contract with him.
- The Company has entered into a directors and officers liability insurance contract pursuant to Article 430-3, Paragraph 1 of the Companies Act with an insurance company, with all insurance premiums at the Company's expense. Candidate Mr.

Keisuke Yokoo is insured under the insurance contract, which covers damages and litigation expenses arising from claims made to insured officers during the insurance period as a result of their actions in their capacity as an officer. However, certain damages are not covered by the insurance, including those arising from an action of the insured officer taken with the knowledge that it violates laws and regulations. The Company intends to renew the insurance contract during the candidate's term of office if his election is approved.

5. Candidate Mr. Keisuke Yokoo has been registered as an Independent Director as stipulated in Rule 436-2 of the Securities Listing Regulations of the Tokyo Stock Exchange, and if approval is given for him to be reelected as Outside Director, he will remain registered as Independent Director.
6. The number of the Company's shares held by candidate Mr. Keisuke Yokoo is as of March 31, 2022.

No.	Name (Date of birth)	Reasons for nomination as a candidate for Outside Director / an outline of roles expected to be performed as an Outside Director
7	<p>Sadafumi Tani (September 15, 1954)</p> <p>Reappointment</p> <p>Non-executive</p> <p>Male</p> <p>Outside Director</p> <p>Independent Director</p> <p>Responsibilities as a Director of the Company Compensation Committee Member</p> <p>Number of the Company's shares held 1,400</p> <p>Years of service as Director 1 year (at the conclusion of this Meeting)</p> <p>Attendance during fiscal year ended March 31, 2022 (attendance rate after his appointment at the General Meeting of Shareholders)</p> <p>Board of Directors meeting 10/10 (100%)</p> <p>Compensation Committee meeting 5/5 (100%)</p>	<p>After joining Jiji Press Ltd. in 1977, Mr. Sadafumi Tani took on the roles of analyzing and distributing information in Japan and overseas as an economic reporter for many years. He assumed the office of Director in June 2010 and of Managing Director in June 2013, contributing to the development of Jiji Press Ltd. by demonstrating his outstanding management skills. Furthermore, since June 2016, as Director and General Manager of Editorial Division of the Nippon Communications Foundation, he has spread information about Japan far and wide overseas, aided in the promotion of mutual understanding between countries, and contributed to global human resource development.</p> <p>In FY2021, in the midst of a challenging business environment, including shortages of semiconductors and other materials and rising logistics costs, in addition to the various restrictions due to the COVID-19 pandemic that had persisted since the previous year, he provided advice and recommendations from the perspective of investors and shareholders based on his extensive experience, in relation to communication with capital markets, information dissemination, improvement of return on capital, and human resource strategies, and contributed significantly to the Company's efforts to enhance corporate value through business growth and strengthening of its structure. The Company's Board of Directors expects management decisions and oversight from an independent standpoint with an investor and shareholder perspective based on his extensive experience as an economics reporter for many years and his broad views on and insight into the global economy and social issues, as well as his advanced information gathering and analysis capabilities and excellent communication skills, and has determined that these are all necessary to realize the 20th Mid-Term Management Plan and growth strategy, as well as to enhance the Company's shareholder and corporate value. Thus, the Company's Board of Directors nominates him as a candidate for Outside Director.</p> <p>[Message to our shareholders from the candidate for Director] During the past year, as a newly appointed Outside Director, I have participated in discussions at Board of Directors and other meetings. Sufficient time has been secured for deliberations, and the content has been substantial. I recognize that corporate governance is functioning properly and that we must continue to improve it.</p> <p>With the introduction of the business unit system, we have established a system that accelerates the speed of decision-making. While we intend to extend this advantage further in the future, I believe that if any negative aspects become apparent, we need to immediately identify the causes and "repair" them.</p> <p>In April 2022, we shifted to a Ricoh-style job-based personnel system. A year ago, in my message to shareholders, I wrote that the greatest asset of any organization is its people. Reform of the human resource system is indeed an important measure that will affect Ricoh's future. I intend to monitor the system, including its operation, so that we can bring out the motivation and abilities of our employees, who are our assets. In terms of human resources, I feel the need to increase diversity through the appointment and training of women and non-Japanese employees. I believe that the more personnel with different perspectives we have, the more flexible and resilient our management will be.</p> <p>We are seeing more and more cases of external factors affecting management, such as the spread of COVID-19 for more than two years and the situation in Ukraine. In these times, the question is how to promptly obtain and organize accurate information and apply it to management. To this end, it is necessary to constantly develop and inspect a flexible crisis management system.</p>

		<p>I intend to deepen our discussion on these and other issues and make recommendations.</p> <p>[Brief personal profile, positions and responsibilities at the Company and significant concurrent positions]</p> <p>Apr. 1977 Joined Jiji Press, Ltd.</p> <p>Apr. 1988 Staff Correspondent of Washington D.C. Bureau of Jiji Press, Ltd.</p> <p>Dec. 2001 Editor in Chief of Economic News of Jiji Press, Ltd.</p> <p>June 2004 Director of Kobe Bureau of Jiji Press, Ltd.</p> <p>June 2006 Managing Editor of Jiji Press, Ltd.</p> <p>June 2009 Director of General Administration Division of Jiji Press, Ltd.</p> <p>Jan. 2010 General Manager of President's Office of Jiji Press, Ltd.</p> <p>June 2010 Director of Jiji Press, Ltd.</p> <p>July 2010 Director and Managing Editor of Jiji Press, Ltd.</p> <p>June 2013 Executive Director of Jiji Press, Ltd.</p> <p>Mar. 2016 Director / Editor in Chief of Nippon.Com</p> <p>May 2016 Audit & Supervisory Board Member of Quants Research Inc.</p> <p>June 2016 Executive Director/ Editor in Chief of Nippon.com (Current)</p> <p>June 2021 Outside Director (Current)</p> <p>May 2022 Advisor of Jiji Research Institute, Ltd. (Current)</p> <p>[Number of concurrent positions as director or officer at listed companies, including the Company (planned)]</p> <table border="1"> <thead> <tr> <th>Number of positions held as executive director or officer</th> <th>Number of positions held as non-executive director or officer</th> </tr> </thead> <tbody> <tr> <td>0</td> <td>1</td> </tr> </tbody> </table> <p>*If this proposal is approved.</p>	Number of positions held as executive director or officer	Number of positions held as non-executive director or officer	0	1
Number of positions held as executive director or officer	Number of positions held as non-executive director or officer					
0	1					

Notes:

- There are no special interests between candidate Mr. Sadafumi Tani and the Company. The Company has business relations with Jiji Press Ltd. and Quants Research Inc., where candidate Mr. Sadafumi Tani had belonged to in the past 10 years, such as product sales, with the relevant transactional amounts totaling less than 1% of the consolidated net sales of the Company and each of these companies, respectively, which is considered extremely insignificant. Thus, there are no special business relations that could affect him in executing his duties as Outside Director.
- The term of office of candidate Mr. Sadafumi Tani shall be up to the conclusion of the Ordinary General Meeting of Shareholders with respect to the last fiscal year that ends within one (1) year of his election in accordance with the Company's Articles of Incorporation.
- With the expectation that Outside Directors can fully fulfill the roles associated with their positions, the Company has executed a contract with Mr. Sadafumi Tani to limit liability for damages as stipulated in Article 423, Paragraph 1 of the Companies Act, to the higher of ¥10 million or the minimum liability limit amount stipulated in Article 425, Paragraph 1 of the Companies Act. If approval is given for Mr. Sadafumi Tani to be reelected as Outside Director, the Company plans to continue the said liability limitation contract with him.
- The Company has entered into a directors and officers liability insurance contract pursuant to Article 430-3, Paragraph 1 of the Companies Act with an insurance company, with all insurance premiums at the Company's expense. Candidate Mr. Sadafumi Tani is insured under the insurance contract, which covers damages and litigation expenses arising from claims made to insured officers during the insurance period as a result of their actions in their capacity as an officer. However, certain damages are not covered by the insurance, including those arising from an action of the insured officer taken with the knowledge that it violates laws and regulations. The Company intends to renew the insurance contract during the candidate's term of office if his election is approved.
- Candidate Mr. Sadafumi Tani has been registered as an Independent Director as stipulated in Rule 436-2 of the Securities Listing Regulations of the Tokyo Stock Exchange, and if approval is given for him to be reelected as Outside Director, he will remain registered as Independent Director.
- The number of the Company's shares held by candidate Mr. Sadafumi Tani is as of March 31, 2022.

No.	Name (Date of birth)	Reasons for nomination as a candidate for Outside Director / an outline of roles expected to be performed as an Outside Director
8	<p>Kazuhiko Ishimura (September 18, 1954)</p> <p>New</p> <p>Non-executive</p> <p>Male</p> <p>Outside Director</p> <p>Independent Director (planned)</p> <p>Number of the Company's shares held 0</p>	<p>Mr. Kazuhiko Ishimura assumed office as a senior executive of Asahi Glass Co., Ltd. (currently AGC Inc.) in January 2006, and then assumed the office of Representative Director and President & COO in March 2008, Representative Director and President & CEO in January 2010, and Representative Director & Chairperson in January 2015. As a member of top management, he contributed to the development of the said company by demonstrating his outstanding management skills, such as leading the global expansion of Japan's leading manufacturing company for many years. He also assumed the office of President of the National Institute of Advanced Industrial Science and Technology in April 2020, and contributes to the strengthening of Japan's industrial competitiveness.</p> <p>The Company's Board of Directors expects objective management decisions and oversight from an independent standpoint based on his extensive experience as a management executive, his deep insight into environmental issues, and his high awareness of issues concerning organizations and governance, and has determined that these are all necessary to realize the 20th Mid-Term Management Plan and the growth strategy, as well as to enhance the Company's shareholder and corporate value. Thus, the Company's Board of Directors nominates him as candidate for Outside Director.</p> <p>[Message to our shareholders from the candidate for Director] Through my experience in the manufacturing industry, which, like Ricoh, has been accelerating its global expansion, I have realized that simply achieving good quality products and services at low cost is not enough to survive global competition. The achievement of QCD (quality, cost, delivery) is a must of course, and we have entered an era in which we cannot gain the trust of our stakeholders unless we realize customer value without falling into price competition and at the same time create social value such as ESG and SDGs. In such a business environment, the question is how we can achieve sustainable growth and enhance our corporate value. Ricoh has achieved global business growth through its high-performance products and attentive services, centered on multifunctional printers for office use. Ricoh has also been highly evaluated in terms of ESG particularly for its approach to environmental issues. Ricoh is now about to make a major turn to become a digital services company to achieve new growth. As a Director assuming office at this time, I will strive to establish proper governance and promote corporate transformation.</p> <p>Finally, my motto is "People are power." I have experienced many crises in my career, and each time I strongly believe that it is people who can overcome crises and realize change. Ricoh has a culture of valuing people, which has been handed down through its founding principles ("Sanai spirit" - love your neighbor, love your country, love your work), and this culture deeply resonates with me. People are the engine of change, and I will strive to enhance our corporate value by further harnessing their power and transforming ourselves into a digital service company.</p> <p>[Brief personal profile, positions and responsibilities at the Company and significant concurrent positions] Apr. 1979 Joined Asahi Glass Co., Ltd. (Current AGC Inc.) Jan. 2006 Executive Officer and GM of Kansai Plant of Asahi Glass Co., Ltd. Jan. 2007 Senior Executive Officer and GM of Electronics & Energy General Division of Asahi Glass Co., Ltd. Mar. 2008 Representative Director, President and COO of Asahi Glass Co., Ltd.</p>

Jan. 2010	Representative Director, President and CEO of Asahi Glass Co., Ltd.								
Jan. 2015	Representative Director and Chairperson of Asahi Glass Co., Ltd.								
June 2015	Outside Director of TDK Corporation (Current)								
June 2017	Outside Director of IHI Corporation (Current)								
Jan. 2018	Director and Chairperson of Asahi Glass Co., Ltd.								
Apr. 2018	Vice Chairperson of Japan Association of Corporate Executives (KEIZAI DOYUKAI) (Current)								
June 2018	Outside Director of Nomura Holdings, Inc. (Current)								
Mar. 2020	Director of AGC Inc.								
Apr. 2020	President of the National Institute of Advanced Industrial Science and Technology								
Apr. 2021	President and CEO of the National Institute of Advanced Industrial Science and Technology (Current)								
[Status of concurrent positions as director or officer at listed companies]									
<table border="1"> <thead> <tr> <th>Company</th> <th>Position</th> </tr> </thead> <tbody> <tr> <td>TDK Corporation</td> <td>Outside Director (Scheduled to resign in June 2022)</td> </tr> <tr> <td>IHI Corporation</td> <td>Outside Director (Scheduled to resign in June 2022)</td> </tr> <tr> <td>Nomura Holdings, Inc.</td> <td>Outside Director</td> </tr> </tbody> </table>		Company	Position	TDK Corporation	Outside Director (Scheduled to resign in June 2022)	IHI Corporation	Outside Director (Scheduled to resign in June 2022)	Nomura Holdings, Inc.	Outside Director
Company	Position								
TDK Corporation	Outside Director (Scheduled to resign in June 2022)								
IHI Corporation	Outside Director (Scheduled to resign in June 2022)								
Nomura Holdings, Inc.	Outside Director								
[Number of concurrent positions as director or officer at listed companies, including the Company (planned)]									
<table border="1"> <thead> <tr> <th>Number of positions held as executive director or officer</th> <th>Number of positions held as non-executive director or officer</th> </tr> </thead> <tbody> <tr> <td>0</td> <td>2</td> </tr> </tbody> </table>		Number of positions held as executive director or officer	Number of positions held as non-executive director or officer	0	2				
Number of positions held as executive director or officer	Number of positions held as non-executive director or officer								
0	2								
*If this proposal is approved.									

Notes:

- There are no special interests between candidate Mr. Kazuhiko Ishimura and the Company.
Candidate Mr. Kazuhiko Ishimura is an Outside Director of TDK Corporation and Nomura Holdings, Inc. The Company has business relations with each of these companies, such as product sales, with the relevant transactional amounts totaling less than 1% of the consolidated net sales of the Company and each of these companies, respectively, which is considered extremely insignificant. Thus, there are no special business relations that could affect him in executing his duties as Outside Director.
The Company has business relations with AGC Inc., where candidate Mr. Kazuhiko Ishimura had belonged to in the past 10 years, such as product sales, with the relevant transactional amounts totaling less than 1% of the consolidated net sales of the Company and AGC Inc., respectively, which is considered extremely insignificant. Thus, there are no special business relations that could affect him in executing his duties as Outside Director.
- The term of office of candidate Mr. Kazuhiko Ishimura shall be up to the conclusion of the Ordinary General Meeting of Shareholders with respect to the last fiscal year that ends within one (1) year of his election in accordance with the Company's Articles of Incorporation.
- With the expectation that Outside Directors can fully fulfill the roles associated with their positions, the Company executes contracts with Outside Directors to limit their liability for damages as stipulated in Article 423, Paragraph 1 of the Companies Act, to the higher of ¥10 million or the minimum liability limit amount stipulated in Article 425, Paragraph 1 of the Companies Act. If approval is given for candidate Mr. Kazuhiko Ishimura to be elected as Outside Director, the Company plans to execute the said liability limitation contract with him.
- The Company has entered into a directors and officers liability insurance contract pursuant to Article 430-3, Paragraph 1 of the Companies Act with an insurance company, with all insurance premiums at the Company's expense. If his election is approved, candidate Mr. Kazuhiko Ishimura will be insured under the insurance contract, which covers damages and litigation expenses arising from claims made to insured officers during the insurance period as a result of their actions in their capacity as an officer. However, certain damages are not covered by the insurance, including those arising from an action of the insured officer taken with the knowledge that it violates laws and regulations. The Company intends to renew the insurance contract during the candidate's term of office if his election is approved.
- If approval is given for candidate Mr. Kazuhiko Ishimura to be elected as Outside Director, he will be registered as an Independent Director as stipulated in Rule 436-2 of the Securities Listing Regulations of the Tokyo Stock Exchange.
- The number of the Company's shares held by candidate Mr. Kazuhiko Ishimura is as of March 31, 2022.

<Reference>

Structure and Skill Matrix of Officers if Agenda 4 is Approved

If Agenda 4 is approved, the composition of the Board of Directors and the Audit & Supervisory Board, as well as the expertise of each Director and Audit & Supervisory Board Member will be as follows.

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

<Basic approach to the structure of officers>

- The Company's basic requirement for the appointment of Directors and Audit & Supervisory Board Members is that they have a deep understanding of the RICOH Way, the Group's management philosophy, and the "Sanai spirit" (love your neighbor, love your country, love your work), the founding principles of the Company, and are capable of contributing to the sound and sustainable growth of the Company and the enhancement of its corporate and shareholder value. In addition, for Outside Directors and Audit & Supervisory Board Members, as they are in a position that requires independence and neutrality, we place particular emphasis on those who are able to openly express their opinions to the management team, and who are able to provide appropriate advice and supervision from an independent and neutral standpoint.
- The Company has established an appropriate structure of officers by comprehensively considering the balance between Internal and Outside Directors and Audit & Supervisory Board Members, tenure, diversity, and other factors, in addition to the skills possessed by them. We will continue to discuss the necessary skills and diversity in line with changes in our business environment and the development of our business strategy, and will build a structure of officers in line with these discussions.

<Positioning of major skills and notable fields of expertise>

- For major skills, the Company lists those skills that, preferably, should be covered by more than one Director or Audit & Supervisory Board Member in light of the management environment and business strategies. In addition, we consider it necessary for individual Directors and Audit & 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 selection of major skills>

- In order to ensure appropriate decision-making and oversight with respect to issues in the Company's global business operations, the Company has identified knowledge and experience in "Corporate management and business operations" as one of the major skills. The Company has selected knowledge and experience in "Governance and risk management" as a major skill to ensure accountability and transparency to diverse stakeholders, and to deal with increasingly complex and high-level risks. In addition, in order to realize the sustainable enhancement of corporate and shareholder value as a company listed on the prime market, the Company has included knowledge and experience in "Finance and accounting" among the major skills to support our capital policy and communication with the capital market, and in order to realize Ricoh's transformation into a digital services company by utilizing edge devices* that are unique to Ricoh, the Company has selected knowledge and experience in "Technology and R&D" as a major skill, which serves as the foundation for this transformation.

*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, such as text, photographs, audio, and video.

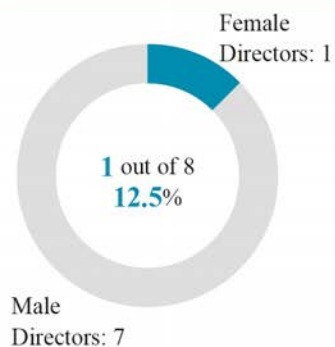
							Years of service	Nomination Committee	Compensation Committee
Directors	Yoshinori Yamashita			Male			10	●	●
	Seiji Sakata			Male			4		
	Akira Oyama			Male			1		
	Masami Iijima	Lead Independent Director	Non-executive	Male	Outside	Independent	6	● Chairperson	●
	Mutsuko Hatano	Chairperson of the Board	Non-executive	Female	Outside	Independent	6	●	●
	Keisuke Yokoo		Non-executive	Male	Outside	Independent	2	●	● Chairperson
	Sadafumi Tani		Non-executive	Male	Outside	Independent	1		●
	Kazuhiko Ishimura		Non-executive	Male	Outside	Independent	–	●	
Audit & Supervisory Board Members	Kazuhiro Tsuji			Male			2		
	Shinji Sato			Male			1		
	Yo Ota			Male	Outside	Independent	5		
	Shoji Kobayashi			Male	Outside	Independent	2	Observer	
	Yasunobu Furukawa			Male	Outside	Independent	2		Observer

Note: Chairperson of the Board, Lead Independent Director, and composition and chairperson of each of the advisory committees shown are those to be in place after this Meeting (scheduled to be elected at a meeting of the Board of Directors after the closing of this Meeting).

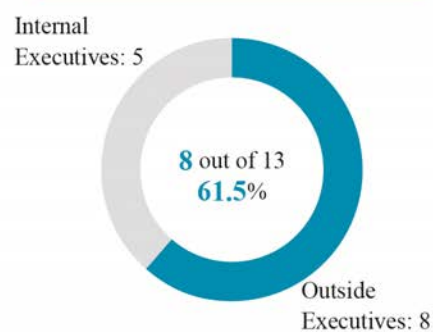
Ratio of Outside Directors



Ratio of female Directors

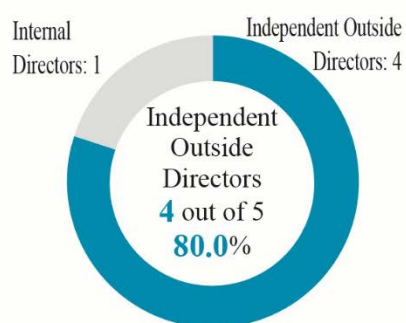


Ratio of Outside Executives (Outside Directors and Outside Audit & Supervisory Board Members)



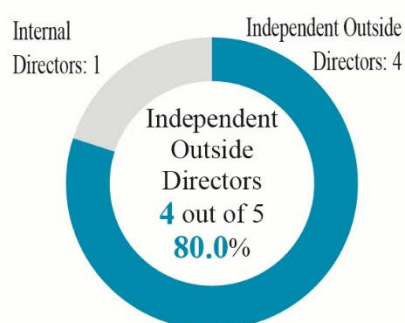
		Major skills				Notable fields of expertise
		Corporate management and business operation	Governance and risk management	Finance and accounting	Technology and R&D	
Directors	Yoshinori Yamashita	●	●			SCM and marketing
	Seiji Sakata	●			●	Technology development and product development
	Akira Oyama	●	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

Nomination Committee



Chairperson: Independent Outside Director

Compensation Committee



Chairperson: Independent Outside Director

Agenda 5: Payment of bonuses to Directors

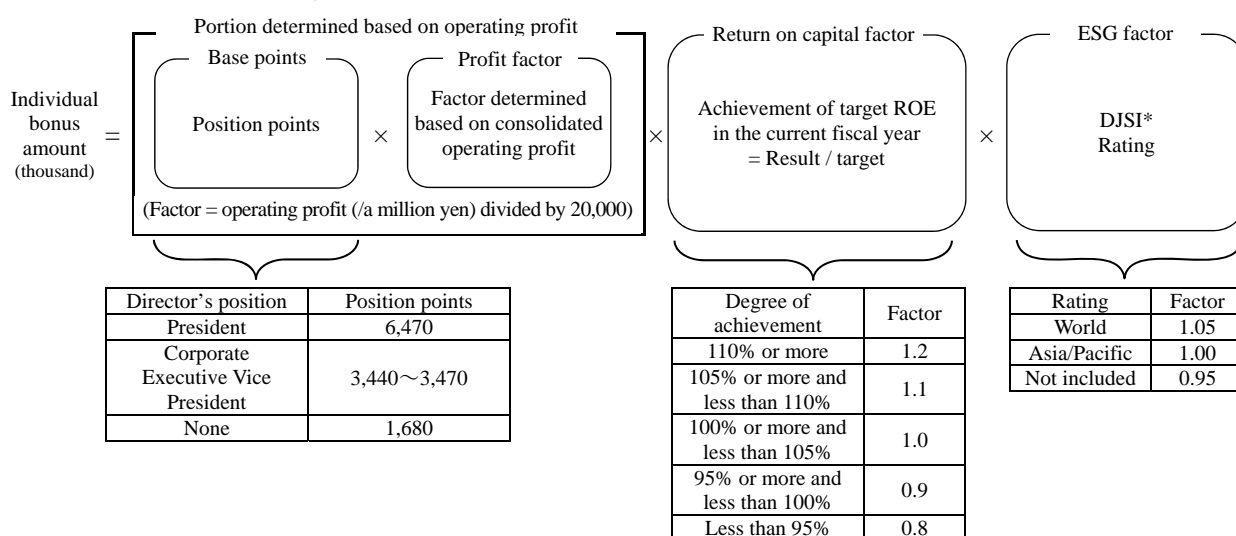
The Company proposes that bonuses amounting to ¥29.69 million be paid to five (5) Directors (excluding Outside Directors) who were in office during FY2021, reflecting the Company's earnings results. The Company requests that the details such as the specific amount to be paid to each Director, timing and method of payment be left to the decision of the Board of Directors.

Compensation for Directors (excluding Outside Directors) consists of basic compensation, performance-linked bonuses, compensation for acquiring stocks and a stock-based incentive system with stock price conditions. Bonuses payment requires the resolution of the general meeting of shareholders each year as it fluctuates depending on business performance.

The Company's Board of Directors has established a policy for determining the level of compensation for Directors, which is outlined on pages 60 to 64. The Company believes that this proposal is appropriate because it is in line with such policy.

(Reference)

Formula for calculating Directors' bonuses



Director's position	Position points
President	6,470
Corporate Executive Vice President	3,440~3,470
None	1,680

Degree of achievement	Factor
110% or more	1.2
105% or more and less than 110%	1.1
100% or more and less than 105%	1.0
95% or more and less than 100%	0.9
Less than 95%	0.8

Rating	Factor
World	1.05
Asia/Pacific	1.00
Not included	0.95

Target and result for each KPI (FY2021)

KPI	Target	Result	Factor
Consolidated operating profit	¥50.0 billion	¥40.0 billion	2.0
Achievement of target ROE in the current fiscal year	4.0%	3.3%	0.8
Annual DJSI* Rating	World	World	1.05

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

<Reference> Initiatives for Corporate Governance

Basic Policies for Corporate Governance

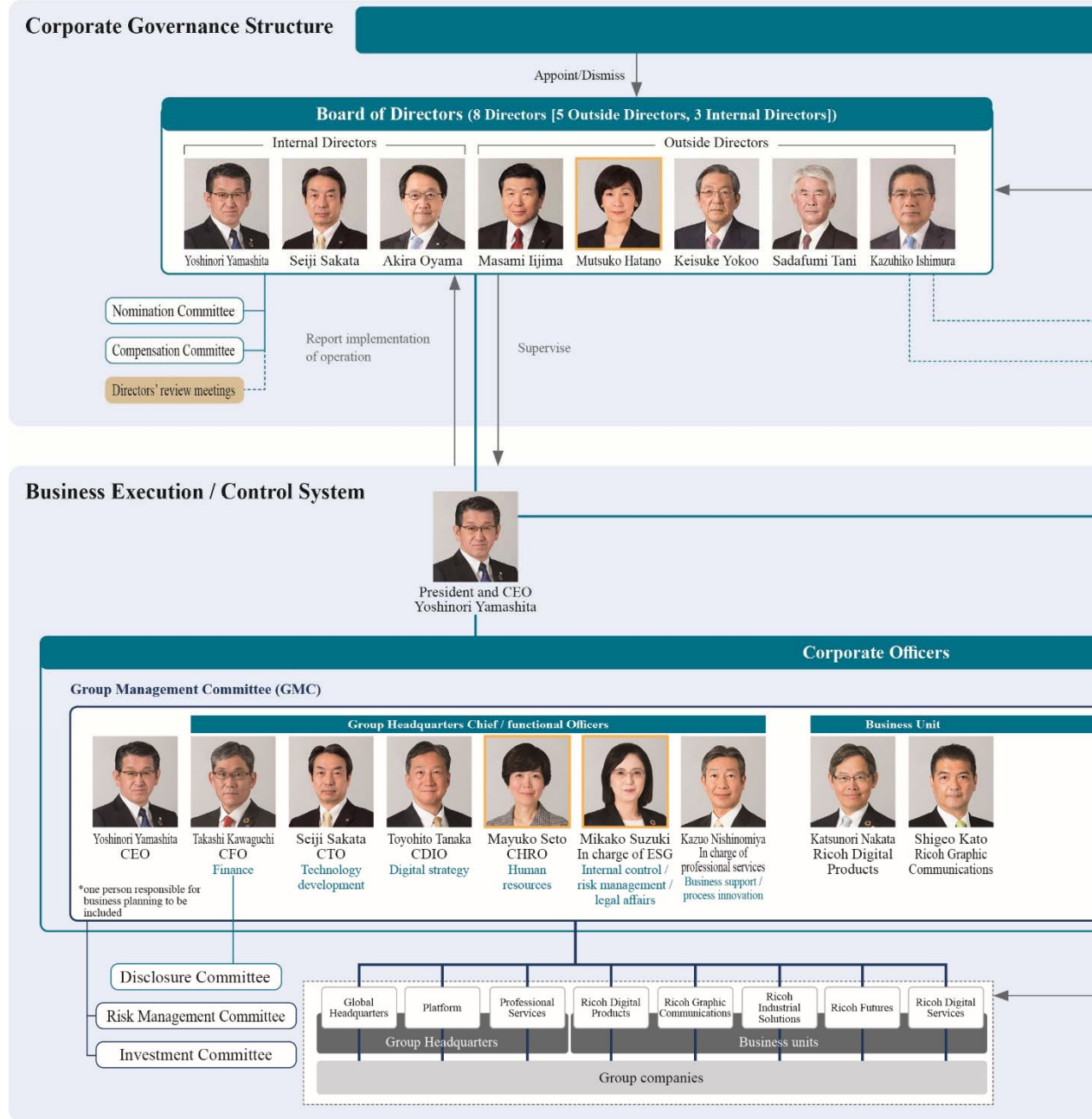
The Ricoh Group, through its corporate activity as a whole, including activities by management, is working to enhance its governance system to strengthen competitiveness in line with stakeholder expectations, while ensuring management transparency based on corporate ethics and legal compliance. In this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

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

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

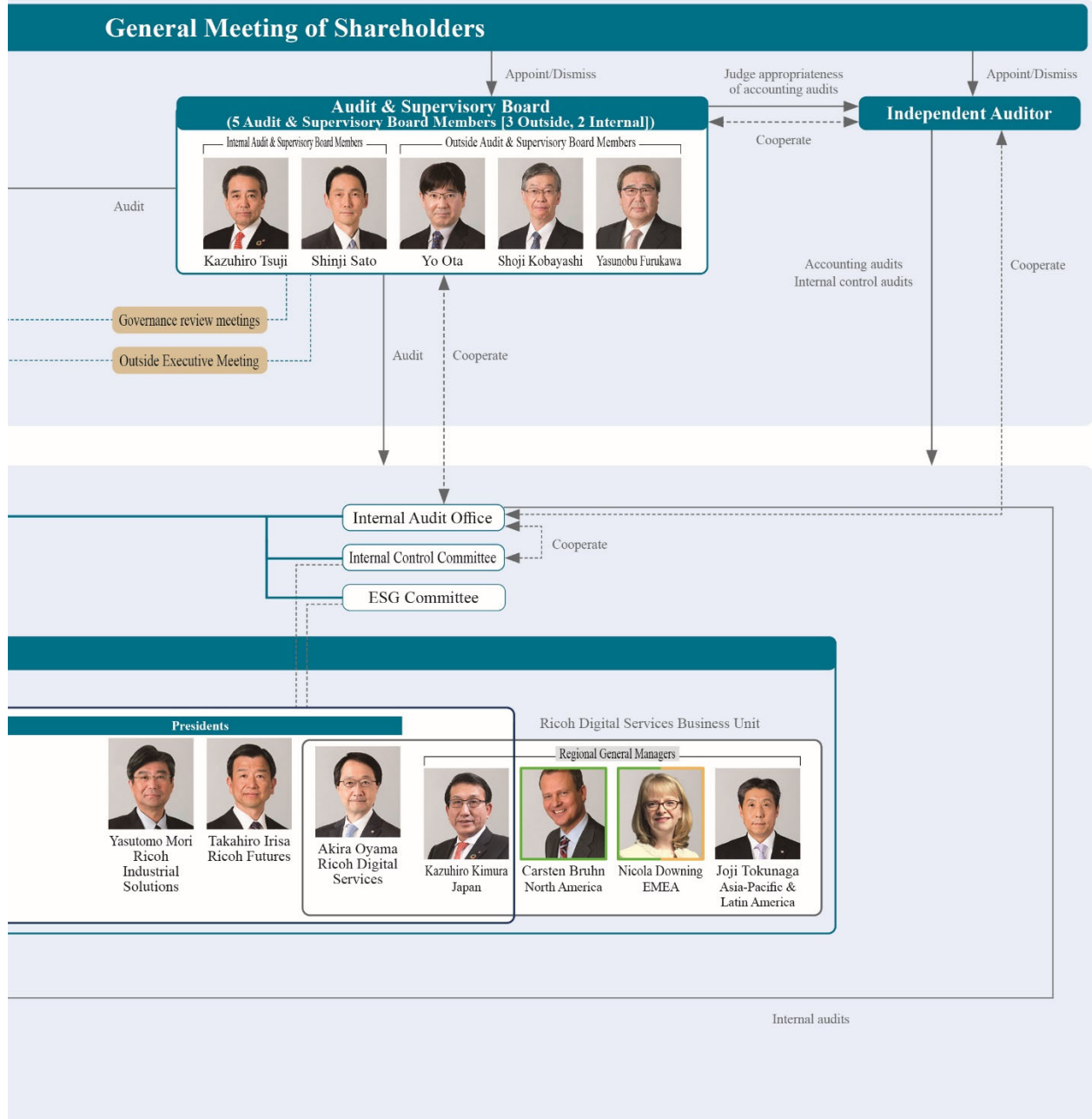
The nomination of Directors and Executive Officers, and their compensation are deliberated by the Nomination Committee and the Compensation Committee, advisory bodies that are comprised of a majority of Independent Outside Directors. The results of each committee are reported to the Board of Directors.

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



(Governance structure after the conclusion of the General Meeting of Shareholders on June 24, 2022 (planned))

[: Foreign national : Female]



Corporate governance system under the business unit structure

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

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

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

1) Oversight

- a) The Board of Directors and the Nomination Committee have carried out performance evaluations of executive managers, including the head of each business unit, in addition to the existing evaluations of Directors including the CEO, since FY2021.
- b) The Board of Directors deliberates on the performance status of each business unit on a quarterly basis and monitors invested capital and return on capital.
- c) The Board of Directors is strengthening its monitoring to ensure that internal controls and risk management are functioning properly after transition to a business unit structure, including the delegation of authority to each business unit and the review of affiliate management.

2) Execution

- a) After clarifying the scope of responsibility of each business unit through the business unit structure, each business unit sets its own targets (return on capital, etc.), monitors results at monthly business unit management meetings, and discusses issues and countermeasures with the CEO and general managers of the Group headquarters.
- b) Profits earned by each business unit will be first consolidated on a Group basis. Resource reallocation policy will be decided at the portfolio management meeting, which is part of GMC.
- c) In addition to implementing autonomous internal control and risk management for their own business operations, each business unit has established a cooperative system with the risk management department of Group headquarters to share the status of control within each business unit and to address priority risks for the Group as a whole.

3) Audit

- a) The Audit & Supervisory Board has recognized the effectiveness of internal control and subsidiary management systems in each business unit and the effectiveness of governance by the Group headquarters as the issues to be monitored in FY2021. In addition to reviewing each division and subsidiary, the Audit & Supervisory Board conducts audits on the status of initiatives from the perspective of 1) Oversight and 2) Execution through interviews with each business unit president and Group Headquarters functional officers as appropriate, and participation in various meetings, and others.
- b) The internal audit division, the Independent Auditor and Audit & Supervisory Board Members closely exchange opinions and share information on governance and internal control issues and concerns after the transition to the business unit structure, and reflect them in their respective audit points, thereby collaborating and strengthening the three-way audit.

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 Director, and Executive Director in holding serious discussion on important issues, the Company encourages initiatives in new areas of growth, creating a structure that allows for management oversight from the viewpoints of various stakeholders, including shareholders. As a rule, all Directors must attend at least 80% of meetings of the Board of Directors, and are required to provide an effective supervisory function for corporate management. In FY2021, five (5) of the Board's ten (10) Directors, or 50%, were Independent Outside Directors – part of our continued effort to incorporate various views and opinions and to eliminate arbitrary decision-making in management.

In addition, effective from FY2022, the Company has changed its policy to increase the ratio of Independent Outside Directors on the Board of Directors from at least one-third to a majority. In addition, we plan to appoint a Lead Independent Director after this General Meeting of Shareholders to enable Outside Directors to better fulfill their roles and functions on the Board of Directors. While the Board of Directors has traditionally been chaired by a Non-executive Director according to the Company's rule, the Lead Independent Director will be responsible for improving and enhancing governance in collaboration with the Chairperson of the Board of Directors, and will play a role in leading the duties of independent Outside Directors at the Company.

The appointment of the Lead Independent Director will be made 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 and the Directors. Appropriate collaboration and division of roles by the Chairperson and the Lead Independent Directors will ensure the smooth operation of the Board of Directors and the fulfillment of its functions.

Board of Directors structure

Maximum number of Directors: 15

Current number of Directors: 10

(including 5 Outside Directors)

Term: 1 year

(As of May 20, 2022)

(Reference)

Maximum number of Directors: 15

Current number of Directors: 8

(including 5 Outside Directors)

Term: 1 year

(Structure after the conclusion of the General

Meeting of Shareholders on June 24, 2022

(planned))

Audit & Supervisory Board

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

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

For details on the status of activities by Audit & Supervisory Board Members and the Audit & Supervisory Board, please refer to the Notes on the Audit Performance (pages 176 to 182).

Audit & Supervisory Board structure

Maximum number of Audit & Supervisory Board Members: 5

Current number of Audit & Supervisory Board Members: 5

(including 3 Outside Audit & Supervisory Board Members)

Term: 4 years

(As of May 20, 2022)

Coordination of the audit function

In order to ensure effective performance of duties by Audit & Supervisory Board Members, in addition to the activities reported in the Notes on Audit Performance (please refer to pages 176 to 182), the Audit & Supervisory Board coordinates as appropriate with Audit & Supervisory Board Members, the Independent Auditor and Internal Audit Office to strengthen and enhance all aspects of the Company's audit function.

1. Three-way audit coordination

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

2. Individual coordination

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

Full-time Audit & Supervisory Board Members hold regular monthly meetings with the Internal Audit Office, to discuss the results of audits and ensure a shared awareness of issues. In addition, the Internal Audit Office reports quarterly to the Audit & Supervisory Board on the status of its activities, and engages in an exchange of opinions that includes the perspectives of Independent Outside Audit & Supervisory Board Members.

(2) Coordination between Audit & Supervisory Board Members and the Independent Auditor

The results of audits and other information are shared at the three-way audit meetings. Meetings are also held as appropriate on specific themes, facilitating prompt exchange of information and discussion.

(3) Coordination between the Independent Auditor and the Internal Audit Office

The Internal Audit Office shares the results of internal audits with the Independent Auditor and engages in the exchange of opinions.

Training for Directors and Audit & Supervisory Board Members

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

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

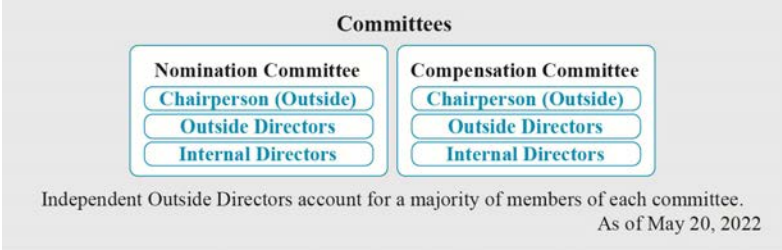
Outside Directors and Audit & Supervisory Board Members are appointed from among those who have adequate insight and experience necessary to carry out duties. Upon appointment, to enable them to deepen their understanding of the Company's current status, they are briefed on topics such as business strategy,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

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

Nomination Committee / Compensation Committee

Decisions on the nomination of the CEO and other senior managers, and their compensation, etc. are regarded as one of the most important matters for management oversight by the Board of Directors. The Company secures transparency and objectivity of appointment and dismissal, and compensation of Directors and Executive Officers, etc. by establishing the “Nomination Committee,” which is chaired by an Independent Outside Director, with Independent Outside Directors making up the majority; and the “Compensation Committee.” In addition, one Outside Audit & Supervisory Board Member attends the deliberations of the Nomination Committee and Compensation Committee as an observer each time.

For FY2021, the Nomination Committee was comprised of four Independent Outside Directors, one Internal Non-executive Director, and one Internal Executive Director; and the Compensation Committee was comprised of five Independent Outside Directors, one Internal Non-executive Director, and one Internal Executive Director.



Governance Review Meeting / Directors’ Review Meeting / Outside Executive Meeting

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

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

From the viewpoint of active contribution to discussions at meetings of the Board of Directors, the Outside Executive Meeting serves as a forum to share information and perspectives based on the independent and objective standpoints among Outside Directors and Outside Audit & Supervisory Board Members, as well as between Outside Directors and Outside Audit & Supervisory Board Members, and Full-time Audit & Supervisory Board Members and other executives.



Group Management Committee

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

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

Matters to be discussed at the GMC are as follows.

1. Planning of management strategy

- Medium and long-term management strategy
- Approval of short-term (annual) management policies and business plans
- Consolidated financial plans and borrowing facilities

2. Execution of management strategy

- Review and determination of proposals by Board of Directors
- Approval of financial decisions based on internal rules and regulations
- Determination of priority management risk items for the Ricoh Group
- Important personnel policy matters of Ricoh Company, Ltd.

3. Decision-making and reporting on other important matters

<Participation by Outside Directors
as observer in FY2021>

Month/Year	Number of observer Outside Directors
Sept. 2021	2
Oct. 2021	1
Nov. 2021 #1	4
Nov. 2021 #2	3
Dec. 2021	1
Jan. 2022	3
Feb. 2022 #1	2
Feb. 2022 #2	1
Mar. 2022 #1	4
Mar. 2022 #2	3

Outside Directors also participate in the GMC as observers in order to deepen their understanding of business operations.

Disclosure Committee

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

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

In FY2021, we newly conducted review of in-house processes for implementing appropriate disclosures.

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

Internal Control Committee

The Internal Control Committee is an organization established under the President of the Company to deliberate and make decisions on internal control of the entire Ricoh Group. The committee is composed of executive officers who fulfill certain requirements. As a rule, it meets once every quarter, but extraordinary or emergency meetings may be held at other times.

The committee deliberates on the following matters.

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

Specifically, in the case of serious incidents that may impact the entire Ricoh Group, the Internal Control Committee confirms details including the background, cause, and measures to prevent recurrence. Where doubts remain regarding the validity of measures to prevent recurrence, or doubts remain regarding the possibility of recurrence of that incident in the Group, the committee promptly determines the necessary countermeasures, and ensures that these are implemented from a top-down approach. In addition, taking into consideration internal control issues reported by internal audits and risk management and compliance activities, the GMC discusses and decides on measures to be taken to prevent incidents.

FY2021	Month	Agenda
First Meeting	April	1. Report of internal audit results for FY2020 2. Review of internal audit activity policy, issues, and approach 3. Internal audit plan for FY2021 4. FY2020 Q4 disclosure audit report 5. FY2020 serious incident report, FY2020 whistleblower report 6. Collaboration of ESG functions with business units
Second Meeting	June	1. FY2020 evaluation of the effectiveness of internal control over financial reporting
Third Meeting	August	1. FY2021 critical incident report and review of regulations 2. Risk management under the business unit structure 3. FY2021 Q1 internal audit report 4. FY2021 Q1 disclosure audit report
Fourth Meeting	November	1. FY2021 Q2 internal audit report 2. FY2021 Q2 disclosure audit report 3. FY2021 1H critical incident report 4. Results of the October Compliance Month 5. Global insurance
Fifth Meeting	February	1. FY2021 Q3 internal audit report 2. FY2021 Q3 disclosure audit report 3. FY2021 2H critical incident report 4. About the hotline 5. Incident reporting rules in the event of a major natural disaster 6. Progress of compliance survey activities

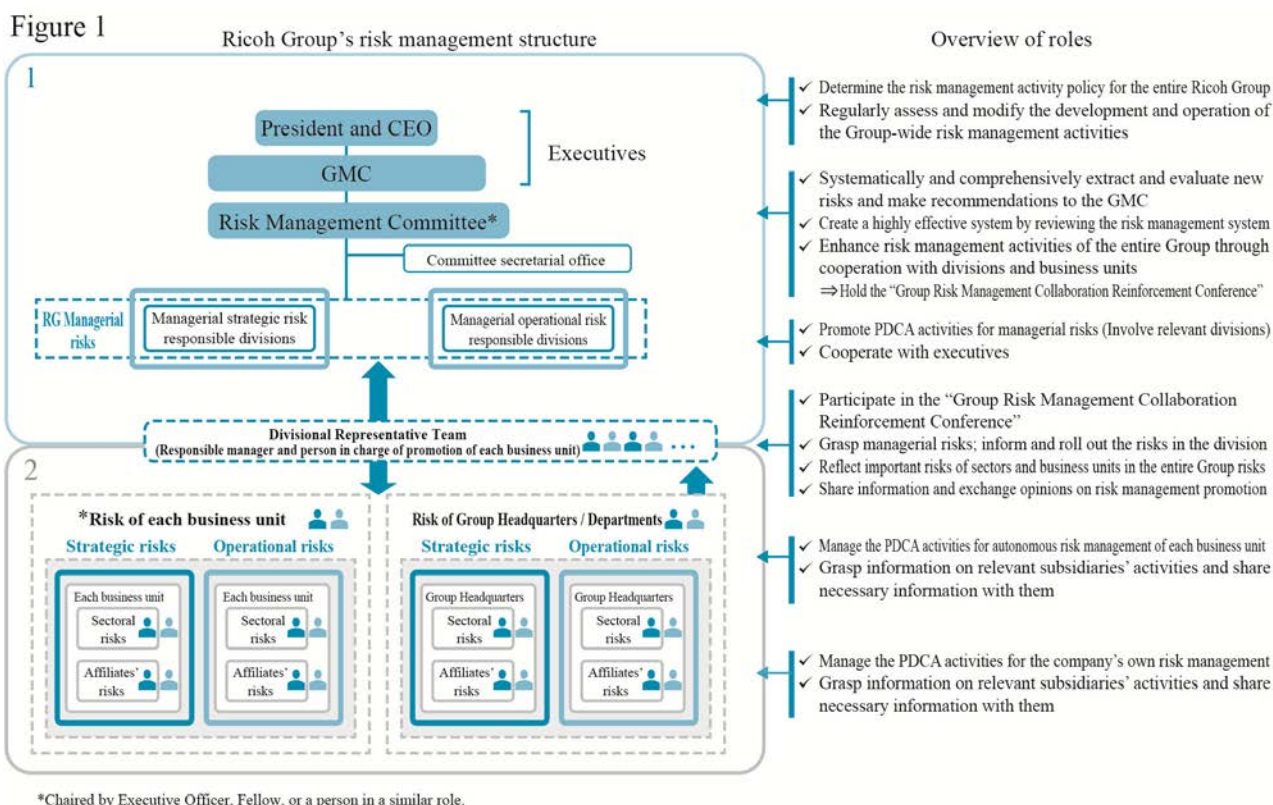
Risk Management Systems and the Risk Management Committee

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

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

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

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



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

In 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 have established an autonomous risk management system for each organization.

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 being made to make the organization more resistant to risk.

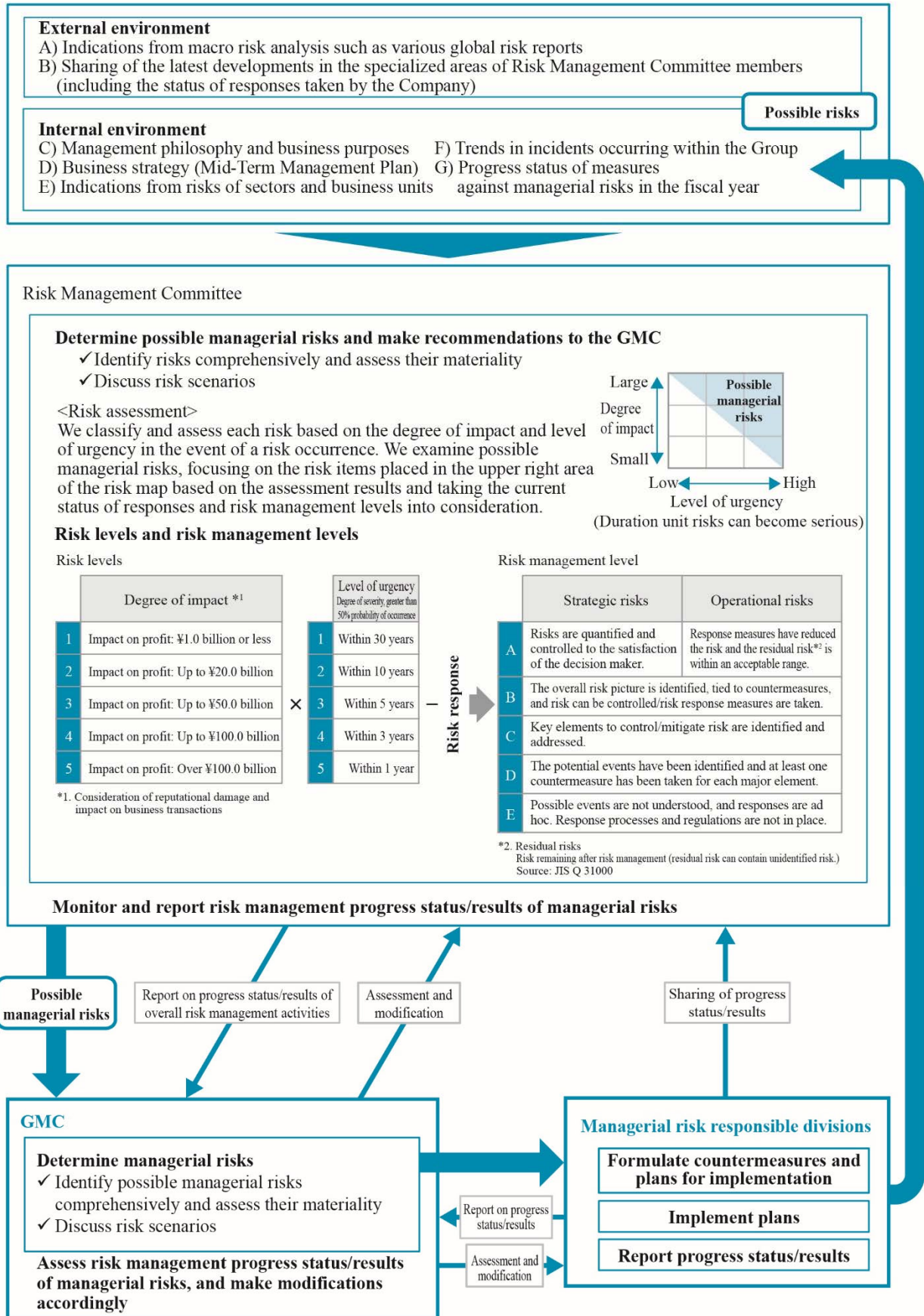
FY2021	Month	Agenda
First Meeting	July	<ul style="list-style-type: none"> Transition to the business unit structure, and check and review of the status of key risk omissions and responses toward transformation into a digital services company (Information security, supply chain governance, etc.)
Second Meeting	December	<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 FY2021 Review and decide on managerial risks for FY2022
Third Meeting	December	
Fourth Meeting	February	<ul style="list-style-type: none"> Risks associated with rapid changes in the international situation (Such as the situation in Russia and Ukraine)
Fifth Meeting	March	

Process of determining managerial risks

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

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

Figure 2: Process of determining managerial risks



Business Risks

Class	Item	Description	Countermeasure	Impact	Urgency	Risk management level
Business environment	COVID-19	For the impact of COVID-19 on the Ricoh Group and the response by the Group, please refer to pages 74–83 in “Business Report – 1. Business Condition of the Ricoh Group – (2) Business Situation.”	Regarding the impact of global spread of COVID-19 on financial results, the situation in each region is different and it is difficult to see the whole situation accurately, although there are bright signs such as the development and roll-out of vaccinations and oral drugs.	3	5	C
	Economic situation in major markets	<ul style="list-style-type: none"> Recognition of geopolitical risks such as the US-China trade conflict and the situation in Russia and Ukraine as major risks other than the impact of COVID-19 mentioned above Recognition that there is a potential risk of rapid deterioration of the economic situation in major countries due to unexpected events 	<ul style="list-style-type: none"> Construction of supply systems to ensure response to demand Mainstay MFPs are produced in parallel in Thailand and China by shipment region Materials and product inventory adjustments in response to risks Cost increase to be passed on to prices Continuous monitoring of market conditions, economic trends, security-related trends, etc. in major countries and areas, etc. 	3	5	D
	More competitive markets	<ul style="list-style-type: none"> New product launches by competitors Increase in price competition; demand shift Changes in the modality of competition and situation of competition due to COVID-19, etc. 	<ul style="list-style-type: none"> Provision of high quality, high value-added products and services that can become part of improving customers’ workflows, and price management Strengthen proposals and product development that can support changes in work styles and behavior under the new normal Strengthen business competitiveness through a new business unit structure 	3	4	C
	Fluctuations in price of parts, materials and/or foreign currency exchange rates	<ul style="list-style-type: none"> Movements in materials markets Impact of movements in exchange rates on the business results of foreign subsidiaries recorded in local currency Impact of movements in exchange rates on the value of assets and liabilities recorded in local currency, etc. 	<ul style="list-style-type: none"> Consideration of substitute materials, diversification of materials purchasing, adjustment of selling price Hedging of foreign exchange risk and thorough compliance with rules Offsetting of rights and obligations, currency matching of the assets and liabilities of foreign subsidiaries, etc. 	3	4	C
	Alliances with other entities, strategic investment	<ul style="list-style-type: none"> Cancellation of alliances due to a discrepancy in interests Difference in aims due to lack of information for consideration Difficulty in integrating businesses, technologies, products, personnel, etc. 	<ul style="list-style-type: none"> Prior screening from the perspective of finance, strategy and risk by specialized members (Investment Committee), and presentation of opinion to the GMC Monitoring of the progress of matters for approval by the Investment Committee, and sharing information with the GMC Continuous accumulation of know-how and human resource development 	2	3	B

Class	Item	Description	Countermeasure	Impact	Urgency	Risk management level
	Responding to technological changes	<ul style="list-style-type: none"> Information collection and prediction on technological changes Establishment of domains for focused strengthening of technologies in response to changes, and appropriate resource allocation Stronger technological capabilities in new domains 	<ul style="list-style-type: none"> Cooperation between global research and development bases and the promotion of open innovation Activities specialized in the research and development area required for a digital services company by the Advanced Technology R&D Center and Digital Strategy Department Select focus areas for company-wide R&D and technology development by appointing CTO and CDIO, and allocate resources in line with management strategy, etc. 	2	2	C
	Securing personnel	<ul style="list-style-type: none"> Inability to secure sufficient amounts of the following human resources Management human resources to lead business transformation Human resources with DX skills and know-how Human resources who can grow and play an active role autonomously 	<ul style="list-style-type: none"> Strengthening systematic development of top talent on a global scale Enhancing digital human resource development system, and enhancing ability to provide value to customers by improving DX skills through systematic training and internal practice Improving ability to execute business strategies and developing autonomous human resources through introduction of Ricoh-style job-based personnel system 	3	3	C
	Finance business	<ul style="list-style-type: none"> Recovery rate of credit extended Interest rate mismatch between fixed-rate long-term operating receivables executed with customers and some floating-rate short-term borrowings by the Ricoh Group 	<ul style="list-style-type: none"> Regular assessment of customer creditworthiness and credit limits, and adjustment of the amount of credit extended Review of expected credit losses through reassessment of credit risk as necessary due to sudden changes in the external environment Procurement of funds at fixed interest rates to hedge interest rate fluctuation risk on long-term fixed receivables, etc. 	2	5	B

Class	Item	Description	Countermeasure	Impact	Urgency	Risk management level
Business operation	Information security	<p>Risks affected by the ever-changing information security situation, as countries are promoting measures and reinforcement, including development of laws as a national policy:</p> <ul style="list-style-type: none"> Product security risk: Damage to brand value due to incidents such as leakage, falsification, or destruction of important information, or suspicion about the security quality of products. Corporate security risk: Threats such as system shutdown, leakage of personal information, and ransom demands due to cyber attacks (targeted attacks, vulnerability attacks, unauthorized access, phishing, load attacks, etc.), which have been increasing in recent years. In particular, the expansion of damage after a system breach can ultimately make it difficult to continue business or impact management. Data privacy policy risk, including personal information protection: Risk of customer privacy breaches, cyber-attacks, lawsuits, and other incidents caused by the Company. Factory security risk: Security incidents such as virus infection of old out-of-maintenance OS control system PCs/PCs for measurement equipment. Operational incidents due to inadequate edge device management. Risk of production stoppage or environmental damage due to the occurrence of an incident 	<p>Strengthen the division of responsibilities with related divisions, communication, processes, and responses to identify, prevent, detect, respond, and recover in security.</p> <ul style="list-style-type: none"> Product security: Strengthen product security to achieve ISO/IEC 29147*1 and 30111*2 compliant levels, equivalent to those of advanced security companies. Corporate security: To respond to recent cyber security threats in light of the cloud environment and telecommuting, further enhance detection and response capabilities, emphasizing not only defense but also intrusion-based countermeasures. Data privacy policy including personal information protection: Strengthen it through establishing and operating handling rules not only for personal information protection but also for personal data of a private nature in general. Factory security: Aiming at the IEC62443 conformance level, in FY2021 we will realize risk countermeasures for important items and strengthen them from the perspective of organization, process, and technology. <p>*1 ISO/IEC 29147: International standard for vulnerability disclosure *2 ISO/IEC 30111: International standard for vulnerability response</p>	2	5	C
	Product liability	<p>For Ricoh Group products and goods:</p> <ul style="list-style-type: none"> Serious safety problems (casualties, fire damage) Legal issues related to safety or the environment Prolonged quality problems may cause customers and society to lose confidence in the company, resulting in damage to the corporate brand and product brand, etc. 	<ul style="list-style-type: none"> Better prevention through analysis of the mechanism of breakdowns and accidents, and its application to the development process Enhancement of market response systems in preparation for the occurrence of a problem Thorough compliance (with laws and official standards in each country) through the establishment and regular review of standards and guides, etc. 	2	2	B
	Long-term delay/suspension in supply of products	<p>Risk of losing business opportunities, etc. resulting from:</p> <ul style="list-style-type: none"> Delay or suspension in the supply of parts Delay or suspension of manufacturing by factories 	<ul style="list-style-type: none"> Establishment of BCP (business continuity plan) inventories, and implementation of multi-route sourcing of important parts 	Continued pandemic	3	5

Class	Item	Description	Countermeasure	Impact	Urgency	Risk management level	
		<ul style="list-style-type: none"> · Delay or suspension of operations by distributing agents · Delay or suspension of supply to sales companies <p>due to unpredictable circumstances such as major earthquakes / tsunamis, political changes / turmoil, floods, a pandemic, suspension of supply, and geopolitical risk</p>	<ul style="list-style-type: none"> · Based on the experience of the rapid global spread of COVID-19 and geopolitical risks, the scope of risk should be expanded from local to regional, the recovery period should be extended from short to long, and the environment should be prepared for contingencies. Furthermore, continue to confirm and improve the effectiveness of response measures by conducting certain types of hands-on drills on a regular basis in addition to tabletop exercises, etc. 	Geopolitics	3	5	D
				Earthquakes, volcanic eruptions, typhoons, floods	3	1	B
	Protection of intellectual property rights	<ul style="list-style-type: none"> · Failure to obtain intellectual property rights related to our products and services, and to protect our business · Attacks, litigation and license fee payments due to the intellectual property rights held by third parties · Contractual issues relating to intellectual property rights caused by increased collaboration with other companies in new businesses, and joint research and development 	<ul style="list-style-type: none"> · Thorough prior-art search at the time of filing, understanding of laws, examination processes and criteria related to intellectual property in each country · Thorough clearance of the intellectual property rights of third parties · Prevention of problems and risk reduction using explicit knowledge of past contractual issues 	1	2	B	
	Government regulations (import/export management)	<ul style="list-style-type: none"> · Impact on production and sales from administrative sanctions such as export suspensions due to violations of laws related to import and export, loss of business opportunities due to the loss of social trust, fines and criminal penalties, etc. · Violation of export control laws of countries due to external factors such as international emergencies 	<ul style="list-style-type: none"> · Understanding of ever-changing international situation and implementation of active risk avoidance measures (Promptly organize a project in the event of an international emergency) · Education for officers and employees and dissemination of important export control information within the Group · Implementation of regular management and process audits related to import and export, etc. 	3	5	B	
	Government regulations (legal)	<p>Subjection to fines (administrative dispositions), criminal penalties, suspension of business with government agencies, and loss of social trust, etc., due to violation of anti-monopoly and competition laws, etc.</p>	<p>Strengthening of compliance with competition laws in each country, educational activities and response in the case of violations, led by the legal division in each region, etc.</p>	2	5	B	

Class	Item	Description	Countermeasure	Impact	Urgency	Risk management level	
	Government regulations (personnel)	Loss of social trust due to compliance violations related to personnel (harassment, employment- or human-rights-related issues, etc.), etc.	<ul style="list-style-type: none"> Thorough dissemination of the Ricoh Group Code of Conduct Swift response to any changes in laws and regulations related to personnel, and education of employees; establishment of response systems and rules in the event of issues occurring. Conducting assessments of Ricoh Group companies and suppliers regarding human rights. Responding to the UK Modern Slavery Act, etc. 	1	5	C	
	Government regulations (environment)	Subjection to administrative dispositions, fines, criminal penalties and loss of social trust, etc., due to violation of environmental laws, etc.	Construct Environmental Management Systems, ensure thorough compliance with environmental laws through regular assessments, grasp and respond promptly to changes in regulation, etc.	3	5	B	
Accounting system	Impairment of goodwill and fixed assets	Impairment of goodwill, property, plant and equipment and intangible assets for businesses arising from corporate acquisitions, etc.	Strengthen the processes described in “Alliances with other entities, strategic investment,” etc.	2	2	B	
	Defined benefit plan obligations	Unexpected and unforeseen movements in the equity and debt markets related to plan assets held to provide for defined benefit plan obligations and retirement plans (causing a decline in revenue from plan assets), etc.	Consider and implement reviews of plans as appropriate, in view of government regulations, personnel strategy and personnel systems, etc.	2	2	B	
Environment, disasters	Climate change-related effects	<ul style="list-style-type: none"> Increase in costs and decline in market competitiveness due to late response to the transition to a decarbonized society Increases in the price of raw materials or supply chain disruption due to natural disasters (torrential rains, flooding, forest fires) and the impact of infectious diseases, etc. 	<ul style="list-style-type: none"> Implementing planned decarbonization to achieve the environmental targets certified by SBT Initiative “1.5°C Target” Enhancing of business continuity capabilities across the entire supply chain, to reduce the impact of natural disasters on the businesses, etc. 	3	5	B	
	Effects of disasters and other unpredictable events	Damage to people (including families) and property at Group companies due to the occurrence of major natural disasters, emergencies and accidents, etc.	<ul style="list-style-type: none"> Stipulation of the system and roles, including initial response in case of emergency (including restoration of business sites), reporting methods, and establishment of each task force 	In Japan: earthquakes	3	1	C
			<ul style="list-style-type: none"> Conducting disaster response drills jointly by the domestic group companies, disaster drills at each business site, and 	In Japan: wind, flood, and snow damage	1	5	C

Class	Item	Description	Countermeasure		Impact	Urgency	Risk management level
			periodic facility inspections, etc. ・ Preparation of a BCP (business continuity plan) tailored to each region and business ・ Implementation of a flood risk survey at 19 major domestic bases Implementation of flood countermeasures for 3 sites considered high-risk (flood countermeasure construction, formulation of recovery action plans, and on-site training based on written plans)	Outside Japan: major natural disasters, incidents, and accidents	2	3	D

Investment Committee

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

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

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

< Monitoring of investments and loans >

After investments and loans are executed, we will periodically summarize the progress of the investments and loans and provide monitoring reports to the GMC on a semi-annual basis in accordance with the content and timing of the business plan and quantitative indicators (KPI) that have been approved by the GMC and other decision-making meetings after the Investment Committee's deliberation process.

< Initiatives to develop M&A experts >

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

The training program offers the Company's original program (20 courses with the duration of six months) based on our past cases. So far, 118 people have obtained completion certificates. In FY2022, we plan to hold the program with an increased number of participants.

In addition, even after the completion of this training program, we will hold courses for corporate value evaluation and financial analysis, as well as specialized courses for different functions, such as human resources,

environment, and IT, to provide continuous support to program attendees and help them further improve their abilities.

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

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

ESG Committee

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

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

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

In FY2021, ESG Committee meetings were held four times to discuss the following.

FY2021	Month	Agenda
First Meeting	May	<ul style="list-style-type: none"> • Report on the results of company-wide ESG targets for FY2020 • Approval of the Human Rights Due Diligence Development Plan • Pollution prevention measures • Status of response to ESG evaluation / improvement • The FY2021 integrated report
Second Meeting	July	<ul style="list-style-type: none"> • Climate change risks and opportunities (comply with TCFD) • Harmonization of GHG (greenhouse gas) reduction scenarios for decarbonization activities • Report on the progress of Human Rights Due Diligence Development Plan
Third Meeting	December	<ul style="list-style-type: none"> • ESG external evaluation results report • Progress of decarbonization activities • Progress of human rights initiatives
Fourth Meeting	March	<ul style="list-style-type: none"> • Strengthen supply chain ESG initiatives • Report on the progress of Human Rights Due Diligence Development Plan • Issues and responses to ESG evaluation • Planning of the integrated report for FY2022

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

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

Policy for constructive engagement with shareholders

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

Approach to Election of Directors

Election Criteria for Directors

<Management capabilities>

Superior insight and judgment necessary for management functions

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

<Character and personality>

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

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

Election criteria for Outside Directors

In addition to the same election criteria as for Internal Directors stated above, the election criteria for Outside Directors include having excellence in areas such as expertise in different fields, problem discovery and solving capabilities, insight, strategic thinking capabilities, risk management capabilities, and leadership. Outside Directors must also have no issues concerning independence in light of the Company's standards for independence of Outside Directors and Outside Audit & Supervisory Board Members.

Diversity Policy

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

In addition, it is our policy to select candidates based on their character and knowledge with no distinction made on the basis of race, ethnicity, gender, or nationality or similar attributes, thus ensuring diversity in such attributes.

Election Process and Evaluation Process for Directors

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

<Nomination Committee>

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

To increase objectivity and independence, the Nomination Committee is comprised of a majority of Independent Outside Directors, and is chaired by an Independent Outside Director. In addition, one Outside Audit & Supervisory Board Member attends meetings of the committee so as to ensure transparency in deliberation.

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

(Inquiry items from the Board of Directors)

- 1) Nomination of candidates for CEO and Directors
- 2) Whether or not the CEO and Directors shall be replaced
- 3) Evaluation of the performance of the CEO and Executive Directors
- 4) Confirmation of status of CEO succession plans and development of future CEO candidates

- 5) Confirmation of appointment/dismissal proposals and reasons thereof for Executive Officers, Advisors, and Fellows
 - 6) Approval or disapproval on the formulation, revision or abolishment of appointment/dismissal systems for Directors and Executive Officers
 - 7) Other matters individually consulted by the Board of Directors
 - * Fellow: The Company defines a “fellow” as a person who holds excellent technological prowess or knowledge recognized in the world, and who is able to further pursue his or her expertise, and lead research activities for utilizing and developing such expertise. Fellows are appointed by resolution by the Board of Directors.
- (Other agenda items)
- 1) Confirmation of reasons for selecting candidates for Audit & Supervisory Board Member based on requests from the Audit & Supervisory Board
 - 2) Confirmation of performance evaluation of Executive Officers
 - 3) Other matters consulted by the CEO

<Election process>

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

The Nomination Committee engages in multifaceted assessment of the qualities, experience, skills, diversity, etc. required of the Company’s Directors, in accordance with the management environment, strategic direction, challenges, etc., against the basic criteria of management ability, character and personality necessary to fulfill the role and responsibilities of Director, and reports to the Board of Directors after clarifying the basis for nomination.

Based on reporting from the Nomination Committee, the Board of Directors deliberates from a shareholder perspective, and then determines which candidates for Director are to be submitted to the General Meeting of Shareholders.

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

<Evaluation process>

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

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

<Key items for Director evaluation> *Excluding Non-executive Directors and Outside Directors

Evaluation perspective	Category	Evaluation items (typical items)	Item details/supplementation
Management oversight status	Qualities and abilities	Actions aimed at maximizing corporate and shareholder value, attitude toward executive oversight and mutual checks and balances among Directors, risk management, and insight necessary for corporate management	
Financial indicators	Performance	Business performance on a consolidated basis	Sales, operating profit, profit, ROE, ROIC, FCF
		Status of business plan for FY2021	By business unit, by region, key measures
		Performance under the 20th Mid-Term Management Plan	Finance, key measures
Capital market / shareholder indicators	Capital market	Stock price indicators	Stock price, market capitalization, PBR
		Rating	
	Shareholder	TSR/shareholder returns	

TSR, which is used as one of the criteria for “contribution to shareholders and capital market evaluation perspectives” to evaluate Directors, is calculated based on the average share price for the fiscal year (see table below) to avoid the impact of sudden share price fluctuations.

Holding period	1 year	2 years	3 years	4 years	5 years	6 years
RICOH (incl. dividends)	145.3%	112.2%	109.5%	118.5%	132.1%	106.0%
TOPIX (incl. dividends)	119.2%	128.3%	125.0%	127.3%	156.4%	146.6%

Evaluation of CEO and CEO Succession Plan

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

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

1) CEO Evaluation

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

As with Executive Directors, the CEO is evaluated based on the “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” (see above), as well as “Future financial viewpoint” to evaluate his/her overall management supervision and business execution capabilities as a CEO.

<Key items for CEO evaluation>

Evaluation perspective	Category	Evaluation items (typical items)	Item details/ supplementary notes
Management oversight status	Same categories and evaluation items as those for Directors (please refer to page 58)		
Financial indicators	Same as above		
Capital market / shareholder indicators	Same as above		
Future financial indicators	ESG	Environment	Environmental management initiatives
		Society	SDGs initiatives
		Governance	System, disclosure, IR, compliance
	Employees	Development and use of human resources	Personnel systems and work environment
		Employee engagement	External survey
		Safety and health	Workplace safety and health management
	Customers	Serious incident	Product and information security
		Customer satisfaction	External survey

2) Selection, development and evaluation of CEO candidates

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

<Selection of candidates>

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

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

<Development of candidates>

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

<Evaluation of candidates>

CEO candidates are evaluated annually, and the CEO reports on the achievements and growth of each candidate during the development period (April to March next year) to the Nomination Committee in early November (the evaluation period is from April to October, which is the month before the Nomination Committee meets). The Nomination Committee deliberates on the continuation or replacement of CEO candidates and, if necessary, evaluates CEO candidates, utilizing advice from outside experts, etc., and reports the results of its deliberations to the Board of Directors. Upon reporting from the Nomination Committee, the Board of Directors evaluates the CEO candidates and confirms the validity of deliberations on which candidates are to remain or to be replaced, and is actively involved in the process.

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

1. How to determine policy regarding decisions on individual compensation, etc.

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

2. Compensation policy

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

Compensation composition	<ul style="list-style-type: none">• 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 Non-executive Directors is comprised only of basic compensation and bonuses in light of their role of overseeing business execution with extensive knowledge of the actual situation of the Company serving full-time.• Compensation for Outside Directors responsible for management oversight and Audit & 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">• The Company will ensure objectivity, transparency and appropriateness in designing the compensation system, setting compensation levels and determining individual compensation through appropriate external benchmarks and ongoing deliberations and monitoring by the Compensation Committee.• The Compensation Committee and the Board of Directors deliberates on the appropriateness of individual director compensation amounts based on the results of the Nomination Committee's evaluation of Directors and other factors.

3. Policy regarding decisions on individual compensation, etc., and matters related to performance-linked compensation, non-monetary compensation, etc. for FY2021

1) Process for determining compensation

The Company has established a voluntary Compensation Committee to build a more objective and transparent compensation review process that helps increase profits, enhance corporate value, and strengthen corporate governance through incentives. The Compensation Committee determines each compensation plan for basic compensation, bonuses, compensation for acquiring stock, and stock-based compensation with stock price conditions after multiple deliberations based on the compensation standards for Directors and business performance, as well as the results of the Nomination Committee's evaluation of Directors, and makes recommendations to the Board of Directors.

The Board of Directors deliberates and decides on each compensation plan recommended by the Compensation Committee. With respect to bonuses, the Board of Directors determines the total amount of bonuses to be paid after confirming that the amount of bonuses for each individual Director is appropriate in accordance with the formula for Directors' bonuses, and decides on a proposal for the payment of bonuses to Directors and whether or not to submit the proposal to the General Meeting of Shareholders. After the proposal for payment of bonuses to Directors is approved at the General Meeting of Shareholders, the amount of the individual bonuses determined by the Board of Directors is paid.

2) Policy for determining compensation level

From the perspective of ensuring appropriate linkage with corporate performance, the Compensation Committee confirms every fiscal year whether the target level of the Company's performance is secured for each compensation category. Basic compensation refers to the compensation level of officers of the benchmark company group* based on survey results of external specialized agencies. Short-term and medium- to long-term incentives are set to the level that is at a higher level among the benchmark company group if our operating profit level is higher than the performance of the benchmark company group, and at a lower level among the benchmark company group if our operating profit level is lower.

* Approximately 20 companies are selected from among competitors in the office automation field, electrical equipment manufacturers, and global companies of similar size (in terms of net sales, number of employees, etc.).

3) Compensation for Directors

Type	Name	Internal Director		Outside Director	Comments
		Executive	Non-executive		
Fixed	Basic compensation	○	○	○	Compensation based on roles and responsibilities
Variable (short-term)	Performance-linked bonuses	○	○	-	Linked to achievement of performance targets
Variable (long-term)	Compensation for acquiring stock	○	-	-	The entire amount paid is used for the acquisition of Ricoh shares through the Executive Stock Ownership Plan
	Stock-based compensation with stock price conditions	○	-	-	Incentive to enhance corporate and shareholder value over the medium to long term

Please refer to pages 64 and 65 for ratio of each type of compensation.

i) Basic compensation (fixed)

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

The amount of compensation is decided within the range of the total amount of compensation determined at the general meeting of shareholders, and the total amount of compensation paid for FY2021 was 296.15 million yen.

	Composition of compensation	Main method of setting compensation levels
Internal Directors	“Compensation pertaining to management oversight” and “compensation reflecting the importance of individual roles and management responsibilities” as a base, with additional “compensation based on positions for the Representative Director, Chairperson of the Board of Directors, etc.”	<ul style="list-style-type: none"> The importance of individual roles and management responsibilities of Directors who concurrently serve as Executive Officer are determined with reference to the job grade framework of external specialized agencies. Compensation for Non-executive Directors is determined in light of their role of overseeing business execution with their extensive knowledge of the actual situation of the Company serving full-time.
Outside Directors	“Compensation pertaining to management oversight” and “compensation pertaining to advice to management” as a base, with additional “compensation based on positions, such as Chairperson of the Nomination Committee and Chairperson of the Compensation Committee”	<ul style="list-style-type: none"> The amount of compensation is set with reference to objective data from external specialized agencies.

ii) Performance-linked bonuses (short-term)

Performance-based bonuses are monetary compensation paid after the end of a fiscal year as compensation that reflects the Company’s performance and shareholder value improvements in the target fiscal year. For FY2021, the following indicators were established.

Evaluation indicator	Reason (objective)
Consolidated operating profit	Clarify that Directors are responsible for increasing earnings and improving profitability by setting operating profit, which correlates with market capitalization and represents achievements in business activities, as an evaluation indicator
Achievement of target ROE in the current fiscal year	Clarify that Directors are responsible for improving shareholder value by setting ROE, a key indicator for enhancing return on capital, as an evaluation indicator
Annual DJSI* Rating	Provide an incentive for ESG improvement by using the DJSI’s annual rating, which is used as a tool for confirming company-wide ESG initiatives, as an evaluation indicator

In addition, the Compensation Committee deliberates on the appropriateness of individual bonus payment amounts based on the results calculated by the formula below, including the results of the evaluation of Directors by the Nomination Committee, and make recommendations to the Board of Directors, which then decides whether or not to submit a proposal for the payment of bonuses to Directors to the General Meeting of Shareholders.

With regard to bonuses for FY2021, the Compensation Committee’s deliberations determined that the results calculated according to the formula below are appropriate, and the total amount to be paid is 29.69

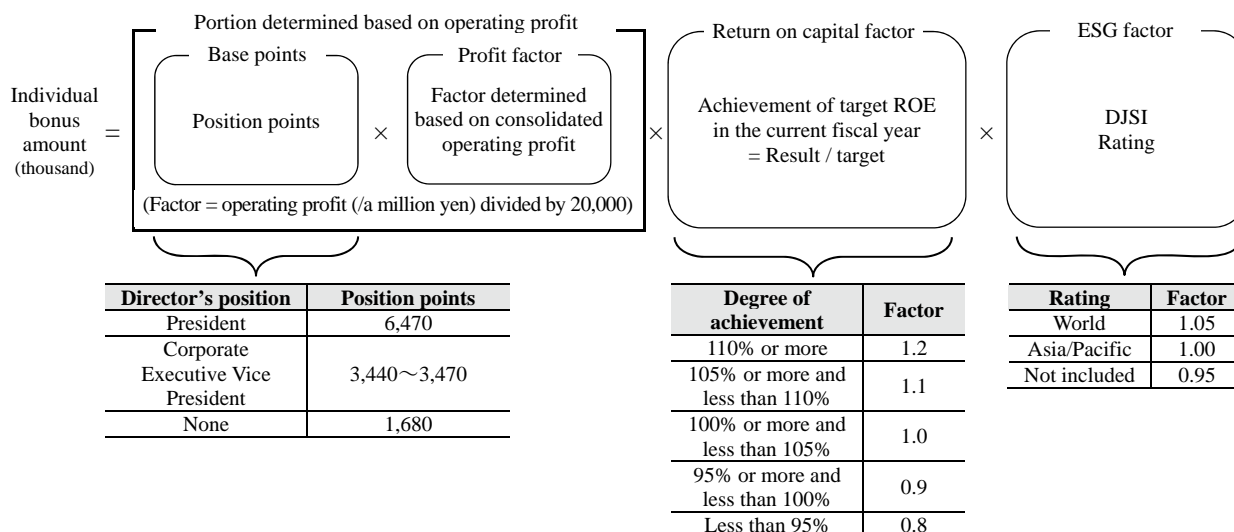
million yen.

* Dow Jones Sustainability Index (DJSI):

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

(Reference)

Formula for Directors' bonuses



Targets and Results for Evaluation Indicators (FY2021)

	Target	Results	Factor
Consolidated operating profit	¥50.0 billion	¥40.0 billion	2.0
Achievement of target ROE in the current fiscal year	4.0%	3.3%	0.8
Annual DJSI Rating	World	World	1.05

iii) Compensation that reflects the improvement of shareholder value (medium- to long-term)

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

(Compensation for acquiring stock)

Compensation for acquiring stock is monetary compensation intended to steadily increase the number of shares held by the Directors and to share with shareholders the benefits and risks arising from fluctuations in the stock price.

Compensation for acquiring stock is paid monthly as fixed salary during the term of office, and the entire amount paid is used for the acquisition of stock by the Ricoh Executive Stock Ownerships Plan. The amount is set for each position within the range of the total compensation decided at the general meeting of shareholders, and the total compensation paid for FY2021 was 11.73 million yen.

(Stock-based compensation with stock price conditions)

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

The stock-based compensation with stock price conditions is a system under which the Board Incentive Plan trust (hereinafter referred to as the “Trust”) established by the Company with monetary contributions acquires the Company's shares 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 (hereinafter referred to as the “System”).

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

The number of points granted to each Director by the Company corresponds to the position of each Director in accordance with the Share Grant Regulations determined by the resolution of the Board of Directors. As the system is intended for the Directors to share benefits and risks of stock price fluctuations with shareholders, the final number of shares to be delivered will in principle be determined by multiplying the points granted by a rate (0 to 200%) obtained from the results of comparison of the growth rate of the Company's stock price during the term of office with the growth rate of TOPIX. In addition, pre-issuance malus-clawback clause has been established to request the return of stock-based compensation in the event of serious misconduct that causes damage to the Company during the Director's term of office. (See page 65)

The amount recorded as expenses based on the points granted for the stock-based compensation with stock price conditions in FY2021 is 14.74 million yen. As no Directors retired in FY2021, there is no disclosure item regarding the actual growth rate of the Company's stock price.

1	Directors who are eligible for the System	Directors of the Company (excluding Outside Directors and Non-executive Directors)
2	Period (After the extension)	Three fiscal years from the fiscal year ended March 31, 2020 to the fiscal year ending March 31, 2023 (The period covered by the System may be extended by a decision of the Board of Directors for a period not exceeding five fiscal years, to be determined on a case-by-case basis.)
3	Maximum amount of money that the Company will contribute as funds for the acquisition of the Company's shares required to be delivered to the eligible Directors during the period.	A total of 300 million yen for the initial subject period (from the fiscal year ended March 31, 2020 to the fiscal year ended March 31, 2022) In the case of an extension of the covered period, the amount obtained by multiplying the number of fiscal years of the extended period by 100 million yen will be added.
4	How to acquire the Company's shares	Acquisition from the stock market (including off-floor trading)
5	Maximum number of points awarded to eligible Directors	A total of 300,000 points for the initial period. If the case of an extension of the covered period, the number of points obtained by multiplying the number of fiscal years of the extended period by 100,000 points will be added. (Note) 1 point is 1 share of the Company.
6	Standard for granting points	Points are granted in a number corresponding to the position of the eligible Director, adjusted by the comparison results between the growth rate of the Company's stock price and the growth rate of TOPIX (Tokyo Stock Price Index).
7	When to deliver the Company's shares to the eligible Directors	Upon retirement, in principle

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

iv) Revision of directors' compensation for FY2022

The Board of Directors decided on March 2, 2022 to revise the basic compensation and bonus formula for Directors starting in FY2022, with the aim of continuously increasing corporate value through transformation into a digital services company.

(Revision of basic compensation for Directors who also serve as Executive Officers)

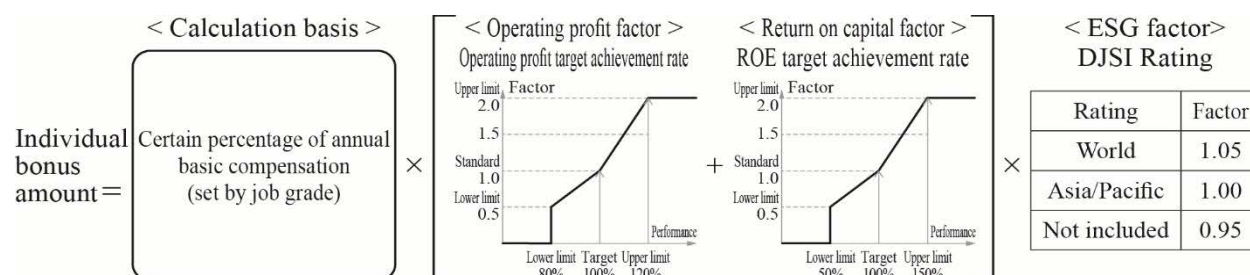
The Company will change from setting remuneration by position to setting remuneration by job grade. The job grade is determined in accordance with the content of the duties of Directors who concurrently serve as Executive Officers, the level of responsibility and the degree of difficulty of the duties, with reference to the job grade framework of an external professional organization.

Current: Compensation design by position (image)		Future: Compensation design by job grade (image)	
Position	Basic compensation	Job grade	Basic compensation
Chairperson	¥○○○○	Grade 4	¥○○○○
President	¥△△△△	Grade 3	¥△△△△
Vice President	¥□□□□	Grade 2	¥□□□□
Director	¥XXXX	Grade 1	¥XXXX

(Revision of bonus formula for Directors)

The formula will be changed to clarify the responsibility of Directors for achieving company-wide performance and to motivate them to achieve their goals.

Bonus formula for Directors from FY2022



[Revision points]

- Return on equity (ROE) will be independently evaluated as a key indicator, while consolidated operating profit was previously the main axis and ROE was a factor for addition or subtraction of the degree of achievement.
- The change from the conventional profit-distribution formula to a target achievement formula will clarify the level of KPI that must be achieved, and will also increase the degree to which bonuses are paid in accordance with actual performance.
- A higher inclined incentive curve will be set for the achievement of company-wide performance that exceeds the target.

The Company will continue to review its incentive design for increasing corporate value and shareholder value when developing the next 21st Mid-term Management Plan commencing from the next fiscal year.

4) Compensation for Audit & Supervisory Board Members

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

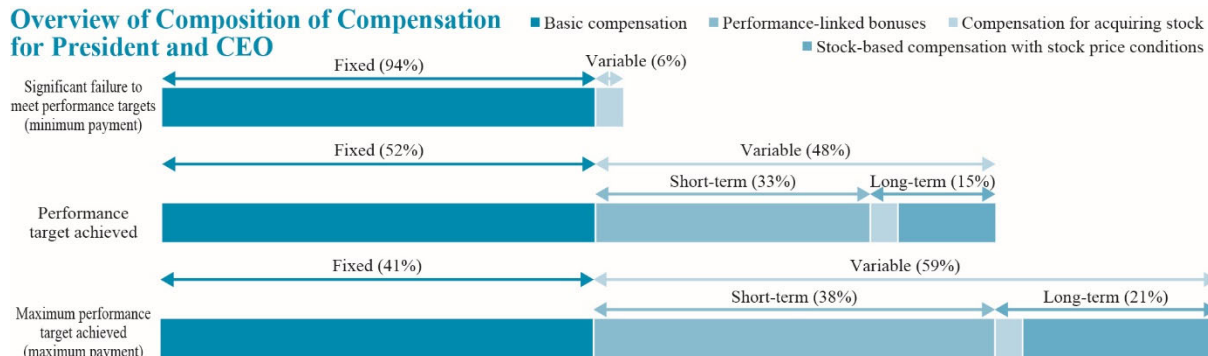
Compensation levels are discussed by the Audit & Supervisory Board based on the results of an external benchmark study and are determined within the remuneration framework for Audit & Supervisory Board Members approved at the 84th Ordinary General Meeting of Shareholders.

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

In order to clarify responsibility for performance for each role and function, the ratio of fixed compensation (basic compensation) to variable compensation (performance-linked bonus, compensation for acquiring stock, and stock-based compensation with stock price condition) is designed so that those with more management responsibility will receive a greater proportion of variable compensation. As a result of the revision of the formula for Director bonuses in FY2022, etc., for the highest-ranking President and Executive Officer, the fixed/variable compensation ratio will approximately be 5:5 when the standard performance target is achieved, and 4:6 when the maximum performance target is achieved.

The Company will continue to emphasize the enhancement of corporate and shareholder value over the medium to long term, and will further increase the ratio of variable compensation linked to shareholder value and business performance, and will continue to deliberate on the appropriate amount of compensation for each compensation type.

Overview of Composition of Compensation for President and CEO



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

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

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

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

2) Prohibition of stock trading for a certain period

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

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

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

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

In determining the content of individual compensation for Directors in FY2021, the Compensation Committee conducted a multifaceted examination including consistency with the above policy for determining compensation, and the Board of Directors deliberated and made decisions, basically respecting the recommendation made by the Compensation Committee. Therefore, we have determined that the content of individual compensation for Directors in FY2021 was in line with the above policy for determining compensation.

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

Compensation type	Details	Resolution	Number of recipients at the time of resolution
Compensation for Directors	The amount of basic compensation (including the monetary portion of the compensation for acquiring stock): 46 million yen or less per month (including 7 million yen or less per month for Outside Directors)	116th Ordinary General Meeting of Shareholders held on June 17, 2016	11 (including 4 Outside Directors)
	The maximum amount of contribution and the maximum total number of points to be granted to Directors for the stock-based compensation with stock price conditions are 300 million yen in total (100 million yen per fiscal year) and 300,000 points in total (100,000 points per fiscal year) for the initial period (fiscal year ended March 31, 2020 to the fiscal year ended March 31, 2022). In the event that the period covered is extended by a decision of the Board of Directors of the Company for a period not exceeding five fiscal years, the amount shall be 100 million yen multiplied by the number of fiscal years of the extended period, and the number of points shall be 100,000 points multiplied by the number of fiscal years of the extended period.	119th Ordinary General Meeting of Shareholders held on June 21, 2019	3
Compensation for Audit & Supervisory Board Members	The amount of basic compensation: 9 million yen or less per month	84th Ordinary General Meeting of Shareholders held on June 29, 1984	4

Results Summary of the Evaluation of Effectiveness of the Board of Directors During FY2021

On May 10, 2022, the Company evaluated the effectiveness of the Board of Directors during FY2021 (from April 2021 to March 2022), and the results are as outlined below.

I. Outline of Evaluation: Effectiveness of the Board of Directors during FY2021

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

[Evaluation process]

The evaluation was carried out at a discussion attended by all Directors and Audit & Supervisory Board Members, after sharing written evaluations by the Directors and the Audit & Supervisory Board Members, as well as the results of questionnaires' analysis by the third-party anonymous survey. Through discussions, participants reviewed and evaluated the performance of the Board of Directors during FY2021, in terms of the basic policies on the operation of the Board of Directors and the three action items outlined below, which were set forth by the Company's Board of Directors in the last evaluation of the effectiveness.

<Basic policies for FY2021>

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

<Action items for FY2021>

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

II. Results summary of the “Evaluation of Effectiveness of the Board of Directors” for FY2021

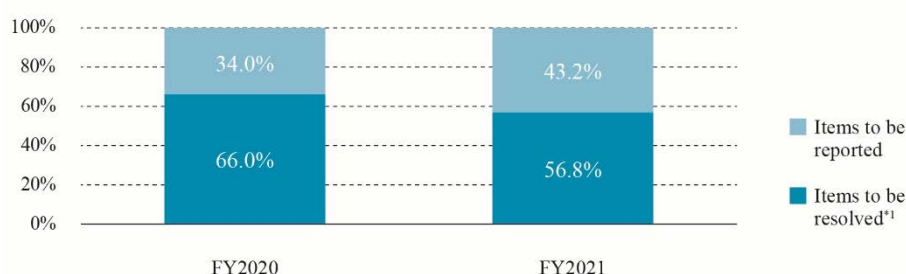
II-1. Results of operation of the Board of Directors

In FY2021, under the newly introduced business unit structure, we monitored and supported business performance as well as measures of each business unit. At the same time, we endeavored to manage the Board of Directors in order to appropriately hold discussions on the management base, such as human capital and digital strategies aimed at sustaining accelerated growth. Specifically, the Board of Directors took the initiative in determining priority issues to be discussed, and reported and deliberated on them based on the annual schedule. In addition, information sharing to Directors and Audit & Supervisory Board Members has been fulfilled by enhancing advance explanations about priority themes including M&As, in addition to establishing the Outside Executive Meeting and having Outside Directors attend management meetings as observers.

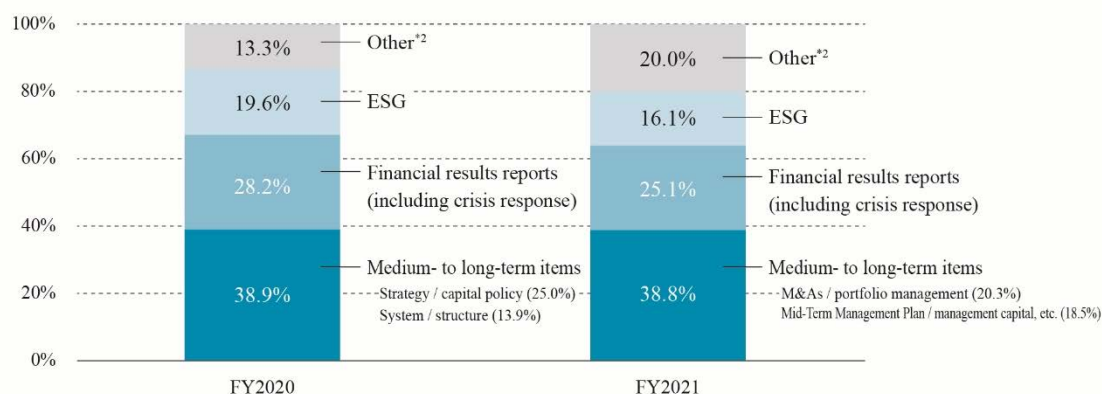
The allocation of time to agenda items at meetings of the Company’s Board of Directors held in FY2021 is disclosed as follows, for the purpose of ensuring the transparency in the status of deliberations of the Board of Directors.

Board of Directors – Time Allocation by Agenda Item

<Time allocated for items to be resolved and reported>



<Time allocated by item category>



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

*2 Other: Resolutions in accordance with the provisions of the Companies Act, personnel matters, other individual proposals, etc.

II-2 Summary

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

- ◎ The Company’s Board of Directors reached the unanimous conclusion that the composition of the Board of Directors is appropriate, and that the effectiveness of the Board of Directors is secured, as it fulfilled its functions through supervision and decision-making with respect to management issues, including responding to the business environment and strengthening the management structure and management base.
- ◎ In addition, the Board of Directors has continuously improved its supervisory function by ensuring that the executive side reports in a timely and appropriate manner on the state of the business and the Board of Directors deliberates and provides support based on an accurate understanding of the business environment

in response to external factors such as the prolonged COVID-19 pandemic as well as the shortage of semiconductors and the rising cost of logistics.

- ◎ The Nomination Committee and Compensation Committee, which are chaired by an Outside Director and composed of a majority of Outside Directors, were evaluated as effectively functioning as advisory bodies to the Board of Directors by enhancing committee-led deliberations on major themes, including the implementation of a CEO succession plan that ensures objectivity and the design of incentives for compensation, etc. from a more shareholder-oriented perspective.
- ◎ On the other hand, to further improve the effectiveness of the Board of Directors, there were remarks pointing out the importance of “continuing to consider the optimal composition of the Board of Directors from the perspective of diversity, including expertise,” “developing concrete growth strategies, including non-continuity factors, based on discussions of the business portfolio”, and “continuing to consider the various capital that constitutes the management base,” and of open debate to deepen these discussions utilizing the knowledge of Outside Directors and Outside Audit & Supervisory Board Members.
- ◎ In addition, there were remarks pointing out from a supervisory perspective that it is necessary to take measures including “monitoring the business unit structure to enhance business administration and risk management,” and “conducting fixed-point assessments of risks that may have an impact on management.”

<Action items for FY2021 i) and ii)>

- ◎ Under the autonomous business operations of each business unit in the business unit structure, regular business status reports were provided by the head of each business unit, and through continuous monitoring, prompt responses to external factors were encouraged.
- ◎ In addition, the Board of Directors oversaw and supported measures for business growth and improvement of return on capital, as well as efforts to strengthen the Company’s structure, through discussions on business portfolios. Also, the fact that enhanced discussions were held on ESG initiatives, and personnel system reforms, and other matters related to future finances and the management base was also highly evaluated.
- ◎ On the other hand, there were remarks pointing out the need for continuous improvement in the management of the progress of the business plan and accurate responses, as well as the need to further specify the digital services of each business unit in order to accelerate the transformation of the business structure, and the need for continuous deliberations on the establishment of business portfolio management and ROIC management.

<Action item for FY2021 iii)>

- ◎ The Board of Directors was evaluated to have had deliberated and provided timely and appropriate suggestions and support on the policies and measures for management capital (human resources, technology, intellectual property, liquid assets, etc.) outlined in the 20th Mid-Term Management Plan, , and to have presented to internal and external stakeholders its progress in strengthening its management base and its approach to human resource investment.
- ◎ In addition, in preparation for the introduction of a new personnel system, the Board of Directors held a series of discussions on the utilization of human resources and the development of digital human resources, resulting in the verification from multiple perspectives and a smooth transition to the new system.
- ◎ Meanwhile, the importance of clarifying the required human resource profile in the medium to long term and strengthening human capital, upgrading comprehensive risk management in preparation for changes in the business environment, and inspecting and continuously improving the governance structure and systems under the business unit structure was pointed out.

III. Efforts to improve the effectiveness of the Board of Directors in FY2022

In addition to the above evaluations, and taking into consideration that FY2022 is the year in which the next medium-term management plan will be formulated, the Company’s Board of Directors will operate based on the following Basic Policy and work to improve the effectiveness of the Board of Directors with three specific action items as the core.

<Basic policies for FY2022>

- 1) Monitor and support important measures to achieve the goals as the final year of the 20th Mid-Term Management Plan
- 2) Discuss and support the formulation of the 21st Mid-Term Management Plan with the aim of maximizing corporate value as a digital services company

<Action items for FY2022>

- i) In a highly uncertain business environment, monitor the progress of key management indicators and measures to achieve the business plan for FY2022, and encourage execution as necessary.
- ii) In order to maximize corporate value as a digital services company, further enhance discussions on the transformation of the business structure, improvement of return on capital, and other matters concerning the management base, including the human capital to support it, and reflect them in the 21st Mid-Term Management Plan.
- iii) 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.

In this effectiveness evaluation, the Board of Directors also deliberated on the concept, stance, and cornerstone culture that should serve as the foundation for the Board of Directors in its efforts to enhance the Company's corporate value. We will consider disclosing the results once the discussions are finalized.

Approach to Election of Audit & Supervisory Board Members

Election Criteria for Audit & Supervisory Board Members

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

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

[Audit ability]

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

[Knowledge background and temperament]

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

Election Criteria for Outside Audit & Supervisory Board Members

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

Diversity

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

Election Process for Audit & Supervisory Board Members

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

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

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



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

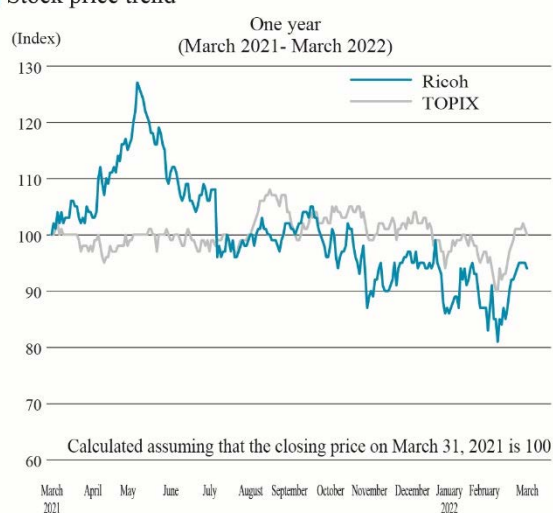
1. In principle, Outside Directors and Outside Audit & Supervisory Board Members of the Company should be independent from the Company and should satisfy all of the items set out below. The Ricoh Group refers to the corporate group that comprises the Company and its subsidiaries.
 - (1) A person who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

Stock price and TSR trends

In FY2021, amid the continuing impact of the spread of COVID-19, we have been working to create corporate value by strengthening our structure, growing our business, and improving return on capital, as well as transforming ourselves into a digital services company.

At the beginning of FY2021, the stock price rose due to the capital market's heightened expectations for our growth strategy and capital policy toward becoming a digital services company, following the 20th Mid-Term Management Plan announced on March 3, 2021. The stock price was also favorable due to the full-year results for FY2020, which showed the substantial recovery in the operating profit level, including growth in the office services business. However, the severe external environment, including a decline in print output volume due to a delay in the return of customers to offices caused by the resurgence of infection by a mutant strain of COVID-19, shortages in product supply triggered by a shortage of parts, the impact on sales opportunities, and rising raw material prices and transportation costs, led to a spread of uncertainty about the performance of the office equipment industry as a whole and a downtrend in stock prices. Although our efforts to strengthen our structure and flexibly control expenses in response to the severe external environment received a certain degree of recognition, the short-term uncertainty in our performance could not be dispelled, and as a result, our stock price for FY2021 performed 6% below the TOPIX.

Stock price trend



(Note) The stock price is based on that on the First Section of the Tokyo Stock Exchange.

TSR* and comparative indicators for the last five years

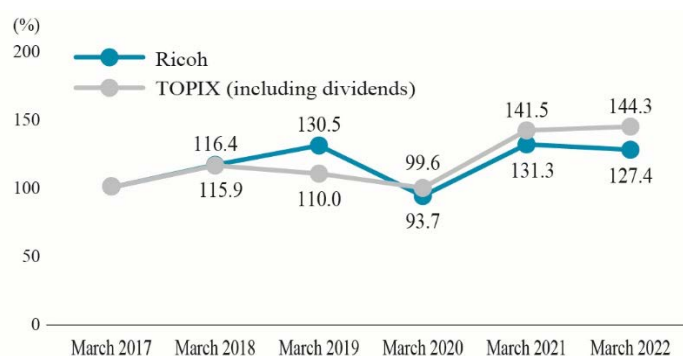
* TSR (Total Shareholder Return) is the sum of capital gains and dividends, showing the comprehensive yield on investment for shareholders.

	RICOH	TOPIX
Mar. 2017	100.0%	100.0%
Mar. 2018	116.4%	115.9%
Mar. 2019	130.5%	110.0%
Mar. 2020	93.7%	99.6%
Mar. 2021	131.3%	141.5%
Mar. 2022	127.4%	144.3%

Notes: 1. March 31, 2022 is the record date for TSR

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

3. In calculating comparative indicators, the record date of dividend-included TOPIX is set at the end of March 2017 to match the record date of the Company's TSR.



To evaluate the CEO and directors, as listed on pages 56 to 59, we adopt TSR as one of the standards to define the level of their contribution to shareholders and evaluation of capital markets. However, to avoid the impact of sudden fluctuations in stock prices, we use TSR incorporating the average stock price (see table below).

Holding period	1 year	2 years	3 years	4 years	5 years	6 years
RICOH (incl. dividends)	145.3%	112.2%	109.5%	118.5%	132.1%	106.0%
TOPIX (incl. dividends)	119.2%	128.3%	125.0%	127.3%	156.4%	146.6%

Note: The TSR is calculated using the average of the daily dividend-included stock price for the year in order to equalize the effect of the share price at the beginning and the end of the period.

Business Report

(April 1, 2021 - March 31, 2022)

(The following is an unofficial English translation of the Reports for FY2021 of the Company. The Company provides this translation for reference and convenience only and without any guarantee as to its accuracy or otherwise.)

You can watch a video overview
of the business.
<https://v.srdb.jp/7752/report2022/>

1. Business Condition of the Ricoh Group

(1) Status of assets and profit/loss

■ Assets and Profit/Loss of the Consolidated Ricoh Group

	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Sales (billions of yen)	2,063.3	2,013.2	2,008.5	1,682.0	1,758.5
Operating profit (loss) (billions of yen)	(115.6)	86.8	79.0	(45.4)	40.0
Profit (loss) before income tax expenses (billions of yen)	(124.1)	83.9	75.8	(41.0)	44.3
Profit (loss) attributable to owners of the parent (billions of yen)	(135.3)	49.5	39.5	(32.7)	30.3
Earnings (loss) per share attributable to owners of the parent (yen)	(186.75)	68.32	54.58	(45.20)	45.35
Total assets (billions of yen)	2,641.0	2,725.1	2,867.6	1,887.8	1,853.2
Equity attributable to owners of the parent (billions of yen)	909.5	932.5	920.3	920.2	902.0

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

(2) Business Situation in Year under Review

Operating Progress and Results

Overall Conditions

Economic Climate

The global economy recovered more slowly than expected during the term because of the impacts of new variants of the COVID-19. Economic activities did resume in some countries and territories in which vaccination progressed. Economic activity ebbed and flowed owing to shortages of semiconductors and other supplies and stagnation in shipping and other logistics networks, which propelled broad-based price hikes.

It was against this backdrop that office attendance rates in our core office market remained low, amid a range of regulations and demands with respect to economic activities in many countries as infections with these virus variants spread. A recovery in print demand was thus limited. Also, materials shortages and logistics issues constrained supplies, price indices rose in major countries, and geopolitical risks became more significant. All these factors increased uncertainty about business prospects.

The average exchange rates of major currencies depreciated compared to last year, with the yen depreciating against both the U.S. dollar and the euro.

Results for the Year

Ricoh's goal under the two years of its 20th Mid-Term Management Plan is to become a digital services company that is a work productivity innovator.

While the pandemic again affected the office and commercial printing businesses in the year under review, resumption of economic activity in Europe and the United States put us on track for a recovery, particularly in non-hardware. We reinforced our structure by optimizing our development, production, services, and other structures while taking major steps toward growth and reaching our 20th Mid-Term Management Plan goals. We endeavored to enhance corporate value by growing in the office services business and other digital services areas and improving capital returns.

Consolidated sales for the term increased by 4.5% from a year earlier, to ¥1,758.5 billion. This was despite various external factors hampering business activities. Among them were lost sales opportunities and production stoppages stemming from a global resurgence in COVID-19 infections, as well as container ship shortages, and limited supplies owing to a lack of components. In the office printing business, non-hardware sales rose everywhere except Japan. This was despite the hardware sales recovery delay owing to product supply shortages. The office services business suffered from shortages of MFPs and IT products that we include in our services. Sales were up, however, on solid demand for software and other packages. Commercial printing business sales increased primarily from non-hardware gains owing to a business activities turnaround in the printing industry, a key source of demand. Sales were up in all segments we initiated in the year under review in switching to a business unit structure. These segments are Digital Services, Digital Products, Graphic Communications, and Industrial Solutions.

We experienced sales recovery delays in Japan. This reflected intermittent restrictions on activities because of state of emergency declarations in major cities, ongoing measures to stem COVID-19 infections, and supply constraints from parts and materials shortages. These factors and the absence of the previous year's gains from GIGA school deals caused sales in Japan to drop 6.3%. Sales in the Americas increased by 14.8% as economic activities resumed in line with vaccination progress, offsetting the impacts of product shortages and supply chain disruptions from port issues. In Europe, the Middle East, and Africa, sales increased by 14.4%. As in the Americas, key factors were the resumption of economic activity from progress with vaccinations and ongoing product supply delays. Contributors included growth in the office services business from acquisitions and package sales deployments. Sales in other regions increased by 7.1%, owing largely to office printing business gains. Overseas sales accordingly climbed 13.4% and were up 7.1% after factoring out exchange rate fluctuations.

Gross profit increased by 8.8%, to ¥622.6 billion. Profitability improved significantly owing to earnings recoveries from higher sales, recoveries in high-margin non-hardware offerings, and more efficient development and production processes. Another contributor was structural reinforcement measures, including cutting product costs and reform services.

Selling, general and administrative expenses decreased by 3.1%, to ¥600.2 billion. In the previous term, we incurred a ¥24.8 billion impairment loss on property, plant, and equipment, intangible assets, and other assets in the commercial printing and other businesses. We also incurred structural reform and other expenses. In the year under review, expenses increased owing to sales recoveries and growth investments, although we limited them through structural reinforcements and flexible cost controls.

Other income was up significantly on gains from sales of land and other idle assets at U.S. subsidiaries during the term.

Our goodwill impairment loss was significantly lower than ¥3.7 billion booked in the previous term in the commercial printing and other businesses.

We adopted a business unit structure from April 1, 2021. As mentioned above, supplies shortages, higher logistics costs, the spread of new COVID-19 variant infections, and other external factors mentioned earlier

dampened profitability by a combined amount of ¥57.0 billion. Our new business unit structure enabled us to respond to these challenges. That is because delegating decision-making to those units encouraged them to reinforce their structures and better control expenses as part of recovery measures that added around ¥43.0 billion to earnings.

We accordingly posted an operating profit of ¥40.0 billion, a significant increase of ¥85.4 billion from the previous fiscal year.

Net financial expenses increased, reflecting lower foreign exchange gains. The share of profit of investments accounted for using the equity method was higher, reflecting better performances among equity-method affiliates.

We recorded a ¥44.3 billion profit before income tax expenses, an increase of ¥85.4 billion from the previous fiscal year.

Income tax expenses increased by ¥22.1 billion, owing largely to a turnaround in profit before income tax expenses.

We therefore posted a ¥30.3 billion profit attributable to owners of the parent, an increase of ¥63.1 billion from the previous fiscal year.

Comprehensive income rocketed 312.4%, to ¥90.9 billion, owing largely to the earnings turnaround above and translation adjustments for foreign operations.

Financial Position

Total assets decreased by ¥34.6 billion from the end of fiscal 2020, to ¥1,853.2 billion. The yen depreciated significantly from the end of the previous term, producing currency translation differences for foreign assets. After excluding the foreign exchange impact, total assets declined ¥113.7 billion.

Inventories rose by ¥40.5 billion on additions to these assets, which had experienced depletions from sales at the end of the previous term. Other key factors were increases in work in process from parts and materials shortages and the impact of ocean transportation and other logistics network slowdowns. Goodwill and intangible assets increased by ¥33.9 billion on services business-related acquisitions in Europe and a rise in development assets. Cash and cash equivalents decreased by ¥94.5 billion, owing largely to share repurchases as part of a policy to enhance shareholder returns.

Total liabilities were down ¥16.5 billion, to ¥947.4 billion. After excluding the impact of foreign exchange rate fluctuations, these liabilities were down ¥49.4 billion. Trade and other payables decreased by ¥18.6 billion owing to shorter payment terms based on a review of these conditions with suppliers. Accrued pension and retirement benefits declined ¥24.7 billion. This was due largely to higher discount rates from interest rate rises.

Total equity decreased by ¥18.0 billion, to ¥905.8 billion. Equity declined ¥92.7 billion in line with treasury stock repurchases that the Board of Directors approved on March 3, 2021. We retired ¥137.2 billion in treasury stock on February 28, 2022, comprising these and the shares repurchased before March 2021. As a result of the yen's depreciation, exchange differences on translation of foreign operations rose by ¥46.8 billion.

Equity attributable to owners of the parent was down ¥18.2 billion, to ¥902.0 billion. The equity ratio stayed stable, at 48.7%.

Cash Flows

Net cash provided by operating activities was ¥82.4 billion, down ¥44.5 billion from the previous year. While profitability improved significantly, cash inflows were down because the impairment to property, plant and equipment, intangible assets and goodwill booked in the previous year did not involve cash and cash equivalent expenditures. Other significant factors were decreases in inventories and trade and other payables.

Net cash used in investing activities decreased by ¥4.2 billion, to ¥59.3 billion. This reflected increases in intangible assets for development investments to expand businesses and in expenditure for ongoing acquisitions in software services firms offset higher cash inflows from sales of property, plant, and equipment, including for the land of U.S. subsidiaries.

We accordingly posted a free cash flow (net cash provided by operating activities plus net cash used in investing activities) of ¥23.1 billion, down ¥40.2 billion.

Net cash used in financing activities was ¥131.6 billion, down by ¥127.6 billion. In the previous year, cash inflows increased because of procurements to prepare for risks of a deteriorating business environment as a result of the COVID-19 pandemic. These outflows rose in the year under review owing to share repurchases and other measures to enhance shareholder returns.

Cash and cash equivalents at the end of fiscal 2021 thus totaled ¥234.0 billion, down ¥96.3 billion.

We will systematically employ operating cash flows from business investments to invest in further growth and bolster shareholder returns.

■ Consolidated Sales and Operating Profit/Loss by Category

Segment	Product/Services
Ricoh Digital Services	Sales of multifunctional printers, printers, digital duplicators, wide format printers, facsimile machines, scanners, personal computers, PC servers, network equipment, related supplies, customer service, support and software, document related services and solutions, etc.
Ricoh Digital Products	Manufacturing and OEM* of multifunctional printers, printers, digital duplicators, wide format printers, facsimile machines, scanners, network equipment, and related supplies
Ricoh Graphic Communications	Manufacturing and sales of cut sheet printer, production printer, continuous feed printer, inkjet heads, inkjet modules, industrial printers, related supplies, customer service, support and software, etc.
Ricoh Industrial Solutions	Manufacturing and sales of thermal paper, thermal media, industrial optical components, modules, electronic components, and precision device components, etc.
Other	Digital cameras, 360° cameras, environment, and healthcare, etc.

*OEM: Contract manufacturing of products branded by other companies

		FY2021 (billions of yen)	YoY change (%)
Ricoh Digital Services	Sales	1,428.1	3.7
	Operating profit (loss)	16.2	-
Ricoh Digital Products	Sales	364.9	2.2
	Operating profit (loss)	41.7	153.7
Ricoh Graphic Communications	Sales	187.0	17.0
	Operating profit (loss)	(0.4)	-
Ricoh Industrial Solutions	Sales	119.2	3.5
	Operating profit (loss)	1.3	-
Other	Sales	35.5	(11.3)
	Operating profit (loss)	(15.5)	-
Corporate and eliminations	Sales	(376.4)	-
	Operating profit (loss)	(3.2)	-
Total	Sales	1,758.5	4.5
	Operating profit (loss)	40.0	-

- Notes: 1. Sales and operating profit/loss include those from external customers and intersegment transactions.
2. Ricoh adopted a business unit structure from April 1, 2021. Based on this new business unit structure, Ricoh changed Operating Segment Information from this fiscal year. Prior year comparative figures have also been reclassified to conform to the current year's presentation.
- Ricoh Digital Services as a business segment is mainly limited to the office services business and the office printing sales business. This segment does not include all digital services, which Ricoh aims to transform into "a digital services company" that connects workplaces and support worker's creativity. "Digital Services" provided as "a digital services company" is included in all the business segments as well as Ricoh Digital Services business segment.

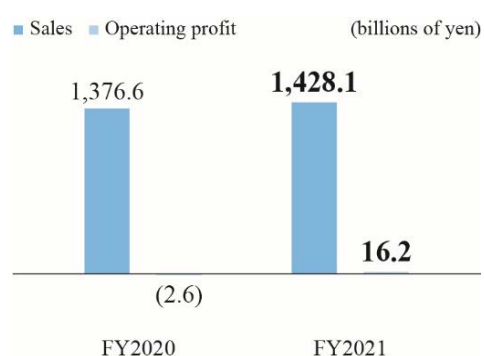
Ricoh Digital Services

Sales up 3.7% year-on-year to ¥1,428.1 billion

Operating profit of ¥16.2 billion

Business Outline

In Digital Services, we sell office imaging equipment and consumables. These include MFPs and printers, in which we have leading global market shares. We draw on our global customer base to offer IT-related solutions that support customers' overall workflow reforms and work practice innovations. We also provide other services to digitally resolve management issues and enhance productivity for customers.



We expanded domestic sales of Scrum packages in the year under review. These offerings combine edge devices*, software, and cloud services for small and medium-sized enterprises to digitalize processes unique to their businesses and resolve their issues. For mid-sized companies, we increased sales of Scrum assets. We model these assets on development and implementation projects that our system engineers have undertaken for customers to bring together advanced technologies. In Europe, we acquired three information and communication technology companies to strengthen and expand our IT services business infrastructure in key countries and reinforce our digital services platform. We increased sales by boosting revenues from teleworking and other packaged solutions. We rolled out software globally from DocuWare, which we acquired in 2019, building sales and support structures at sales companies in 45 countries.

Digital Services sales increased by 3.7%, to ¥1,428.1 billion. In the office services business, package deployments remained robust in Japan and Europe despite global shortages of such IT products as PCs, servers, and network equipment, which reduced sales opportunities. In the office printing business, materials shortages hampered a recovery in sales of MFPs, printers, and other edge devices. Non-hardware sales nonetheless recovered on returns to offices in line with progress with COVID-19 vaccination uptakes. Segment operating profit was ¥16.2 billion, from an operating loss of ¥2.6 billion a year earlier. This turnaround reflected improved profitability and margins in the office services business. Other key contributions were from the office printing business, for which we reinforced our maintenance services setup and undertook other structural reforms and reduced costs.

* Edge devices: Networked devices with data processing functions, such as multifunctional printers or cameras that serve as an entry and exit point for various data, such as text, photographs, audio, and video.

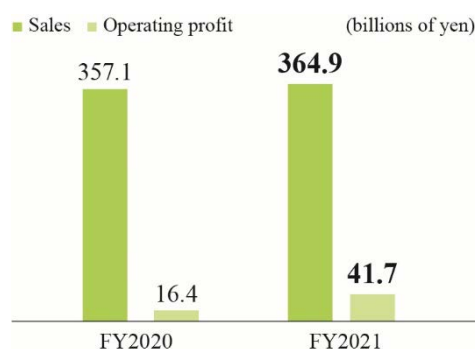
Ricoh Digital Products

Sales up 2.2% year-on-year to ¥364.9 billion

Operating profit up 153.7% year-on-year to ¥41.7 billion

Business Outline

In 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.



We are striving to cut costs by lowering variable expenses and revamping our manufacturing structure. In fiscal 2021, while materials price hikes hampered efforts to reduce variable expenses, we progressed steadily with efforts to standardize parts and leverage artificial intelligence to automate production. We reinforced our manufacturing structure during the term by extensively digitalizing design tasks. Key production initiatives were to cultivate digital manufacturing and consolidate and reorganize plants. We collaborated extensively with other companies to cut development costs. One such effort was to jointly develop A3 monochrome printer engines with Oki Electric Industry Co., Ltd.

In digital communication edge devices, we launched the RICOH Interactive Whiteboard A6500-Edu for educational use in March 2022. The standard configuration employs wireless projection from the PCs and tablets of individual students, many of whom have their own devices these days, to enable comparisons of responses through split projection and remote instructions from this whiteboard.

Digital Products sales for the year rose by 2.2%, to ¥364.9 billion. While production suffered greatly from parts and materials shortages and the pandemic's impact near overseas production sites, operating profit increased by ¥25.2 billion, to ¥41.7 billion. Factors included such structural reforms as reducing product costs and improving development and production efficiency, as well as gains on U.S. subsidiary land sales.

Ricoh Graphic Communications

Sales up 17.0% year-on-year to ¥187.0 billion

Operating loss of ¥0.4 billion

Business Outline

This segment comprises the Commercial Printing and Industrial Printing businesses.

Commercial Printing Business

We provide digital printing-related products and services for high-mix, low-volume printing to our customers in the printing industry.

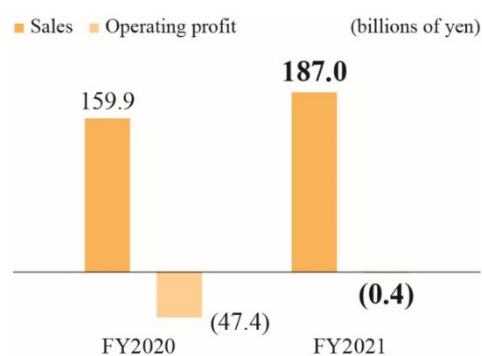
Industrial Printing Business

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

We aim to expand the commercial printing business by helping printing industry customers grow, meeting their need for high image quality, productivity, and broad paper support and enabling them to produce high-value-added printed materials that open doors to new opportunities. In industrial printing, we aim to capture new markets and customers based on inkjet printheads that are compatible with an array of inks.

In fiscal 2021, the commercial printing business launched Ricoh Business Booster, a value co-creation platform that aims to expand customer businesses by sharing knowledge with them and business partners. Through that platform, we seek to become a comprehensive partner for printing business customers by sharing on-demand book, customized catalog, and other new print applications while providing solutions to automate print processes and reduce labor costs. Customers can thereby expand and operate more effectively. In industrial printing, following a launch in the United States we rolled out the RICOH Ri 2000 high-speed direct-to-garment printer in Japan in September 2021. We look to expand our business in markets for printing directly to T-shirts and other apparel by helping customers in garment and regular printing to become more efficient and grow. In November 2021, we began taking orders globally for the RICOH TH6310F, our flagship industrial inkjet printhead. In March 2022, we broadened our inkjet printhead lineup and business potential by bringing out the RICOH MH5422 series of industrial inkjet printheads.

Graphic Communications sales increased by 17.0% in fiscal 2021, to ¥187.0 billion. Our commercial printing business recovered on resumption of economic activity in the key U.S. and European markets. Non-hardware sales enjoyed a particularly solid improvement. Growth was significant in industrial printing, especially in inkjet heads, in which we are a powerful competitor. We progressed steadily in cost reduction by deploying digital development and production processes while streamlining services activities. We posted an operating loss ¥0.4 billion, which significantly increased by ¥46.9 billion from the previous year.



Ricoh Industrial Solutions

Sales up 3.5% year-on-year to ¥119.2 billion

Operating profit of ¥1.3 billion

Business Outline

This segment encompasses the Thermal and Industrial Products businesses.

Thermal

We manufacture and sell thermal paper used for food POS

labels, barcode labels, shipping labels, and other labels, and thermal transfer ribbons for printing clothing price tags, brand tags, and tickets.

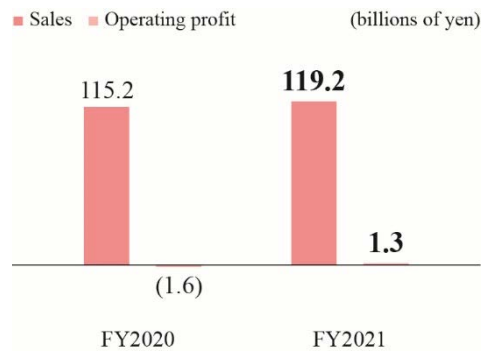
Industrial Products Business

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

In the thermal business, demand has risen solidly on growth in e-commerce, which has driven demand expansion worldwide for shipping labels. It is against this backdrop that we have drawn on the materials technologies that we amassed over the years to steadily expand our business. This is notably by supplying thermal paper, thermal transfer ribbons, and other products that ensure outstanding resistance to heat and abrasion resistance, deliver superior print definition and storage capabilities, and are environmentally friendly. In the industrial products business, we are expanding our customer base by providing stereo cameras and other optical devices to the automotive sector, in which driving safety support systems are increasingly ubiquitous.

In the thermal business, June 2021 saw us release the RICOH FC-LDA Printer 500, a high-speed printing solution for production processes. This system can laser print variable information on films, labels, and other packaging materials at up to 300 meters per minute as they travel along mass production lines. This helps lower environmental impact by streamlining printing in production processes and conserving resources. In the industrial products business, we jointly developed a stereo camera for forklifts with Toyota Industries Corporation. The camera contributes to forklift safety by accurately identifying people and objects three-dimensionally from surrounding obstacles.

Industrial solutions sales increased by 3.5%, to ¥119.2 billion. In the thermal business, sales remained solid for release linerless labels. Automotive customer production adjustments significantly affected the industrial products business. Operating profit increased to ¥1.3 billion, from an operating loss of ¥1.6 billion the previous year.



Other

Sales down 11.3% year-on-year to ¥35.5 billion

Operating loss of ¥15.5 billion

Business Outline

This segment includes the Smart Vision and Other businesses.

Smart Vision

We are strengthening our platform business, which brings

together our 360° RICOH THETA cameras with software and cloud services to streamline real estate, construction, and architectural site work.

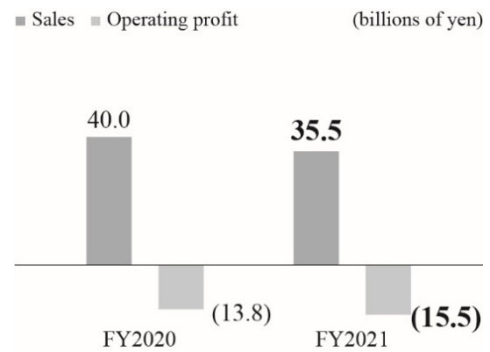
Other

We are expanding new business opportunities in various fields. One is our digital camera-related business, for which we have solid consumer market demand. Other examples include our business with PLAiR, a new plant-derived material that is an alternative to plastic, our biomedical business, which supports drug discovery with iPS differentiated cells and cell chips, and our medical imaging-based healthcare business, which focuses on magnetoencephalography. We are helping to resolve social issues, notably through inspections of road surfaces, tunnels, slopes, and other infrastructure, and are creating environmental technologies and businesses. This segment also includes businesses that affiliates are expanding.

In keeping with our commitment to helping resolve social issues, we are capitalizing on new opportunities by creating business models that leverage digital technology and our expertise in patents and other aspects of intellectual property. We leverage open innovation to create new value that we could not generate by ourselves. In the Smart Vision business, we draw on our strengths in capturing and image processing technologies to provide 360° cameras and virtual property guidance applications to the real estate industry, which have been well received. The Smart Vision business has earned a solid following for drawing on our proven image capture and processing technologies to provide 360° cameras and applications for virtual property tours for the real estate industry. We have offered the THETA 360.biz virtual tour service in Japan since 2014. In July 2021, we began domestically offering RICOH360 Tours, which we previously deployed in overseas markets. Demand for virtual tours is expanding around the world. Thus far, 60,000 customers globally have used our THETA 360.biz and RICOH360 Tours.

In January 2022, we began test sales of PLAiR. This foamed flexible and strong sheet is made of polylactic acid, which is made from starch derived from corn and sugarcane and is created using our proprietary carbon dioxide fine foam technology. We will use these test sales to verify PLAiR's potential in various applications and help resolve social problems. These include climate change from global warming and pollution from waste.

Other sales decreased by 11.3%, to ¥35.5 billion, owing mainly to Ricoh Leasing Co., Ltd., becoming an equity-method affiliate. After excluding this factor, we benefited from solid sales of new products in the camera business and sales increased from the previous year. We posted a ¥15.5 billion operating loss in this segment, stemming partly from advance investments in new businesses.



(3) Our Challenges

Unchanging Commitments amid Change

The pandemic transformed the world. It prevented people from going to offices and forced them to adopt new work practices, accelerating a move to working anytime, anywhere. Things will not return to normal even after the pandemic abates. The office services that we have provided over the years have helped customers adapt to the new world of work.

Two fundamental commitments will remain unchanged in this new environment.

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

Our second commitment is to the Spirit of Three Loves. These founding principles of “Love your neighbor, Love your country, Love your work” are in keeping with a central promise of the Sustainable Development Goals* of the United Nations, which is to leave nobody behind. We will improve our corporate value by tackling seven material issues based on the Spirit of Three Loves. These issues are to transform work, improve the quality of life, decarbonize the economy, materialize a circular economy, engage with stakeholders, pursue open innovation, and promote diversity and inclusion (see pages 94 to 97).

*Sustainable Development Goals

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



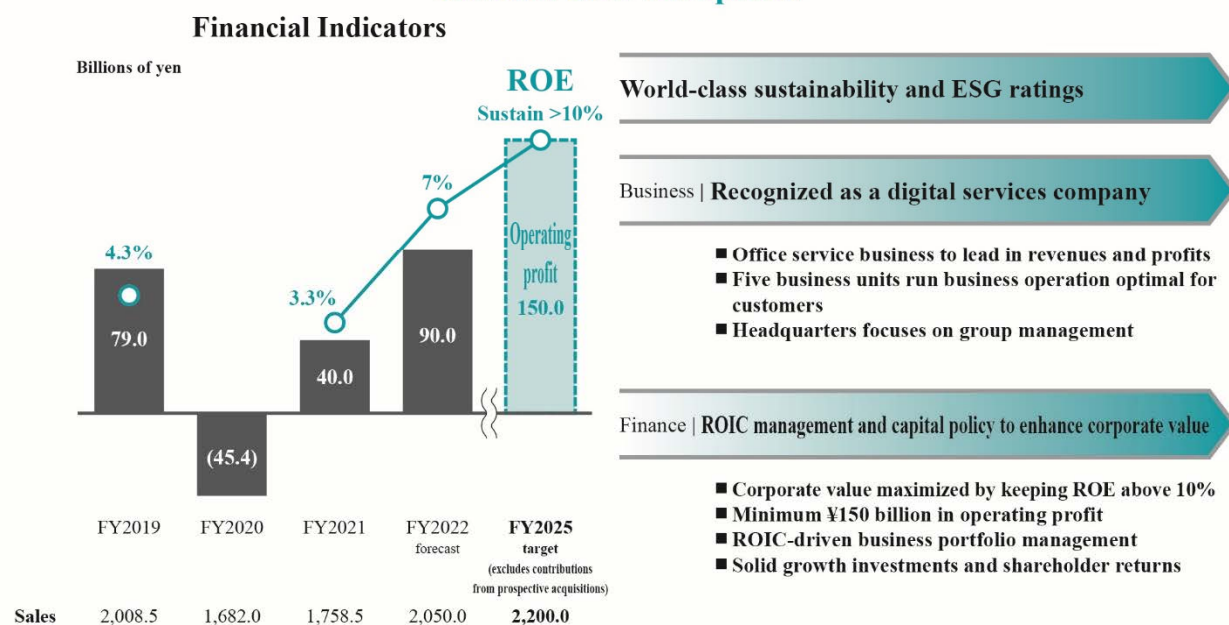
Medium-Term Direction

By 2025, we look to become a digital services company that connects workplaces and supports worker creativity. From a future financial (environmental, social, and governance (ESG)) perspective, we will undertake initiatives across the value chain to serve the growing ESG requirements of customers and investors in keeping with a commitment to maintaining a top worldwide reputation for sustainability and ESG. On the financial front, we look for the Office Services business to continue its growth and drive our overall performance. We will maintain an operational structure that can deliver a return on equity of 7%* by fiscal 2022, the final year of our 20th Mid-Term Management Plan, and surpass 10% by fiscal 2025.

* On May 10, 2022, we lowered our fiscal 2022 operating profit target from ¥100 billion to ¥90 billion, to reflect pandemic recovery progress and the prevailing business climate. We accordingly reduced our return on equity target from more than 9% to 7%.

Medium- to Long-term Target for 2025

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



Future Financial (ESG) Perspectives

We have positioned ESG initiatives as essential for generating future finances. We are undertaking activities after setting future financial targets (ESG targets) linked to our seven material issues. We are setting company-wide goals from the perspectives of digital transformation, addressing environmental and human rights issues, and improving our ability to implement management strategies and break them down for each business unit.

On the digital transformation front, we will strive to secure sufficient talent to become a digital services company and improve the quality of related patents. We are helping to decarbonize economies by steadily cutting greenhouse gas emissions based on a roadmap for deriving electricity from renewable energy sources that factors in regional and business unit situations. We are helping to create a circular economy by utilizing recycled materials, reinforcing our recycled products and components businesses, and developing technologies and solutions to support customers' recycling-oriented business models. We are conducting due diligence based on a human rights policy that we initiated in 2021. We are taking actions accordingly, including our business partners.

Financial Perspectives

We will reach our goals by (1) deploying Plan-Do-Check-Act cycles subsequent to our business unit adoption, (2) employing Ricoh-style business portfolio management, (3) strengthening our business foundations, and (4) reinforcing our capital policies.

(1) Deploying Plan-Do-Check-Act Cycles Subsequent to Our Business Unit Adoption

We adopted a business unit structure in April 2021. Prime goals of this setup are to streamline capital management by better overseeing our business portfolio while accelerating decision-making by delegating authority. We have five business units and a Group headquarters. Subsequent to adopting a business unit structure, we carefully monitored benefits and challenges. We deployed Plan-Do-Check-Act cycles in our drive to enhance that structure.

Delegating authority to business units empowered them to flexibly and quickly tackle changes in the operating environment and overcome crises. Shifting to an integrated development, production, and sales setup enhanced coordination between functions and enabled units to promptly reflect higher costs in pricing, modify designs to accommodate multiple parts, and liaise with plants.

Key challenges are to streamline business unit structures and refine headquarters functions.

Business Unit Structure Benefits and Challenges

We are beginning to see the effects of our goal of Business Unit autonomy and will continue implementing the PDCA cycle.

Benefits: Business units are responding autonomously and are overcoming the crisis

Challenges: Reinforcing integrated structures within business units and overhauling headquarters functions

Business Unit	Key achievements during year to date
Ricoh Digital Services	<ul style="list-style-type: none">• Japan: Expanded Scrum Asset sales• Europe: Bolstered digital service provision capabilities through acquisitions and personnel shifts• Enhanced global software portfolio and increased sales expansion
Ricoh Digital Products	<ul style="list-style-type: none">• Cultivated operational excellence, such as by reinforcing manufacturing structure, cutting costs• Pursued collaboration within industry, such as by jointly developing modules and parts
Ricoh Graphic Communications	<ul style="list-style-type: none">• Brought forward structural reforms, particularly in Commercial Printing• Capitalized on print demand recovery
Ricoh Industrial Solutions	<ul style="list-style-type: none">• Evaluated digital services for Thermal business• Accelerated business selection and concentration
Ricoh Futures	<ul style="list-style-type: none">• Expanded social infrastructure business by beginning to collaborate with local governments• Improved prospects for commercializing PLAiR new plant-derived material
Group headquarters	<ul style="list-style-type: none">• Began business portfolio management• Transformed human capital to become job- and digitally-based, switched to cloud computing for IT infrastructure, and overhauled R&D

(2) Employing Ricoh-Style Business Portfolio Management

Rigorous portfolio management at global headquarters will enable us to rely less on the office printing business and accelerate our transformation into a digital services company.

In business portfolio management, we have augmented conventional profitability and marketability evaluation perspectives with those of digital services compatibility. Our assessments cover four categories: growth acceleration, profit maximization, strategic transformation, and business revitalization.

The office services and commercial printing businesses are in the growth acceleration category. They will drive our growth because they are highly profitable, are expanding through winning strategies in their markets, and are highly compatible with digital services.

The office printing business is in the profit maximization category. It aims to keep stably generating cash while remaining a key earnings source.

The strategic transformation category covers the thermal media and enterprise printing businesses. While their circumstances differ, they will endeavor to maximize value through this transformation where market expansion is unlikely or where there is little compatibility with digital services.

The industrial products and cameras businesses are in the business revitalization category. They will explore ways to contribute to value.

Initiating Ricoh-Style Business Portfolio Management

Objectively evaluate each business in terms of digital services compatibility, profitability, and marketability

Four business labels (roles and direction)	Key relevant businesses and business units	Profitability (ROIC and earnings)	Marketability (Success scenario and market growth)		Digital services compatibility (Compatibility and contributions)
Growth acceleration Drive Ricoh's growth	Office Services (RDS) Commercial Printing (RGC)	Passed standard	Succeeding	Growth	High
Profit maximization Stably generate cash as fund source	Office Printing (RDP and RDS)	Passed standard	Succeeding	Low growth	Low
Strategic transformation Maximize value through this shift	Thermal Media (RIS) and	Passed standard	Succeeding	Regardless of growth potential	Low
	Enterprise Printing (RGC)	Passed standard	Unlikely	Low growth	High
Business revitalization Explore ways to contribute to value	Industrial Products (RIS)	Passed standard	Unlikely		Low
	and Cameras (Group headquarters)	Low	Unlikely		Low

(Note) New business will be nurtured, selected and focused separately at Ricoh Futures

Our business portfolio management goal is to boost corporate value by propelling digital services growth.

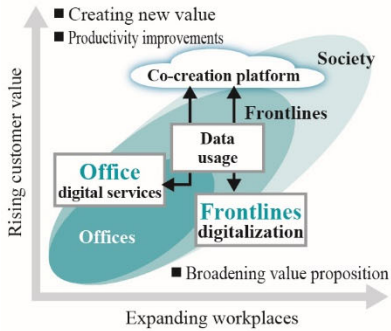
Our digital services will help customers be more productive by digitalizing processes to connect offices and frontlines and transform entire workflows. Our business units will leverage their digital technology and edge device strengths and services aligned with customer work to help create new value that exceeds their expectations.

*Edge devices: Networked devices with data processing functions, such as multifunctional printers or cameras that serve as an entry and exit point for various data, such as text, photographs, audio, and video.

Our Digital Services

Each business unit tackles the growth of digital services that support our customers' "work" based on digital technology and devices

EMPOWERING DIGITAL WORKPLACES Leverage the power of people and digital technology to transform work for customers by connecting workers and workplaces

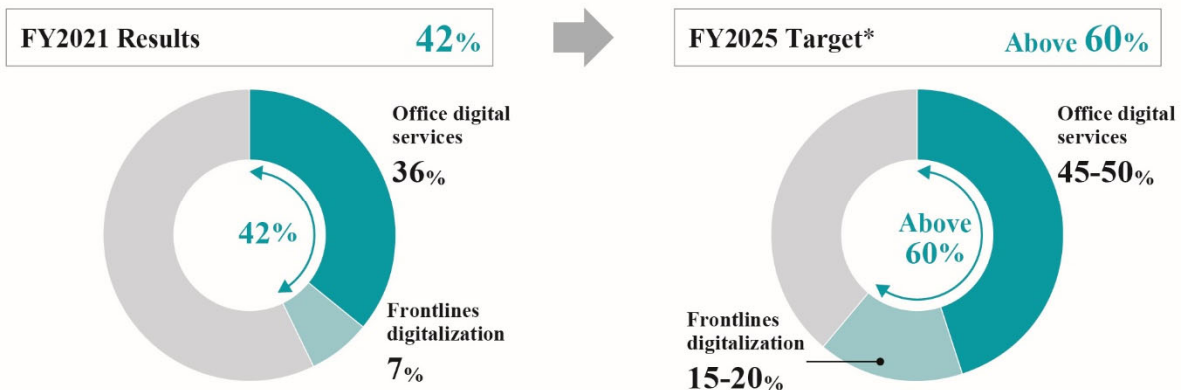


Business unit		Businesses contributing to digital services
Ricoh Digital Services	Resolve issues of workers and deliver digital services to connect office and frontline people	Office Services
Ricoh Digital Products	Manufacture products supporting digital services	Office Printing <small>* Counted only for Ricoh Smart Integration (integrated platform) connections</small>
Ricoh Graphic Communications	Deliver digital solutions for frontline workers on printing sites	Edge devices
Ricoh Industrial Solutions	Provide digital solutions to challenges of frontline workers on logistics, manufacturing and industrial sites	Commercial Printing <small>* Excludes enterprise printing</small>
Ricoh Futures	Create new businesses to resolve social issues through digital solutions	Industrial Printing
Group headquarters	Strengthen business foundation to support digital services	Thermal Products <small>* Shifting to digital services</small>
		Smart Vision
		Social Infrastructure

Digital Services accounted for 42% of consolidated sales in fiscal 2021. We intend to raise this level to over 60% by fiscal 2025.

Digital Services Sales Ratio Target

Targeting digital services sales ratio of over 60% by FY2025



(Note) Office digital services and frontlines digitalization include the following businesses and the figures factor in the effects of discontinuous growth.
 Office digital services: Office services, office printing*1, edge device
 Frontlines digitalization: Commercial printing*2, industrial printing, thermal, Smart Vision, social infrastructure

*1 Counted only for Ricoh Smart Integration (integrated platform) connections
 *2 Excludes in-house printing

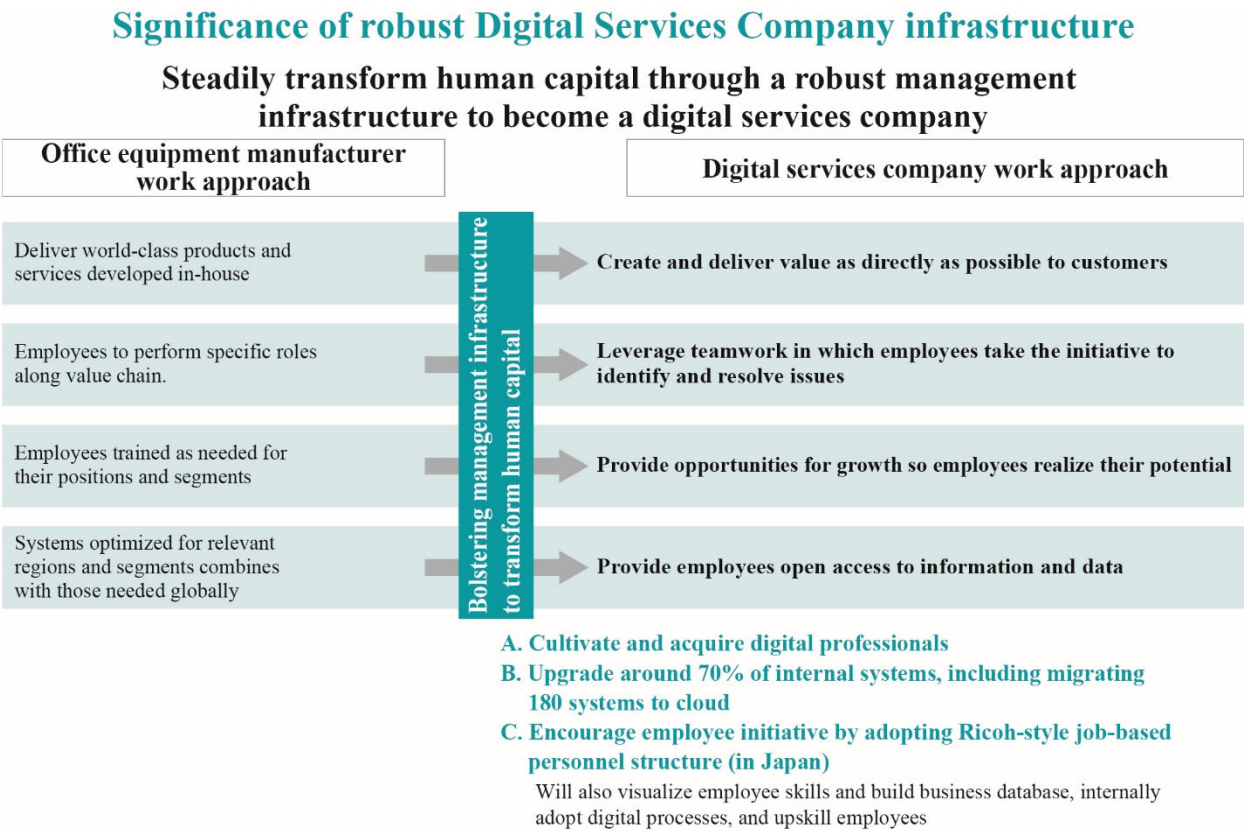
(3) Strengthening Our Business Foundations

We are transforming into a digital services company. The era of mass production and consumption necessitated manufacturing efficiently while retaining consistently high quality.

In today’s more information-oriented world, decisions are made through smaller units.

This situation makes it particularly important to steadily transform human capital. We must transform traditional work practices. For example, it used to be important for employees to perform specific roles along the value chain. In the years ahead, they would ideally take the initiative to identify and resolve issues.

We will give employees greater autonomy by training and hiring digital professionals. We will upgrade about 70% of enterprise systems, including to migrate 180 of them to the cloud, and adopt a Ricoh-style job-based personnel structure.

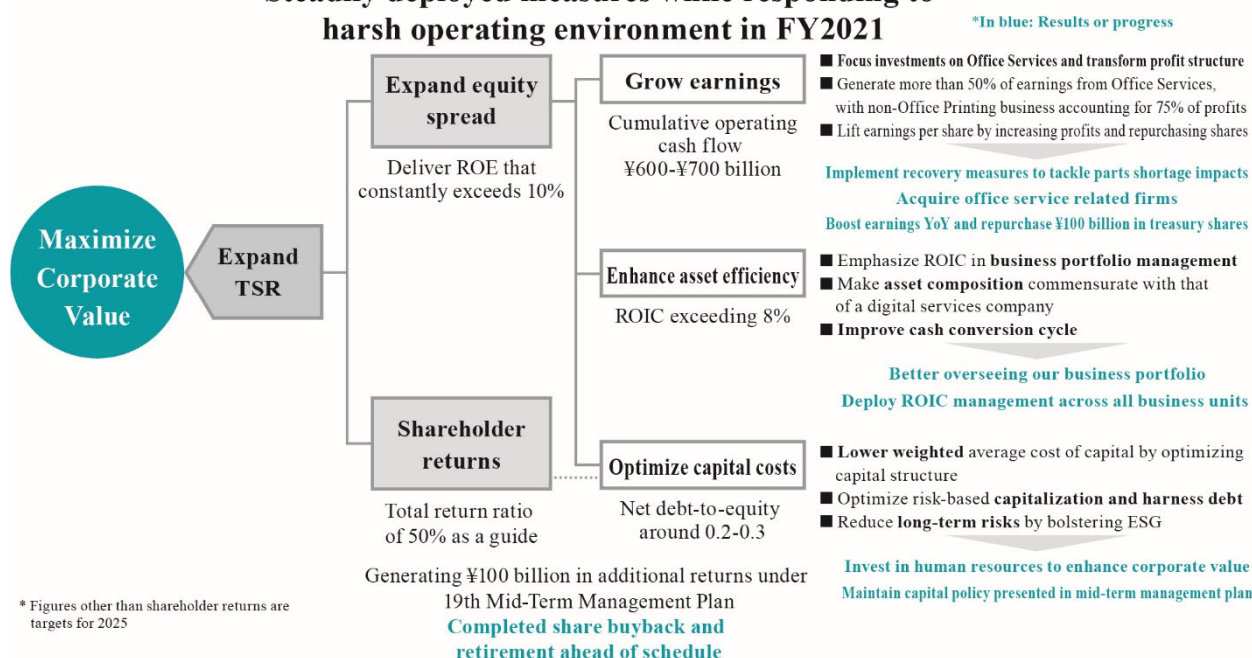


(4) Reinforcing Our Capital Policies

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

Toward FY2025: Maximize Corporate Value

Steadily deployed measures while responding to harsh operating environment in FY2021

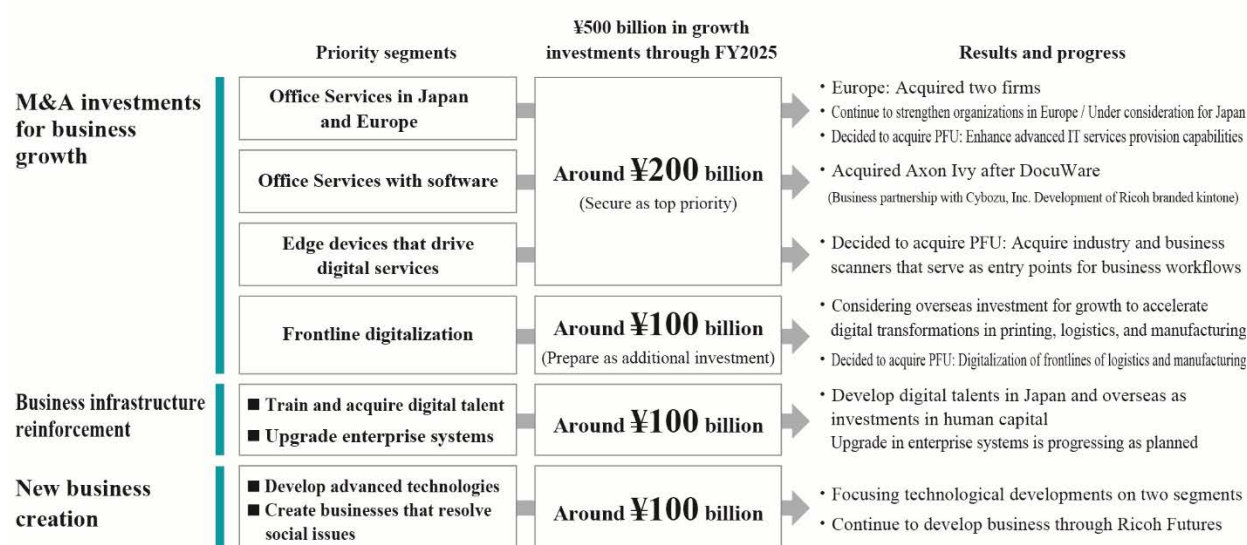


In the year under review, we contributed to earnings growth by completing our acquisition of ¥100 billion in shares of treasury stock to help enhance capital returns. We retired those shares on February 28, 2022. We enhanced asset efficiency by deploying return on invested capital (ROIC) management across all business units. We have become more aware than ever of benchmarks for such returns, and are striving to more swiftly improve operations. We have endeavored to optimize capital costs by augmenting acquisitions, portfolio replacements, and other efforts, investing extensively in human resources that will be pivotal to enhancing corporate value.

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

We will thus systematically use operating cash flows acquired from business investments to fund further growth and shareholder returns. We look to invest around ¥500 billion in growth areas by fiscal 2025 in the drive to become a digital services company. We have already acquired two companies in Europe and decided the acquisition of PFU in Japan on April 28, 2022, steadily proceeding with M&A investments for business growth. We will also draw strategically on interest-bearing debt to fund investments.

Breakdown of ¥500 billion growth investments

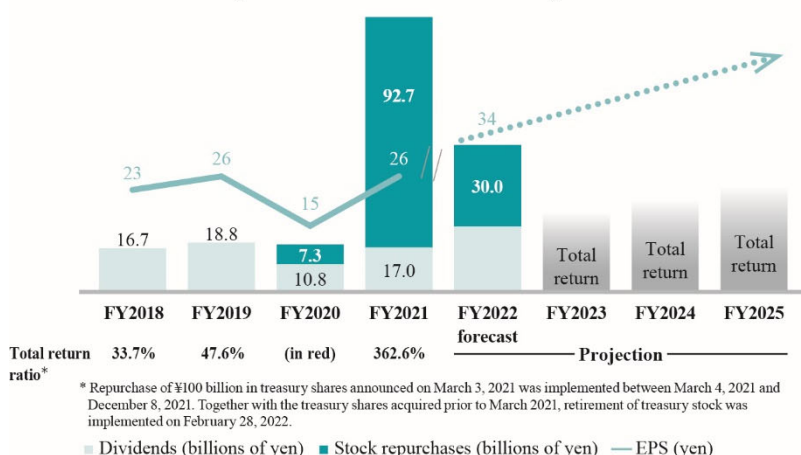


Our shareholder return policy is to pursue a total return ratio of 50% by continuing to increase dividends and flexibly repurchasing shares to offer attractive dividend yields. We look to steadily lift dividends per share in line with annual profit growth from the fiscal 2021 level. We will buy back shares within the total return ratio scope, factoring in the business environment and progress with growth investments to improve earnings per share.

Based on this policy and dividend yields, we look to lift cash dividends per share by ¥8.00, to ¥34.00, in fiscal 2022. On May 10, 2022, the Board of Directors approved a proposal to repurchase up to ¥30 billion in shares. The Company executes the repurchase during the first half of fiscal 2022 and retire the shares.

Shareholder Return Policy

Maintaining 50% total return ratio policy while endeavoring to stably and sustainably lift dividends and repurchase shares to boost earnings per share



Return policy:

50% total return ratio
and incrementally lift goal

Dividends:

Factor in dividends per share in stabilizing and **continuously increasing dividends**



Stock repurchases:



Agile and appropriate-timing repurchases, taking business climate and growth investment situation into account and maintaining optimal capital composition



Fiscal 2022 forecast



Our 20th Mid-Term Management Plan is a roadmap for realizing our vision through fiscal 2025. In fiscal 2022, the final year of the 20th Mid-Term Management Plan, we will pursue further business growth by targeting sales of ¥2.05 trillion, an operating profit of ¥90 billion, and a return on equity of 7%. Under the business unit structure that we adopted in April 2021, each unit will operate autonomously and accelerate efforts to reinforce its structure while swiftly tackling market changes. We will cultivate human resources to support our drive to become a digital services company and overhaul enterprise systems to unite our entire organization in transitioning to drive digital services growth.

Ricoh's Approach to Seven Material Issues and ESG Targets

Resolving social issues through business						
Materiality (Material issues)	2030 targets	Resolution of social issues and business strategies	ESG targets		FY2021 Results	Efforts / Topics
			KPIs	FY2022 Targets		
 <p>Creativity from Work</p>	Contribute to "Creativity from Work" of all customers to whom we deliver value	<u>Social issues</u> For sustainable development, companies need to reform employees' work styles, boost productivity by using IT and increase employees' work satisfaction. <u>Business strategies</u> We will help customers achieve "Creativity from Work" by providing them with digital technologies and services.	Top score rate ¹ in customer surveys	30% or more	Japan: 33% Europe: 28% APAC: 40% Americas: 82%	Customer surveys were used to calculate overall satisfaction of major customers in each region. The scopes and survey methods varied by region, so these scores are not inter-regional comparative scores. In the U.S., we earned high satisfaction rate by performing detailed follow-up through monthly meetings with all customers surveyed (approximately 650 companies).
			Fulfilling value proposition for customers ²	15% ³	13%	In FY2021, we sold 76,000 Scrum packages, and cumulative sales surpassed 210,000 packages since their launch in 2017.
			Digital specialist development	IPA ITSS L3 ⁴ 1.5 times	1.28 times	We raised the base level of our human resources through measures such as the Group-wide deployment of online training courses as part of our development of a training platform aimed at visualizing the skills of digital experts and enabling employees to continue learning on their own as they strive to become digital professionals.
 <p>QOL Enhancement</p>	Contribute to the enhancement of social infrastructure for 30 million people	<u>Social issues</u> It is necessary to eliminate disparities in medical, educational and regional services between developed and developing countries and between urban and rural areas. <u>Business strategies</u> We will help improve medical, educational and regional services by utilizing the digital technologies and know-how that we have accumulated for office solutions.	Number of people to whom we have contributed by improving social infrastructure	10 million people	10.82 million	We have received orders for Road Surface Inspection System in several prefectures and major cities, contributing to the improvement of infrastructure through more efficient road inspections. In February 2022, we also began slope inspection verification testing. We plan to gradually expand the inspection range to include roads, tunnels, slopes, and more, helping to create safe and secure cities.

 <p>Zero-carbon Society</p>	<p>- Reduce GHG emissions by 63% for scope 1 and 2, and 40% for scope 3 - Switch to 50% renewable electricity</p>	<p><u>Social issues</u> As the impact of climate change is becoming more severe, it is necessary to enhance and speed up countermeasures. <u>Business strategies</u> Upholding the Science Based Target (SBT) of "1.5°C," we will work to reduce GHG emissions substantially and supply products and solutions that contribute to the decarbonization of society as a whole</p>	GHG scope1, 2 reduction rate (vs. FY2015)	30%	42.5% ^{*12}	<p>Through the active use of renewable energy, such as the introduction of onsite PPA in Japan and overseas, we have reduced our GHG Scope 1 and 2 emissions by 25.9 kt year-on-year. For scope 3, we are reducing emissions through the use of shipping company eco-delivery services and the promotion of ENERGY STAR compliant imaging products.</p>
			GHG scope 3 reduction rate (vs. FY2015)	20%	27.9% ^{*12}	
			Renewable energy utilization rate	30%	25.8% ^{*12}	
 <p>Circular Economy</p>	<p>Ensure efficient use of resources throughout the entire value chain and achieve 60% or less of virgin material usage rate</p>	<p><u>Social issues</u> For sustainable use of natural resources, it is necessary to foster the recycling of resources and reduce the use of new resources. <u>Business strategies</u> We will further enhance our 3Rs measures and reduce the use and foster the substitution of plastic materials and provide on-demand printing service, thereby helping customers make efficient use of resources.</p>	Virgin material usage rate	85% or less	88.9% ^{*12}	<p>We significantly increased the percentage of post-consumer recycled plastics used in six of our main models of MFPs and printers.</p>

Robust management infrastructure					
Materiality (Material issues)	Demand from society and management strategies	ESG targets		FY2021 Results	Efforts / Topics
		KPIs	FY2022 Targets		
<div style="border: 1px solid black; padding: 5px; width: fit-content;"> Stakeholder Engagement </div>  	<p><u>Requests from society</u> For the sustainable development of society, companies are required to enhance the sustainability of their entire global value chains.</p> <p><u>Management strategies</u> We will strengthen collaboration with our business partners and build Win-Win-Win relationships between our company, business partners and society.</p>	Production sites with RBA ⁵ certified	6 sites	3 sites in total	At the sites for which we plan to obtain certification in FY2022, we established systems, held explanatory meetings, formulated plans, conducted internal audits, and carried out other measures, progressing according to our Mid-Term Management Plan.
		Suppliers signing on RICOH Group Supplier Code of Conduct	100% signed	86% signed	We established a new purchasing management organization and promoted the signing of codes of conduct by major suppliers of each business unit.
		International security standard	Bolstered security based on ISO/IEC ⁶ NIST ⁷	Undisclosed	
		Evaluation scores given by each partner ⁸ (suppliers, distributors/dealers, development partners)	Undisclosed	Undisclosed	
		Attain top levels for primary ESG external evaluations	DJSI, CDP ⁹ etc.	DJSI: World CDP: A-list	We were selected by the DJSI World Index for the second consecutive year. We claimed the top score in our sector and, in the S&P Global's Sustainability Awards, were selected for the Gold Class, the highest level of distinction.
		Selected in Digital Transformation stock (by Ministry of Economy, Trade and Industry)	Selected	Not selected	Digital Strategy Meetings were held every other month and attended by the CEO and other senior management. At these meetings, participants discussed how to deal with DX-specific management issues. Every other week, meetings regarding strategies, measures, and implementation were conducted with the DXOs of individual business units and the implementation of strategies was accelerated.

 <p>Open Innovation</p>	<p><u>Requests from society</u> For sustainable development, innovation needs to be promoted across a range of industrial sectors.</p> <p><u>Management strategies</u> We will attribute importance to open innovation with universities, research institutes, other companies and business partners, and foster collaboration with these partners to solve social issues through efficient research and technological development as well as to create new value.</p>	<p>Increase rate of patent ETR^{*10} score (vs FY2020)</p>	<p>20%</p>	<p>7%</p>	<p>We were selected for Clarivate Top 100 Global Innovators 2022.</p>
 <p>Diversity and Inclusion</p>	<p><u>Requests from society</u> For sustainable development and innovation, it is necessary to promote decent work, which gives satisfaction and is humane, and respect diversity in society.</p> <p><u>Management strategies</u> We will respect the diversity of employees, upholding the empowerment of self-motivated employees in our management policy and strive to create workplaces where employees can work with vigor.</p>	<p>RFG^{*11} engagement score</p>	<p>50 percentile or more in each region</p>	<p>Japan: 51 percentile Americas: 42 percentile Europe: 29 percentile APAC: 33 percentile</p>	<p>We held online classes for managers in all group companies in Japan. At offices worldwide, we held training and took actions to improve employee engagement. (Note) Percentile data is based on different benchmark scopes in different regions, and therefore these scores are not inter-regional comparative scores.</p>
		<p>Female-held managerial position rate</p>	<p>Global: 16.5% or more (Japan: 7.0% or more)</p>	<p>Global: 15.6% (Japan: 6.3%)</p>	<p>In October 2021, we formulated our Global D&I Policy, and top management made announcements on the occasion of the policy's formulation. We also reinforced our talent management for women and young employees.</p>

*1 Top score ratio: Highest score selecting ratio

*2 Scrum-package customers ratio

*3 Revised the target from 20% due to the shortage of ICT products.

4 IPA: Information-technology Promotion Agency. ITSS: IT Skill Standard set by IPA (level 0-6)

*5 RBA: Responsible Business Alliance

*6 ISO/IEC: International Organization for Standardization/International Electrotechnical Commission

*7 NIST: National Institute of Standards and Technology

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

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

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

*11 RFG: Ricoh Family Group

*12 To be confirmed after third-party verification in early June 2022.

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

Please refer to the TCFD Report for more information.

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

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

In order to support the Paris Agreement, the Ricoh Group has set long-term environmental goals to achieve practically zero GHG^{*1} emissions across the entire value chain by 2050. We have also set a high level GHG emission reduction target of 63% reduction for scope 1 and 2 and 40% reduction for scope 3 (procurement, use and logistics categories) in 2030 (each compared to 2015 levels), which has been validated by SBTi^{*2}, an international climate change initiative, as a 1.5°C level. To achieve this target, Ricoh is promoting thorough energy-saving activities and active use of renewable energy sources. To do so, we became the first Japanese company to participate in RE100^{*3} to promote the active use of renewable energy, and in March 2021, we raised our 2030 target for renewable energy use to 50%, setting a more ambitious goal. We have also formulated a GHG reduction roadmap to 2030, and are promoting thorough energy-saving activities by improving production processes, introducing high-efficiency equipment, and reviewing logistics processes. In addition, we have introduced our unique “Comprehensive Evaluation System for Renewable Energy” in fiscal 2021 to increase the ratio of renewable energy and ensure the quality of electricity used at our domestic sites and made 100% of our electricity used at headquarters renewable energy. Globally, we are implementing various measures, including the introduction of an on-site PPA model^{*4} at four sites in Japan and overseas, with the goal of converting electricity at all major sites to renewable energy by 2030.

Since actions on climate change is one of the important management issues, from 2020, we have positioned GHG emission reduction targets as one of the ESG Targets based on our management strategy, and we are promoting an effective climate change initiative by linking it to the remuneration of officers and senior management. At the Board of Directors, we discussed on the theme of ESG challenges including climate change and under the supervision of the ESG Committee, chaired by our CEO, we have identified the risks and opportunities related to climate change and are working to mitigate and adapt to climate change. In particular, we will strive to reduce risk by formulating and implementing a risk management plan and a business continuity plan (BCP) in response to natural disasters, which are becoming more and more severe. In addition, we will contribute to the creation of a decarbonized society throughout the entire value chain by improving the energy efficiency of our products and collaborating with our business partners and customers.

*1 GHG: Greenhouse Gas

*2 SBTi: Science Based Targets initiatives

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

*3 RE100: An international initiative aiming for 100% conversion to renewable energy

*4: Power Purchase Agreement model

Measures for addressing four TCFD recommendations and progress made in FY2021

Governance	Approach	<ul style="list-style-type: none"> - The Board of Directors and CEO-chaired ESG Committee established to ensure management-level supervision for climate change-related activities - The ESG Committee discusses proposals for decarbonization roadmaps, confirms progress toward environmental goals, and decides on investments in decarbonization-related projects - The Group’s climate change action plans approved by the ESG Committee and implemented under the leadership of the ESG Management Division - Introduction of an ESG-linked executive remuneration system for executives and management that varies depending on the degree of achievement of the “GHG reduction target”
	Status of FY2021 initiatives	<ul style="list-style-type: none"> - Deliberation and decision on climate change-related matters by the ESG Committee (held four times) [see page 54] - Climate change risks and opportunities in line with TCFD - Progress on decarbonization activities - Conformance between decarbonization activities and GHG reduction scenarios
Strategies	Approach	<ul style="list-style-type: none"> - Contribution to SDGs given priority in formulating a Mid-Term Management Plan - “Zero-carbon Society” included in material issues. Manage specific numeric targets as ESG targets - Risks and opportunities identified through scenario analysis and at ESG Committee meetings
	Status of FY2021 initiatives	<ul style="list-style-type: none"> - Implement measures aligned with decarbonization roadmap (renewable energy comprehensive evaluation system, achieve RE100 at main sites, etc.) - Progress in activities for decarbonization and customer appeal - Concluded Mizuho Eco Finance agreement with Mizuho Bank, Ltd., with the aim of promoting decarbonization activities
Risk management	Approach	<ul style="list-style-type: none"> - The Risk Management Committee established to manage major focus managerial risks, which are risks that can significantly affect business performance categorized into two groups: strategic risks and operational risks - Categorize risk levels based on financial impact, urgency, and risk management level, and prioritize the order of measures to address them
	Status of FY2021 initiatives	<ul style="list-style-type: none"> - Documentation of initial response, reporting procedure, establishment and roles of each response division in the event of an emergency - Preparation of BCP (business continuity plan) for each region and business, such as implementation of regular facilities inspections and disaster prevention training - Flooding risk investigation for key domestic sites
Indicators and goals		See page 105

Climate change risk recognition and countermeasures

<Implementation and results of scenario analysis>

The financial impact and urgency of individual risks were reevaluated this fiscal year by performing a scenario analysis. With regard to carbon taxes and emissions trading systems applied to suppliers, we have changed our evaluation of the urgency of this risk based on the global systematization of emissions trading systems and Japan's moves to introduce carbon pricing. Regarding the rising number of natural disasters, we have reevaluated the risks to our supply chain, including our sites. We have decided to invest in concrete measures to address, in particular, flooding risks in Japan, prioritizing major manufacturing sites with high levels of flooding risk.

Natural disaster risks are highly urgent risks which, if countermeasures are deferred until later, could have a major business impact. Although the urgency for the risks of infectious diseases caused by climate change is low, if these risks manifest themselves, they could have a major financial impact. We will therefore strive to continuously enhance our BCP to manage them. We have reconfirmed that actively working to mitigate and adapt to climate change has tremendous potential to produce future financial benefits.

Climate change risks and Ricoh's countermeasures

Transition risks: Analyzed based on 2°C /1.5°C scenario ^{*1}

Physical risks: Analyzed based on 4°C scenario ^{*2}

Impact on Ricoh's business		Impact ^{*3}	Urgency ^{*3}	Ricoh's action	
Transition risks	Carbon taxes and emissions trading systems applied to suppliers	- Carbon pricing (carbon tax/emissions trading) will be applied mainly to material suppliers with high GHG emissions, and the price will be passed on to raw materials, resulting in higher procurement costs.	2	3	- Reducing new resource inputs by selling refurbished devices and using recycled materials - Actively supporting suppliers' decarbonization activities and addressing the risk of rising procurement costs
	Response to accelerated transition to decarbonized society by consumers and investors	- Due to demand for achieving ahead of schedule the target of 1.5°C and achieving RE100, additional costs for implementing measures such as energy saving/renewable energy facility investment and switching to renewable energy are incurred.	1	3	- Actively promoting energy-savings and renewable energy initiatives that contribute to SBT 1.5°C targets (strategic use of renewable energy certifications, deployment of PPA model, etc.) - Financing using sustainability-linked loans
Physical risks	Rapid increase of natural disasters	- Due to climate change, extreme weather has become more severe, causing production stops and sales opportunity losses due to disruption of the supply chain, etc.	3	5	- Addressing supply chain risks - Enhancing risk countermeasures for domestic sites
	Regional epidemics of infectious diseases	- Impact on production plans due to parts supply disruption - Insufficient inventory due to lower operating rates at production sites	2	2	- Reinforcing infectious disease BCP Digitization of operation and negotiation, decentralization of production bases/automation of processes,

		- Decrease in sales opportunities due to difficulty of face-to-face business			additional stocking of parts and products
	Declining forest resources	- Forest damage such as forest fires and increase of pests due to global warming results in deterioration of stable supply of paper raw materials and leads to a rise in paper procurement costs.	1	2	- Reducing base paper usage by using environmentally-friendly linerless labels - Promoting forest conservation activities

*1 2°C /1.5°C scenario: a scenario where the global average temperature increase is below 2°C by 2100

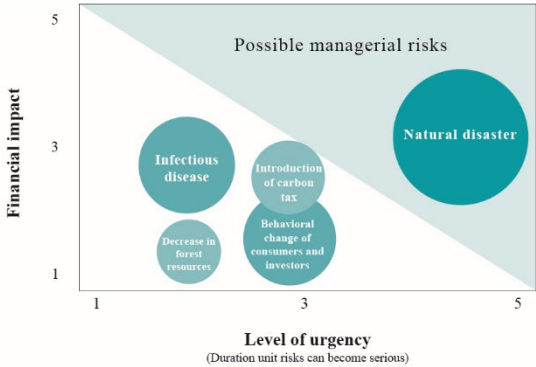
*2 4°C scenario: a scenario where the global average temperature increase is 4°C by 2100

*3 For impact and urgency, please refer to “risk levels” on page 47.

Climate change risk monitoring

Every year, the ESG Committee evaluates climate change risks at the management level and decides on investments in monitoring and necessary countermeasures.

The risk evaluation prioritizes investment in countermeasures along the twin axes of financial impact and urgency. Natural disaster risks have a high level of urgency and has medium financial impact, and therefore they are managed as company-wide key managerial risks. This fiscal year, we invested in flood countermeasures for key domestic production and development sites.



Financial opportunities presented by climate change

The Ricoh Group recognizes that climate change leads not only to business risks, but also to opportunities to increase corporate value as well as the product and service values we provide. Addressing climate change brings opportunities to provide products and solutions that support the decarbonization efforts of customers by leveraging our energy-saving technologies and services, expand sales of solutions that are linked to infectious disease countermeasures, expand our business in the environmental and energy fields, and create new businesses. Our environmental-friendly office equipment, infectious disease countermeasure solutions, and environmental energy business currently contribute to sales worth ¥1 trillion.

Opportunities associated with climate change

Areas of contribution	Overview of FY2021 results		
Contributions to climate change mitigation	Approx. ¥1,000 billion	<ul style="list-style-type: none"> - Sales of products that contribute to decarbonization (environmental label certification) - Sales from negotiations involving ESG response - Sales in products and parts reuse and recycling businesses - Sales in energy saving and energy creation businesses - Contributions of new businesses (sales of environmentally-friendly linerless labels, sales of PLAiR) 	<p>Approx. ¥930 billion</p> <p>Approx. ¥20 billion</p> <p>Approx. ¥30 billion</p> <p>Approx. ¥20 billion</p> <p>-</p>
Contributions to climate change adaptation	Approx. ¥90 billion	<ul style="list-style-type: none"> - Sales of solutions that support new workstyles (Scrum package solutions and Scrum assets^{*1}/WTA^{*2}) - Contributions of new businesses (sales of energy harvesting^{*3} products, etc.) 	<p>Approx. ¥90 billion</p> <p>-</p>

(Note) For the latest details on opportunities for climate change, please refer to the TCFD Report 2022 to be disclosed at a later date.

<https://www.ricoh.com/sustainability/environment/management/tcfd>

*1 Scrum assets: An issue adaptation-type solution model for SMEs sold in Japan

*2 WTA (Work Together, Anywhere): A packaged solution sold in Europe

*3 Energy harvesting: Environmental power generation that generates electricity from light, heat, and vibration present in the surrounding environment

Products that contribute to decarbonization

The Ricoh Group has actively acquired worldwide environmental certifications in order to provide environmentally friendly products to its customers. In the international ENERGY STAR program that promotes energy saving of office equipment, 95% of imaging devices launched and are on the market as of fiscal 2021 have acquired ENERGY STAR certification, contributing to decarbonization. We also implemented the Ricoh Sustainable Products Program, which evaluates the energy savings, resource savings, pollution prevention, comfort, and ease of use of products based on strict criteria developed by Ricoh, to promote manufacturing that contributes to the environment.

Increase in negotiations involving ESG response

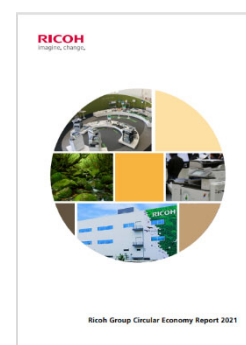
In recent years, ESG demands from customers have been increasing. In particular, public institutions and global companies in Europe are increasingly including the status of ESG initiatives in the selection criteria of their suppliers. For example, in Spain, there have been cases of public procurement negotiations in which, in addition to prices and services, environmental label certification acquisition status, energy-savings performance, and other CSR elements account for over 10% of the overall evaluation criteria. In Japan, the number of customer inquiries regarding ESG efforts is rising annually, and ESG is contributing to enhance customer relationships and providing a boost to the business.

Products and parts recycling businesses

The Ricoh Group has been leveraging its reduce, reuse, and recycle (3R)-related activities and its global reclamation system, which it has been implementing since 1994, to actively conduct products and parts recycling business. Based on our unique “Comet Circle™” concept for developing a circular economy, we have promoted the 3Rs and maintained a high reuse rate of components from recycled products at between 80% and 90%. By expanding our product lineup in line with the recent circular economy trends, we will meet the needs of our customers while contributing to the realization of a decarbonized society and circular economies.

[Reference] “Circular Economy Report 2022” (published March 2022)

https://jp.ricoh.com/info/2022/0303_1



Energy saving and energy creation businesses

The tide of decarbonization is accelerating, and energy saving and energy creation businesses are growing in Japan. We will engage in energy saving and energy creation businesses such as operation and maintenance (O&M) business for customers’ photovoltaic power generation equipment leveraging the monitoring services we have cultivated in the IT and networking device field, electric vehicle charging equipment maintenance, lighting and air conditioning control systems.

Selling solutions that support new workstyles

The Scrum packages offered by the Ricoh Group combine the edge devices, software and cloud services of Ricoh and its partners to support customers’ new workstyles and digitalization of operations. By providing services befitting the era of the new normal, we are also contributing to the reduction of CO₂ emissions through improving customer productivity.

Indicators and goals

The Ricoh Group's environmental goals (decarbonization)

2030 goals

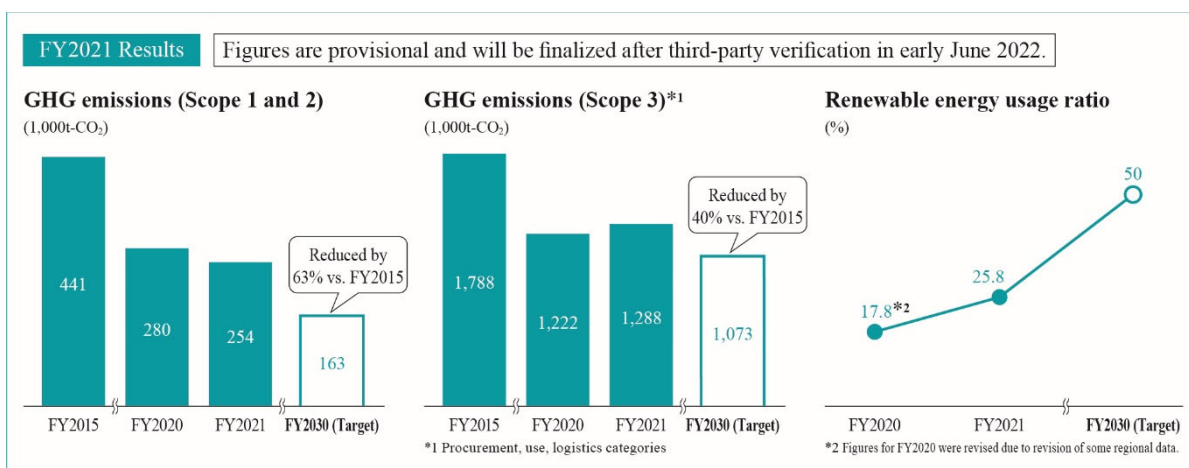
- GHG scope 1 and 2*: 63% reduction vs FY2015
- GHG scope 3*: 40% reduction vs FY2015 (procurement, usage and logistics category)
- Switch 50% of electricity used in business operations to renewable energy

2050 goals

- Achieve zero GHG emissions across the entire value chain
- Switch 100% of electricity used in business operations to renewable energy

* GHG scope 1, 2, 3

- GHG scope 1: GHG directly emitted by Ricoh Group factories, offices, vehicles, etc.
- GHG scope 2: GHG produced by heat/power purchased by the Ricoh Group
- GHG scope 3: Supply chain emissions from corporate activities (excluding GHG scope 1 and 2)



Recent climate change-related measures

We have led the way in key initiatives in Japan and overseas.

We frequently offer recommendations to the government to drive climate change measures and expand the use of renewable energy in Japan.

April 2017	Becomes the first Japanese company to join RE100
August 2018	Commits to recommendations of Task Force on Climate-Related Financial Disclosures
October 2018	Signs Japan Climate Action Summit declaration
January 2020	Becomes the only Asian company on RE100 Advisory Committee
March 2020	Obtains Science-Based Targets approval for setting emissions reduction goals that help limit global temperature rise to 1.5°C above pre-industrial levels
June 2020	Signs Uniting Business and Governments to Recover Better statement, with CEO Yamashita attending a meeting with Japan's Minister of the Environment to exchange views about climate change issues
September 2020	Shortlisted for RE100 Leadership Awards
October 2020	Commits to Business Ambition for 1.5°C
November 2020	On behalf of Ricoh as a Japan Climate Initiative member, CEO Yamashita proposes renewable energy deregulation to Japan's Minister for Regulatory Reform
September 2021	Issues the TCFD Report
October 2021	Participates in We Mean Business Coalition "All in for 2030" campaign
December 2021	Selected backtoback by the CDP for its highest level of evaluation, the climate change A List
March 2022	Issues the circular economy report
April 2022	As a co-president of JCLP*, CEO Yamashita hands proposals to Prime Minister Kishida on overcoming the climate crisis through a new form of capitalism

*JCLP (Japan Climate Leaders' Partnership): A coalition of Japanese companies that aims to create a carbon neutral society.

Diversity & Inclusion, and Work-life Management

Innovation, which is essential to our transformation into a digital service company, is produced when diverse people work together, leveraging their individual strengths. This requires an environment in which diverse people can thrive and each and every employee can maximize his or her performance. To achieve this, we have positioned “diversity and inclusion (D&I)” and “work-life management” as part of our business strategies, and have worked on them accordingly.

Global Diversity & Inclusion Statement

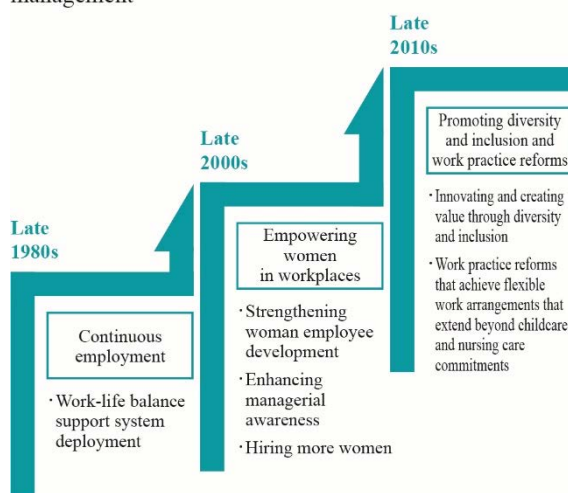
At Ricoh, we embrace and respect the collective and unique talents, experiences, and perspectives of all people.

Together, we inspire remarkable innovation. That’s how we live the Ricoh Way.

Goals of diversity and inclusion and work-life management and axis of efforts



Initiative steps of diversity and inclusion and work-life management



The promotion of the engagement of women has been one of our key initiatives, and we have set corresponding ESG targets. By the end of fiscal 2022, we aim to raise the percentage of managerial positions held by women to 7% or more in Japan and 16.5% or more globally including Japan.

(New initiatives in fiscal 2021 and external evaluations)

- Talent management for women and young employees
- Issued global D&I policy
- Awarded “Minister of State for Regional Revitalization’s Telework Award” sponsored by Cabinet Office

FY2021 Results

	Women as a percentage of full-time employees	Women manager ratio
Global	29.3%	15.6%
Japan	18.2%	6.3%
Ricoh Company, Ltd.	16.3%	6.0%

Note: Women as a percentage of full-time employees: As of March 31, 2022.

Women manager ratio: As of April 1, 2022

We are working to foster an organizational culture in which diverse personnel can autonomously develop their careers and play active roles in the workplace. As an example, our collaborative creation program, TRIBUS, aims to create new businesses. This program, which is currently limited to Japan, enables all employees to turn their aspirations, and the value they want to offer to society, into business and startup companies outside the Group are also taking part in the program. Many employees are using the second job program to support in-house entrepreneurs and outside startup companies, leveraging their own knowledge and experience in a way that matches the amount of time and frequency of engagement available given their main business duties. The leaders of in-house entrepreneurial teams that have been adopted as commercialization ideas include those with limited and extensive work experience, as well as those who have taken on challenges in fields different from their own expertise, creating a wide range of opportunities for a variety of human resources.

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

(i) Plant and equipment investment

In the fiscal period under review, the Ricoh Group invested a total of ¥37.3 billion (including investments of ¥11.5 billion by the Company) in plant and equipment, mainly comprising the following.

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

Not applicable

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

Expansion of high-mix automated production line for cost reduction (Atsugi Plant)

(ii) R&D activities

The Ricoh Group is committed to providing excellence to improve the quality of living and to drive sustainability as our basic management philosophy. In its R&D activities, the Company focused on transforming into a digital services company.

In various workflows, we are developing services including edge devices, platforms, and software that can help solve customers' problems through digital transformation. We are also creating new businesses that contribute to solving social issues in areas such as healthcare, environment, and social infrastructure, as well as promoting our focused R&D efforts upon selecting the focus areas for cutting-edge technologies.

With the adoption of IFRSs, part of the development costs incurred by the Company have been capitalized and reported as intangible assets. Consolidated R&D expenditures were ¥96.7 billion, including the development costs which were treated as intangible assets (¥20.9 billion).

(iii) Fund procurement

Not applicable.

(5) Major subsidiaries

■ Major subsidiaries (as of March 31, 2022)

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

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

(6) Principal offices and plants (as of March 31, 2022)

■ Major domestic offices and plants

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

■ Major overseas offices and plants

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

(7) Status of employees (as of March 31, 2022)

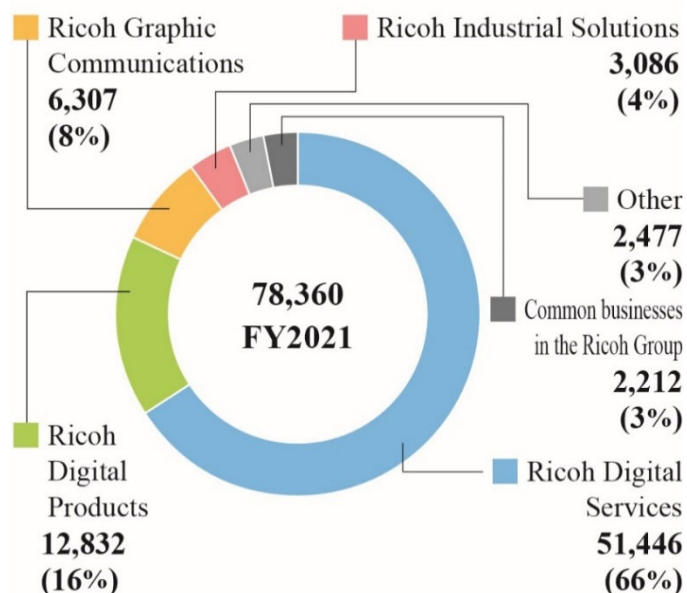
(i) Employees of the Ricoh Group

Categories	Number of employees
Ricoh Digital Services	51,446
Ricoh Digital Products	12,832
Ricoh Graphic Communications	6,307
Ricoh Industrial Solutions	3,086
Other	2,477
Common businesses in the Ricoh Group	2,212
Total	78,360
YoY change	2,824 (decrease)

(ii) Employees of the Company

Categories	
Number of employees	7,613
Change from the end of the previous fiscal year	409 (decrease)
Average age	45.3
Average length of service	20.5 years

Number of employees



(8) Main creditors (as of March 31, 2022)

Creditors	Amounts borrowed (millions of yen)
MUFG Bank, Ltd.	46,835
Sumitomo Mitsui Trust Bank, Limited	33,670
Syndicated loans	30,000

Note: Syndicated loans are co-financed by MUFG Bank, Ltd.

(9) Other important matters concerning the current status of the Company

At a meeting of the Board of Directors held on April 28, 2022, the Company resolved to acquire a portion of the common stock (80% of the outstanding shares) of PFU Limited (“PFU”), a subsidiary of Fujitsu Limited, from Fujitsu Limited, and entered into a share transfer agreement. The share acquisition is scheduled to be executed on July 1, 2022. As a result of this share acquisition, PFU will become a consolidated subsidiary of the Company.

Please see “Notes to Significant Subsequent Events” in the Notes to Consolidated or Non-Consolidated Financial Statements for details.

Internet disclosure

https://jp.ricoh.com/-/Media/Ricoh/Sites/jp_ricoh/IR/events/2022/pdf/indication122.pdf

2. Shareholders' Equity (as of March 31, 2022)

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

(2) Total number of shares issued: 637,468,178

(3) Number of shareholders: 57,691

(4) Major shareholders:

Name	The shareholders' stake in the Company	
	Thousands of shares	Percentage of ownership (%)
The Masters Trust Bank of Japan, Ltd. (Trust Account)	118,548	18.60
GOLDMAN SACHS INTERNATIONAL	30,420	4.77
Nippon Life Insurance Company	29,441	4.62
Custody Bank of Japan, Ltd. (Trust Account)	26,753	4.20
Shinsei Trust & Banking Co., Ltd. ECM MF Trust Account 8299004	21,000	3.29
Ichimura Foundation for New Technology	15,839	2.49
CGML PB CLIENT ACCOUNT/COLLATERAL	15,833	2.48
ECM MF	14,599	2.29
J.P. MORGAN SECURITIES PLC FOR AND ON BEHALF OF ITS CLIENTS JPMSP RE CLIENT ASSETS-SEGR ACCT	13,022	2.04
Barclays Securities Japan Limited	12,776	2.00

Notes:

1. The number of treasury stocks (70 thousand shares) is not included in the chart above. Treasury stocks do not include shares of the Company (398 thousand shares) held by the Board Incentive Plan trust in which beneficiaries include Directors and Executive Officers.
2. The percentage of ownership is calculated after deducting treasury stock.

(5) Status of shares issued to Directors and Executive Officers as compensation for execution of duties during the fiscal year

Position	Number of shares	Number of persons eligible
Director (excluding Outside Directors)	2,900	1
Audit & Supervisory Board Member	1,700	1

Note: The above number of shares are shares issued for the execution of duties before assuming the positions of Director or Audit & Supervisory Board Member.

(6) Other important matters related to shares:

Acquisition and retirement of treasury stock

Based on the resolution of the Board of Directors meeting held on March 3, 2021, the Company acquired 81,230,900 shares of its common stock during the fiscal year under review to enhance shareholder returns and improve capital efficiency. In addition, 107,443,900 shares of the Company's common stock were retired on February 28, 2022 based on the resolution of the Board of Directors meeting held on February 4, 2022.

As an additional shareholder return, the Company's Board of Directors, at a meeting held on May 10, 2022, resolved on matters pertaining to the acquisition of treasury stock and the retirement of treasury stock as follows with the aim of enhancing shareholder returns and improving capital efficiency.

1. Details of matters relating to the acquisition

- | | |
|------------------------|--|
| (1) Share category | Common stock |
| (2) Number of shares | Up to 48,000,000 shares
(representing 7.5% of issued and outstanding shares excluding treasury stock) |
| (3) Repurchase ceiling | ¥30 billion (maximum) |
| (4) Period | May 11, 2022 through September 30, 2022 |
| (5) Method | Open market purchase on Tokyo Stock Exchange |

2. Details of matters pertaining to retirement

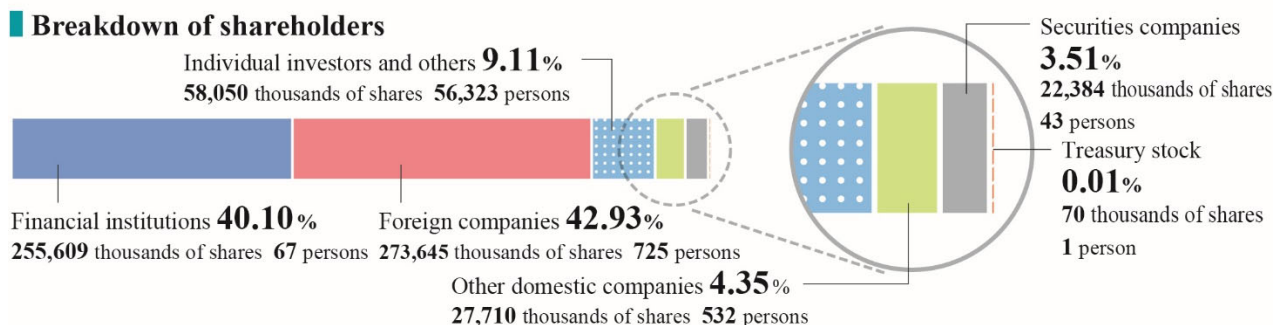
- | | |
|----------------------|---|
| (1) Share category | Common stock |
| (2) Number of shares | All treasury stock acquired in accordance with 1. above |
| (3) Retirement date | October 31, 2022 |

Prime Market listing

On July 9, 2021, the Company received the evaluation results from the Tokyo Stock Exchange (TSE) concerning the Company's conformance with the standards for listing on the new market segment, and was confirmed to meet the standards for listing on the Prime Market section of the new market segment.

It was then decided at the Board of Directors meeting held on December 14, 2021, to select the Prime Market as the Company's new market segment, and to submit an application to the TSE accordingly. Designated procedures for selecting and applying for the new market segment were carried out in accordance with the TSE's schedule in order to transition to the new market segment, and since April 4, 2022, the Company has been listed on the TSE's Prime Market.

Breakdown of shareholders



3. Status of Corporate Officers

(1) Directors and Audit & Supervisory Board Members (as of March 31, 2022)

Position	Name	Principal duty and significant concurrent positions	
		(as of March 31, 2022)	(Reference: as of May 20, 2022)
Representative Director	Yoshinori Yamashita	CEO (Chief Executive Officer)	(Same as on the left)
Director	Nobuo Inaba	Chairperson of the Board	(Same as on the left)
Director	Hidetaka Matsuiishi	CFO (Chief Financial Officer) General Manager of Corporate Planning Division	-
Director	Seiji Sakata	CTO (Chief Technology Officer) General Manager of Advanced Technology R&D Division	CTO (Chief Technology Officer)
Director	Akira Oyama	President of Ricoh Digital Services Business Unit	President of Ricoh Digital Services Business Unit Chairperson of Ricoh Japan Corporation
Director	Masami Iijima	Chairperson of Nomination Committee MITSUI & CO., LTD. (Counselor) SoftBank Group Corp. (Outside Director) The Bank of Japan (Counselor) Isetan Mitsukoshi Holdings Ltd. (Outside Director) Takeda Pharmaceutical Company Limited (Outside Director, Audit & Supervisory Committee member)	Chairperson of Nomination Committee MITSUI & CO., LTD. (Counselor) SoftBank Group Corp. (Outside Director) The Bank of Japan (Counselor) Isetan Mitsukoshi Holdings Ltd. (Outside Director) Takeda Pharmaceutical Company Limited (Outside Director, Chair of the Board Meeting) [Planned to assume office in June 2022]
Director	Mutsuko Hatano	Chairperson of Compensation Committee Department of Electrical and Electronic Engineering, School of Engineering, National University Corporation Tokyo Institute of Technology (Professor)	(Same as on the left)
Director	Kazuhiro Mori	Toyo University (Trustee)	(Same as on the left)
Director	Keisuke Yokoo	Japan Investment Corporation (President, Member of the Board & Chief Executive Officer) The Dai-ichi Life Insurance Company, Limited (Outside Director) Sonar Advisers Inc. (Chairperson) Takashimaya Company, Limited (Outside Director)	(Same as on the left)
Director	Sadafumi Tani	Nippon.com (Executive Director/ Editor in Chief)	Nippon.com (Executive Director/ Editor in Chief) Jiji Research Institute, Ltd. (Advisor)

Position	Name	Principal duty and significant concurrent positions	
		(as of March 31, 2022)	(Reference: as of May 20, 2022)
Audit & Supervisory Board Member	Kazuhiro Tsuji	(Full-time)	(Same as on the left)
Audit & Supervisory Board Member	Shinji Sato	(Full-time)	(Same as on the left)
Audit & Supervisory Board Member	Yo Ota	Nishimura & Asahi (Partner) Nippon Kayaku Co., Ltd. (Outside Director) Japan Association of Corporate Directors (Director) Japan Association of Corporate Directors (Corporate Governance Committee) (Vice Chairperson) LOTTE Foundation (Councilor)	(Same as on the left)
Audit & Supervisory Board Member	Shoji Kobayashi	Contract Monitoring Committee, National Institute of Technology and Evaluation (Chairperson of Contract Monitoring Committee) SAIWAI TRADING CO., LTD. (Director in charge of Control Group [Part-time])	Contract Monitoring Committee, National Institute of Technology and Evaluation (Member of Contract Monitoring Committee) SAIWAI TRADING CO., LTD. (Director in charge of Control Group [Part-time])
Audit & Supervisory Board Member	Yasunobu Furukawa	Keisei Electric Railway Co., Ltd. (External Director) Saitama Resona Bank, Limited (Outside Director (Audit & Supervisory Committee Member))	(Same as on the left)

Notes:

1. Directors Masami Iijima, Mutsuko Hatano, Kazuhiro Mori, Keisuke Yokoo and Sadafumi Tani are Outside Directors stipulated in Article 2, Item 15 of the Companies Act.
2. Audit & Supervisory Board Members Yo Ota, Shoji Kobayashi and Yasunobu Furukawa are Outside Audit & Supervisory Board Members stipulated in Article 2, Item 16 of the Companies Act.
3. Directors Masami Iijima, Mutsuko Hatano, Kazuhiro Mori, Keisuke Yokoo and Sadafumi Tani, Audit & Supervisory Board Members Yo Ota, Shoji Kobayashi and Yasunobu Furukawa are Independent Directors / Audit & Supervisory Board Members stipulated in Rule 436-2 of the Securities Listing Regulations of the Tokyo Stock Exchange.
4. Audit & Supervisory Board Member Shinji Sato has abundant experience in accounting and finance operations at domestic and overseas offices and affiliates, in addition to abundant experience serving as a president of affiliates and in internal audit operations at the Company and MITSUI & CO., LTD., where he had worked previously. He has considerable insight into finance and accounting.
5. Audit & Supervisory Board Member Yasunobu Furukawa has served as a certified public accountant and as an engagement partner at Ernst & Young ShinNihon LLC., for audits of global corporations with operations overseas, and has considerable insight into finance and accounting.

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

Class	Number of recipients	Total compensation, etc. (millions of yen)	Total amount by type of compensation, etc. (millions of yen)			
			Basic compensation	Bonuses	Compensation for acquiring stock	Stock-based compensation with stock price conditions
Directors [Outside Directors]	10 [5]	352 [71]	296 [71]	29 [-]	11 [-]	14 [-]
Audit & Supervisory Board Members [Outside Audit & Supervisory Board Members]	6 [3]	93 [36]	93 [36]	-	-	-
Total	16 [8]	445 [107]	389 [107]	29 [-]	11 [-]	14 [-]

Notes:

1. The figures include compensation paid to one Audit & Supervisory Board Member who retired at the conclusion of the 121st Ordinary General Meeting of Shareholders held on June 24, 2021.
2. The compensation, etc. paid to Directors excludes employee wages for Directors who are also employees.
3. The total for stock-based compensation with stock price conditions is the amount recorded as expenses during this fiscal year.

Please refer to pages 60 to 66 for “Matters Concerning Compensation for Directors and Audit & Supervisory Board Members, etc.”

(3) Outside Directors and Audit & Supervisory Board Members

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

Position	Name	Significant concurrent positions and relationship with the Company
Outside Director	Masami Iijima	<p>MITSUI & CO., LTD. (Counselor) SoftBank Group Corp. (Outside Director) The Bank of Japan (Counselor) Isetan Mitsukoshi Holdings Ltd. (Outside Director) Takeda Pharmaceutical Company Limited (Outside Director, Audit & Supervisory Committee member) [Planned to assume office of External Director, Chair of the Board Meeting in June 2022]</p> <p>The Company has business relations with MITSUI & CO., LTD., SoftBank Group Corp., Isetan Mitsukoshi Holdings Ltd. and Takeda Pharmaceutical Company Limited, such as product sales, with the relevant transactional amounts totaling less than 1% of the consolidated net sales of the Company and the relevant companies, respectively, which is considered extremely insignificant.</p>
Outside Director	Mutsuko Hatano	<p>Department of Electrical and Electronic Engineering, School of Engineering, National University Corporation Tokyo Institute of Technology (Professor)</p> <p>The Company had entered into a consignment contract with candidate Ms. Mutsuko Hatano from April 1, 2016 to June 16, 2016, and had paid ¥1.5 million to her as commission. The purpose of this agreement was to have Ms. Mutsuko Hatano attend the Ricoh Group Technology Management Meetings to provide advice and recommendations from an outsider's point of view on the management of technology at the Company. This agreement was terminated before her appointment as the Company's Outside Director.</p> <p>The Company has business relations with Tokyo Institute of Technology, primarily relating to the consignment of research and development, with the relevant transactional amounts totaling less than 1% of the consolidated net sales of the Company and Tokyo Institute of Technology, which is considered extremely insignificant.</p>
Outside Director	Kazuhiro Mori	<p>Toyo University (Trustee)</p> <p>There are no special interests between Mr. Kazuhiro Mori and the Company.</p>
Outside Director	Keisuke Yokoo	<p>Japan Investment Corporation (President, Member of the Board & Chief Executive Officer) The Dai-ichi Life Insurance Company, Limited (Outside Director) Sonar Advisers Inc. (Chairperson) Takashimaya Company, Limited (Outside Director)</p> <p>The Company has business relations with The Dai-ichi Life Insurance Company, Limited and Takashimaya Company, Limited, such as product sales, with the relevant transactional amounts totaling less than 1% of the consolidated net sales of the Company and the respective companies, which is considered extremely insignificant.</p> <p>In addition, the Company has business relations with Mizuho Securities Co., Ltd. and Nippon Suisan Kaisha, Ltd., where Mr. Keisuke Yokoo had belonged to in the past 10 years, such as product sales, with the relevant transactional amounts totaling less than 1% of the consolidated net sales of the Company and each of these companies, respectively, which is considered extremely insignificant.</p>
Outside Director	Sadafumi Tani	<p>Nippon.com (Executive Director/Editor in Chief) Jiji Research Institute, Ltd. (Advisor) [Assumed office in May 2022]</p> <p>The Company has business relations with Jiji Press Ltd. and Quants Research Inc., where candidate Mr. Sadafumi Tani had belonged to in the past 10 years, such as product sales, with the relevant transactional amounts totaling less than 1% of the consolidated net sales of the Company and each of these companies, respectively, which is considered extremely insignificant.</p>

Position	Name	Significant concurrent positions and relationship with the Company
Outside Audit & Supervisory Board Member	Yo Ota	<p>Nishimura & Asahi (Partner) Nippon Kayaku Co., Ltd. (Outside Director) Japan Association of Corporate Directors (Director) Japan Association of Corporate Directors (Corporate Governance Committee) (Vice Chairperson) LOTTE Foundation (Councilor)</p> <p>Nishimura & Asahi is one of the law offices to which the Company requests legal services, as appropriate, on a case by case basis. The Company has relations with this law office, such as the referral of legal matters, with the relevant transactional amounts totaling less than 1% of the consolidated net sales of the Company and the annual transactions of the said law office, which is considered extremely insignificant.</p> <p>The Company has business relations with Nippon Kayaku Co., Ltd., such as product sales, with the relevant transactional amounts totaling less than 1% of the consolidated net sales of the Company and Nippon Kayaku Co., Ltd., respectively, which is considered extremely insignificant.</p>
Outside Audit & Supervisory Board Member	Shoji Kobayashi	<p>Contract Monitoring Committee, National Institute of Technology and Evaluation (Chairperson of Contract Monitoring Committee) [Member of Contract Monitoring Committee from April 2022] SAIWAI TRADING CO., LTD. (Director in charge of Control Group [Part-time])</p> <p>The Company has business relations with Kao Corporation, where candidate Mr. Shoji Kobayashi had belonged to until March 2017, such as product sales, with the relevant transactional amounts totaling less than 1% of the consolidated net sales of the Company and Kao Corporation, which is considered extremely insignificant.</p>
Outside Audit & Supervisory Board Member	Yasunobu Furukawa	<p>Keisei Electric Railway Co., Ltd. (External Director) Saitama Resona Bank, Limited (Outside Director, Audit & Supervisory Committee Member)</p> <p>The Company has business relations with Keisei Electric Railway Co., Ltd. and Saitama Resona Bank, Limited, such as product sales, with the relevant transactional amounts totaling less than 1% of the consolidated net sales of the Company and each of these companies, respectively, which is considered extremely insignificant.</p>

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

Position	Name	Main activities/ Outline of duties performed in relation to the roles expected of Outside Directors
Outside Director	Masami Iijima	<p>Mr. Masami Iijima used his broad-ranging experience, knowledge and insight as a management executive of MITSUI & CO., LTD., which operates business globally, to provide valuable advice and recommendations for making appropriate management decisions and providing management oversight. In addition, as Chairperson of the Nomination Committee, he has also contributed to strengthening the supervisory function of the committee by leading objective discussions from an independent standpoint, based on his deep knowledge of and insight into corporate governance. As a member of the Compensation Committee, he has engaged in discussions aimed at ensuring objectivity and transparency in the process of determining executive compensation.</p> <p>In FY2021, in the midst of a challenging business environment, including shortages of semiconductors and other materials and soaring logistics costs, in addition to various restrictions due to the COVID-19 pandemic that had persisted since the previous year, he provided useful advice and recommendations on global risk management, taking into account rapid changes in world affairs and regional characteristics based on his wealth of experience, knowledge and insight as a management executive. He also provided advice and recommendations from a multifaceted perspective, in relation to business portfolio management, human resource strategies, growth investment, and capital policy, and made a significant contribution to the Company's efforts to enhance corporate value through business growth and strengthening of its structure. He also attended management meetings as an observer and actively participated in other events related to the Company's execution.</p> <p>Attendance rate during the fiscal year under review: Board of Directors meetings: 100% (12 out of 12) Nomination Committee meetings: 100% (8 out of 8) Compensation Committee meetings: 100% (6 out of 6)</p>
Outside Director	Mutsuko Hatano	<p>Ms. Mutsuko Hatano used her extensive experience as a researcher and other important positions at Hitachi, Ltd., and a professor of the Department of Electrical and Electronic Engineering, School of Engineering, National University Corporation Tokyo Institute of Technology to provide valuable advice and recommendations for making appropriate management decisions and providing management oversight. In addition, as Chairperson of the Compensation Committee, she has contributed to strengthening the supervisory function of the committee by leading objective discussions from an independent standpoint that differs from those of corporate executives, and has contributed to ensuring the transparency in the process of determining executive compensation. She also engaged in discussions with an awareness of ensuring objectivity and transparency in the nomination process.</p> <p>In FY2021, she provided useful advice and recommendations on technology and intellectual property strategies and new business strategies from a professional perspective for the Company's transformation into a digital services company amid a challenging business environment, including shortages of semiconductors and other materials and soaring logistics costs, in addition to various restrictions due to the COVID-19 pandemic that had persisted since the previous year. In addition, with respect to digital and human resource strategies, based on her deep knowledge and insight into science and technology as well as human resource development, she provided advice and recommendations from the perspective of securing advanced professional human resources and diversity, and made a significant contribution to the Company's efforts to enhance corporate value through business growth and strengthening of its structure. She also participated in the Company's technology management advisory committee meetings, attended management meetings as an observer, and actively participated in other events related to the Company's execution.</p> <p>Attendance rate during the fiscal year under review: Board of Directors meetings: 100% (12 out of 12) Nomination Committee meetings: 100% (8 out of 8) Compensation Committee meetings: 100% (6 out of 6)</p>

Position	Name	Main activities/ Outline of duties performed in relation to the roles expected of Outside Directors
Outside Director	Kazuhiro Mori	<p>Mr. Kazuhiro Mori used his broad-ranging successive experience as a management executive of the Hitachi Group, his knowledge and insights, and his advanced judgment and leadership in management to provide valuable advice and recommendations for making appropriate management decisions and providing management oversight. Furthermore, as a member of the Nomination Committee and the Compensation Committee, he has actively engaged in discussions from an independent perspective, based on his experience as a top corporate executive, contributed to strengthening the supervisory function, and ensuring objectivity and transparency in the processes of nomination and determining compensation.</p> <p>In FY2021, amid a challenging business environment, including shortages of semiconductors and other materials and soaring logistics costs, in addition to various restrictions due to the COVID-19 pandemic that had persisted since the previous year, he provided advice and recommendations from multiple perspectives on matters such as strengthening business profitability and improving return on capital, business portfolio management, ESG efforts, technology and intellectual property strategies, growth investments, and digital and human resources strategies by exercising his advanced judgment and leadership in management based on his extensive experience, and made a significant contribution to the Company's efforts to enhance corporate value through business growth and strengthening of its structure. He also attended management meetings as an observer and actively participated in other events related to the Company's execution.</p> <p>Attendance rate during the fiscal year under review: Board of Directors meetings: 100% (12 out of 12) Nomination Committee meetings: 100% (8 out of 8) Compensation Committee meetings: 100% (6 out of 6)</p>
Outside Director	Keisuke Yokoo	<p>Mr. Keisuke Yokoo used his extensive experience over many years in finance and capital markets together with his broad-ranging knowledge and insights regarding finance to provide valuable advice and recommendations as well as made appropriate management decisions and provided management oversight from an investor and shareholder perspective. Furthermore, as a member of the Nomination Committee and the Compensation Committee, he has actively engaged in discussions from an independent perspective based on his experience as a top corporate executive, contributed to strengthening the supervisory functions and ensuring objectivity and transparency in the processes of nomination and determining compensation.</p> <p>In FY2021, in the midst of a challenging business environment, including shortages of semiconductors and other materials and rising logistics costs, in addition to the various restrictions due to the COVID-19 pandemic that had persisted since the previous year, he provided advice and recommendations from the perspective of investors and shareholders based on his extensive experience, in relation to corporate finance, communication with capital markets, capital policy, digital and human resources strategy, growth investment, and other areas, and contributed significantly to the Company's efforts to enhance corporate value through business growth and strengthening of its structure. He also attended management meetings as an observer and actively participated in other events related to the Company's execution.</p> <p>Attendance rate during the fiscal year under review: Board of Directors meetings: 100% (12 out of 12) Nomination Committee meetings: 100% (8 out of 8) Compensation Committee meetings: 100% (6 out of 6)</p>
Outside Director	Sadafumi Tani	<p>Mr. Sadafumi Tani used his extensive experience over many years as an economic reporter together with his broad-ranging knowledge and insights regarding global economy and social issues, as well as excellent communication skills, to provide valuable advice and recommendations for making appropriate management decisions and providing management oversight. Furthermore, as a member of the Compensation Committee, he has actively engaged in discussions from an independent perspective based on his experience as a corporate manager, contributed to strengthening the supervisory functions and ensuring objectivity and transparency in the processes of determining compensation.</p> <p>In FY2021, in the midst of a challenging business environment, including shortages of semiconductors and other materials and rising logistics costs, in addition to various restrictions due to the COVID-19 pandemic that had persisted since the previous year, he provided advice and recommendations from the perspective of investors and shareholders based on his extensive experience, in relation to communication with capital markets, information dissemination, improvement of return on capital, and human resource strategies, and contributed significantly to the Company's efforts to enhance corporate value through business growth and strengthening of its structure. He also attended management meetings as an observer and actively participated in other events related to the Company's execution.</p> <p>Attendance rate during the fiscal year under review (since taking office upon election): Board of Directors meetings: 100% (10 out of 10) Compensation Committee meetings: 100% (5 out of 5)</p>

Position	Name	Main activities/
Outside Audit & Supervisory Board Member	Yo Ota	<p>Mr. Yo Ota actively made comments at the Audit & Supervisory Board and the Board of Directors based on his extensive track records from his many years of experience as an attorney practicing all areas of corporate law, including M&As, corporate governance, and compliance, and his extensive experience as a specialist in corporate governance. He also attended Nomination Committee meetings as an observer and contributed to ensuring the transparency in the nomination process.</p> <p>During the fiscal year under review, in addition to the above activities, he also participated in audits of divisions and subsidiaries in fields of particular focus in relation to his areas of expertise or importance, and provided advice and recommendations. He also actively engaged in discussions at meetings such as periodic meetings with the Chairperson of the Board of Directors and the Representative Director, governance review meetings, and outside executive meetings and frankly shared his opinions from a professional perspective.</p> <p>Attendance rate during the fiscal year under review: Board of Directors meetings: 92% (11 out of 12) Audit & Supervisory Board meetings: 93% (13 out of 14) Nomination Committee meetings*: 100% (8 out of 8) * As an observer</p>
Outside Audit & Supervisory Board Member	Shoji Kobayashi	<p>Mr. Shoji Kobayashi actively made comments at the Audit & Supervisory Board and the Board of Directors from an objective perspective based on his extensive experience gained through many years in development and business management while serving in important positions at Kao Corporation, such as General Manager of a business division and Executive Officer, as well as his deep insight into the management and governance of a global corporation, acquired as a full-time Audit & Supervisory Board Member of Kao Corporation, and his broad knowledge regarding all aspects of technology. He also attended Compensation Committee meetings as an observer and contributed to ensuring the transparency in the process of determining compensation.</p> <p>During the fiscal year under review, in addition to the above activities, he also attended numerous audits of business units and Group headquarters organizations, subsidiaries, etc., and provided advice and recommendations from a wide range of perspectives, including technical and business operations, as well as ESG engagement. He also actively engaged in discussions at meetings such as periodic meetings with the Chairperson of the Board of Directors and the Representative Director, governance review meetings, and outside executive meetings and frankly shared his opinions from a professional perspective.</p> <p>Attendance rate during the fiscal year under review: Board of Directors meetings: 100% (12 out of 12) Audit & Supervisory Board meetings: 100% (14 out of 14) Compensation Committee meetings*: 100% (6 out of 6) *As an observer</p>
Outside Audit & Supervisory Board Member	Yasunobu Furukawa	<p>Mr. Yasunobu Furukawa actively made comments at the Audit & Supervisory Board and the Board of Directors based on his many years of experience as a certified public accountant and as an engagement partner for audits of global corporations with operations overseas at Ernst & Young ShinNihon LLC., and on his extensive insight and experience in corporate management as an outside director, audit committee member, and outside audit & supervisory board member for other companies.</p> <p>During the fiscal year under review, in addition to the above activities, he also participated in audits of divisions and subsidiaries in fields of particular focus in relation to his areas of expertise or importance, and provided advice and recommendations. In addition, he was particularly active in asking questions of and communicating with the Independent Auditor. He also actively engaged in discussions at meetings such as periodic meetings with the Chairperson of the Board of Directors and the Representative Director, governance review meetings, and outside executive meetings and frankly shared his opinions from a professional perspective.</p> <p>Attendance rate during the fiscal year under review: Board of Directors meetings: 83% (10 out of 12) Audit & Supervisory Board meetings: 93% (13 out of 14)</p>

(iii) Outline of liability limitation contracts

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

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

(a) Liability limitation contracts with Outside Directors

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

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

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

(iv) Outline of directors and officers liability insurance contracts

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

4. Independent auditor

(1) Name: Deloitte Touche Tohmatsu LLC

(2) Audit Fee, etc.:

	Amount to be paid
Audit Fee, etc. to be paid to the independent auditor by the Company	¥216 million
Total sum of audit fee, etc. to be paid to the independent auditor by the Company and its subsidiaries	¥309 million

Notes:

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

(3) Non-audit work

In addition to the services stipulated in Article 2, Paragraph 1 of the Certified Public Accountants Act, the Company has entrusted educational services related to risk management to the independent auditor, and the amount of compensation (¥1 million) is included in the above fee.

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

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

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

System to secure appropriateness of operations and their operating status

The systems to secure the appropriateness of the Company's operations are reviewed on a regular and ongoing basis in response to changes in the business environment, and resolutions are made at the Board of Directors.

<p>Internal Control System Basic Policy</p>	<p>The RICOH Way, which comprises our founding principles (“Sanai spirit” - love your neighbor, love your country, love your work), Mission Statement, Vision Statement, and Values Statement, is the foundation of the Ricoh Group's management policy, strategy, and internal control system.</p> <p>Inspired by the values incorporated in The RICOH Way, we are working to establish and implement an internal control system aimed at strengthening competitiveness and continuously improving the system while ensuring transparency based on corporate ethics and legal compliance.</p>
<p>(1) System to ensure appropriate compliance with laws and Articles of Incorporation concerning the implementation of Directors' and employees' duties</p>	<p>[Content of Basic Policy]</p> <p>Based on the principle of autonomous corporate governance, the Company promotes a corporate culture that values both a sense of duty to meet the various expectations of stakeholders and high ethics suited to good social conscience.</p> <p>1) Systems to ensure appropriate compliance with laws and Articles of Incorporation concerning the implementation of Directors' duties</p> <p>[Content of Basic Policy]</p> <ul style="list-style-type: none"> (i) Management transparency and fairness of decision-making are strengthened by the presence of Outside Directors. In addition, the Board of Directors is composed of a majority of Outside Directors to strengthen functions of overseeing from different perspectives. (ii) The Board of Directors is positioned as the highest decision-making organization for business management and is chaired by a Non-executive director, who leads the Board from a neutral position, in order to facilitate in-depth discussions for important matters to reach robust decisions. (iii) As part of the strengthening of management oversight functions by the Board of Directors, the “Nomination Committee” and the “Compensation Committee”, which are chaired by Outside Directors have been established. In each committee, the majority of the members are Outside Directors, so that the transparency and objectivity of the selection of candidates and compensation of Directors and executive officers, etc. is secured. (iv) Policies regarding disclosure has been established to assure the accuracy, timeliness and comprehensiveness of disclosure of corporate information and the “Disclosure Committee”, which is chaired by a CFO who is responsible for information disclosure, is established to verify and decide the importance of disclosure of information, necessity of disclosure and validity of the content. <p>[Operating Status of Internal Control System]</p> <ul style="list-style-type: none"> (i, ii) The Board of Directors consists of 10 members, including 6 Non-executive Directors (which include 5 Outside Directors), held 12 meetings during the fiscal year under review with agendas led by the chairperson of the Board selected from among the Non-executive Directors and focused on transparency in management and fair decision-making. (iii) During the fiscal year under review, the Nomination Committee held 8 meetings and the Compensation Committee held 6 meetings to secure transparency and objectivity through discussions with Outside Directors. (iv) The Disclosure Committee held 3 meetings during the fiscal year under review. This committee primarily judges the appropriateness and accuracy of annual reports and other disclosure documents, monitor disclosure procedures, and deliberates on matters regarding the appropriate and strategic disclosure of company information that contributes to the investment decisions of shareholders and investors. Furthermore, in order to improve the effectiveness of information disclosure, the disclosure process were revised and measures were taken to revise information disclosure

	<p>regulations during the fiscal year under review.</p> <p>2) Systems to ensure appropriate compliance with laws and Articles of Incorporation concerning the implementation of employees' duties</p> <p>[Content of Basic Policy]</p> <ul style="list-style-type: none"> (i) Regarding CSR (Corporate Social Responsibility) including compliance, in order to thoroughly implement the "Ricoh Group Code of Conduct" which articulates the general rules of conduct for Ricoh Group and its officers and employees, the Specialty Committee and a reporting line to report incidents and seek advice have been established. Also, various training programs are set up to enhance compliance domestically and overseas. The Company prohibits unfavorable treatments of anyone who made the report to the reporting line due to such reporting. (ii) Efforts are being made to improve business processes and construct a framework for standardized internal control throughout the entire Group, with the goal of "complying with laws, norms and internal rules", "improvement of business effectiveness and efficiency", "maintaining high reliability of financial reporting", and "securing of assets", including compliance to the Financial Instruments and Exchange Law and other relevant laws and regulations. (iii) The Company shall establish a department (Risk Management and Legal Center) specializing in enhancing and promoting the functions of the above on an integrated basis. (iv) To ensure appropriate internal auditing, a division of internal management and control shall be established. The division examines and evaluates business operations based on legal compliance and rational criteria, and perform audit for improvement. (v) To establish and improve an internal control system of the Ricoh Group, the Company shall institute an "Internal Control Committee," which is expected to convene regularly to evaluate, deliberate and decide on development and improvement of internal control. <p>[Operating Status of Internal Control System]</p> <p>(i, ii, iii)</p> <p>In order to promote greater compliance awareness throughout the Ricoh Group, during October, which is designated as Ricoh Group Compliance Month each year, informational activities and communications from top management were used to spread awareness of the "Ricoh Group Code of Conduct" and the "Whistleblowing System." During the fiscal year under review, an external education platform focused on compliance was introduced to enable the provision of unified education regarding compliance throughout the Group. During the fiscal year under review, the platform was utilized to implement e-learning regarding compliance at some Group companies in Japan and overseas. In addition, compliance surveys were conducted for all Ricoh Group employees to check the compliance maturity of each company. Going forward, necessary improvement activities are planned at each company based on the results. A standard for the "Ricoh Group Whistleblowing System," which prohibits the unfavorable treatment of whistleblowers, has been defined and internal and external whistleblowing hotlines have been established. Furthermore, a "Ricoh Group Global Whistleblowing" hotline was established to enable all Group employees to report directly to Audit & Supervisory Board Members, and the Company strove to develop and enrich its environment, which makes it possible for employees to feel secure in consulting and reporting issues. In addition, in order to appropriately respond to whistleblowing, education is provided periodically and continuously to the persons in charge of each organization. Furthermore, a "Supplier Hotline" was established for external suppliers, and a system has been created that enables suppliers to report any violations of laws and other regulations they discover involving Ricoh Group companies. During FY2021, there were no</p>
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	<p>reports that involved serious legal violations.</p> <p>(iv) The division of internal management and control conducts audit for the entire Ricoh Group, and provides advice to improve effectiveness and efficiency of compliance and business. The results of audits and the status of improvement on matters for correction are reported to the Internal Control Committee.</p> <p>(v) The occurrence of incidents, response status, internal audit results, and status regarding improvements made to address issues pointed out in internal audits involving the Ricoh Group, are reported quarterly to the Internal Control Committee. The contents of discussions by the Internal Control Committee are reported semi-annually to the Board of Directors.</p>
<p>(2) Systems related to the retention and management of information related to the implementation of Directors' duties</p>	<p>[Content of Basic Policy] Records and proposals related to decisions by Directors in the course of their duties are created, retained and managed in compliance with applicable laws, regulations and internal rules. Documents are kept so that they can be retrieved and reviewed when a request from Directors and Audit & Supervisory Board Members is made.</p> <p>[Operating Status of Internal Control System] Information related to Directors' duties and other important information are appropriately retained and managed in compliance with internal regulations for inspection by Directors and Audit & Supervisory Board Members at any time.</p>
<p>(3) Regulations and other systems regarding risk management for losses</p>	<p>[Content of Basic Policy]</p> <p>(i) The occurrence of losses shall be proactively prevented based on risk management regulations.</p> <p>(ii) Should losses nevertheless arise, efforts shall be made to minimize damage (loss) based on standards for initial reaction.</p> <p>(iii) In order to respond to diversifying sources of uncertainty both inside and outside the Ricoh Group, the "Risk Management Committee" assesses critical risks and evaluates responses, and devises risk management measures. In addition, a risk management promotion division will be established to expand risk management activities globally.</p> <p>[Operating Status of Internal Control System]</p> <p>(i) The Company has established the "Ricoch Group Risk Management Basic Regulation" to promote risk management effectively and efficiently and make preventive measures for the risk of loss.</p> <p>(ii) Ongoing and thorough awareness-raising activities are conducted throughout the Ricoh Group to ensure that appropriate incident responses and reports are made pursuant to the "Incident Management Standard" should losses nevertheless arise.</p> <p>(iii) Decisions regarding risks expected to be of particular importance with respect to management (key managerial risks) are made after being evaluated by the Risk Management Committee and deliberated on by the GMC. During the fiscal year under review, the Company further strengthened its system to appropriately respond to cyberspace threats considering the increasingly complex international situation by establishing a management organization that handles information security risks and geopolitical risks in an integrated manner. With regard to the situation in Ukraine, a crisis management team led by the said organization was set up to deal with the constantly progressing situation. In addition, another management organization was established for the purpose of strengthening supplier management (human rights and conflict minerals issue, etc.) in the supply chain and raising the level of governance in global purchasing. Further, the Group as a whole continues to respond to COVID-19, which has yet to be contained, with a system under the direct control of the President. In addition, a risk management manager/promoter was selected in each Ricoh division and each business unit to create autonomous risk management structures within each organization. Moreover, at the Group Risk Management Collaboration Reinforcement Conference for each risk management promoter, study sessions and information sharing related to</p>

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

	to confirm compliance to the “Ricoh Group Standard,” the Ricoh Group’s common standards.
<p>(6) Systems established to ensure the effective performance of duties by Audit & Supervisory Board Members</p>	<p>[Content of Basic Policy]</p> <p>1) Matters regarding measures to secure independence of employees whom Audit & Supervisory Board Members request to assist them in the performance of their duties from Directors and efficacy of instructions given to such employees</p> <p>(i) The Company shall establish an Audit & Supervisory Board office, where exclusively assigned employees assist Audit & Supervisory Board Members in performing their duties under their command.</p> <p>(ii) Personnel evaluations regarding said employees shall be made by full-time Audit & Supervisory Board Members. Furthermore, personnel changes regarding said employees shall be made only after gaining agreement of full-time Audit & Supervisory Board Members.</p> <p>2) Systems for Directors and employees of the Ricoh Group to report to Audit & Supervisory Board Members and other systems related to the reporting to Audit & Supervisory Board Members</p> <p>(i) Directors and employees shall promptly report to Audit & Supervisory Board Members concerning risks that may affect the operation or the performance of the Ricoh Group or material violations of compliance concerning execution of duties.</p> <p>(ii) Directors shall provide Audit & Supervisory Board Members with opportunities to attend important meetings, view minutes and materials of important meetings, as well as important resolution documents.</p> <p>(iii) Directors shall report the status of business and assets regularly or occasionally at the request of Audit & Supervisory Board Members.</p> <p>(iv) The Company prohibits unfavorable treatments of any Directors or employees of the Ricoh Group, who made the report to Audit & Supervisory Board Members due to such reporting.</p> <p>3) Other systems established to ensure effective performance of duties by Audit & Supervisory Board Members</p> <p>(i) Audit & Supervisory Board Members may regularly exchange opinions with Representative Directors.</p> <p>(ii) Directors and employees of the Ricoh Group shall establish an environment for effective auditing of the Company and each Ricoh Group company by Audit & Supervisory Board Members at the time of audit.</p> <p>(iii) The Company shall create an environment that enables Audit & Supervisory Board Members to conduct effective auditing through mutual cooperation with the Independent Auditor and the division of internal management and control.</p> <p>(iv) The Company shall pay expenses incurred from the performance of duties of Audit & Supervisory Board Members and from receiving advice from outside experts as necessary.</p>
	<p>[Operating Status of Internal Control System]</p> <p>The Company established the Audit & Supervisory Board office, which is composed of employees exclusively assigned to assist Audit & Supervisory Board Members, to support Audit & Supervisory Board Members with the performance of their duties under their command. Personnel evaluations of employees of the Audit & Supervisory Board office are made by full-time Audit & Supervisory Board Members, and personnel changes have been made with the consent of full-time Audit & Supervisory Board Members.</p> <p>The reporting system to Audit & Supervisory Board Members is operated in accordance with the basic policy and a monthly report is given by the division in charge of risk management. In addition, Audit & Supervisory Board Members acquire important information on each division of the Company and each Ricoh Group company, select audit targets based on this information, and conduct audits under their authorities.</p>

	<p>Audit & Supervisory Board Members attend important meetings such as the GMC, in addition to meetings of the Board of Directors and its advisory committees. Audit & Supervisory Board Members also attend major meetings held by each business unit and Group headquarters requested by Audit & Supervisory Board Members. In addition, they exchange opinions regularly with Representative Directors and the Chairperson of the Board.</p> <p>In addition to meetings with the internal audit department and the Independent Auditor, the Company has established an environment for efficient audits by holding three-way audit meetings with each of the three parties to enable Audit & Supervisory Board Members to mutually cooperate with the internal audit division and the Independent Auditor.</p> <p>As in the previous fiscal year, audits by Audit & Supervisory Board Members were primarily conducted remotely due to COVID-19, but cooperation was given to ensure effective audits in remote work environments.</p>
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The Company takes an uncompromising attitude toward antisocial activities and any organizations engaged therein in an effort to eradicate any antisocial activities and will not have any relationship with antisocial entities, as stipulated in the “Ricoh Group Code of Conduct,” a code of conduct for the Ricoh Group and its executive officers and employees. Also, the Company has established an internal hotline and has been working closely with outside agencies, such as the police, and relevant organizations as well as making efforts to build trust with such organizations. In the future also, the Company will continue to establish and strengthen its internal system so as to eradicate any antisocial activities or relationships with antisocial entities.

Consolidated Statement of Financial Position (as of March 31, 2022)

	Millions of yen	
	As of March 31,	
	2022	2021 (Reference)
ASSETS		
Current Assets:	1,012,422	1,058,744
Cash and cash equivalents	240,308	334,810
Time deposits	81	238
Trade and other receivables	397,148	392,132
Other financial assets	92,293	92,823
Inventories	232,558	192,016
Other current assets	50,034	46,725
Non-Current Assets:	840,832	829,124
Property, plant and equipment	188,439	191,963
Right-of-use assets	57,730	63,653
Goodwill and intangible assets	259,482	225,510
Other financial assets	128,321	136,093
Investments accounted for using the equity method	81,396	79,504
Other investments	12,329	18,504
Other non-current assets	31,942	29,773
Deferred tax assets	81,193	84,124
Total Assets	1,853,254	1,887,868

Consolidated Statement of Financial Position (as of March 31, 2022)

	Millions of yen	
	As of March 31,	
	2022	2021 (Reference)
LIABILITIES		
Current Liabilities:	693,448	657,516
Bonds and borrowings	114,395	82,731
Trade and other payables	268,534	287,160
Lease liabilities	22,665	25,475
Other financial liabilities	2,079	1,669
Income tax payables	11,143	7,213
Provisions	9,941	12,946
Other current liabilities	264,691	240,322
Non-Current Liabilities	253,981	306,500
Bonds and borrowings	121,042	139,676
Lease liabilities	44,444	46,737
Accrued pension and retirement benefits	45,728	70,463
Provisions	9,607	11,413
Other non-current liabilities	29,029	34,469
Deferred tax liabilities	4,131	3,742
Total Liabilities	947,429	964,016
EQUITY		
Equity attributable to owners of the parent:	902,042	920,246
Common stock	135,364	135,364
Additional paid-in capital	180,942	186,231
Treasury stock	(460)	(45,024)
Other components of equity	126,341	82,097
Retained earnings	459,855	561,578
Non-controlling interests	3,783	3,606
Total Equity	905,825	923,852
Total Liabilities and Equity	1,853,254	1,887,868

Consolidated Statement of Profit or Loss (for the year ended March 31, 2022)

	Millions of yen	
	For the year ended March 31,	
	2022	2021 (Reference)
Sales	1,758,587	1,682,069
Cost of sales	1,135,920	1,109,762
Gross profit	622,667	572,307
Selling, general and administrative expenses	600,269	619,740
Other income (Note)	17,960	5,791
Impairment of goodwill	306	3,787
Operating profit (loss)	40,052	(45,429)
Finance income	2,532	4,373
Finance costs	3,800	3,617
Share of profit of investments accounted for using the equity method	5,604	3,645
Profit (loss) before income tax expenses	44,388	(41,028)
Income tax expenses	13,763	(8,364)
Profit (loss)	30,625	(32,664)
Profit (loss) attributable to:		
Owners of the parent	30,371	(32,730)
Non-controlling interests	254	66

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

Consolidated Statement of Comprehensive Income (Unaudited) (for the year ended March 31, 2022)

	Millions of yen	
	For the year ended March 31,	
	2022	2021
Profit (loss)	30,625	(32,664)
Other comprehensive income		
Components that will not be reclassified subsequently to profit or loss:		
Remeasurement of defined benefit plan	12,851	16,869
Net changes in fair value of financial assets measured through other comprehensive income	14,515	13,804
Share of other comprehensive income of investments accounted for using equity method	(1,851)	2,868
Share of other comprehensive income of investments accounted for using equity method	187	197
Components that will be reclassified subsequently to profit or loss:		
Net changes in fair value of cash flow hedges	47,464	37,848
Exchange differences on translation of foreign operations	590	(827)
Share of other comprehensive income of investments accounted for using equity method	46,775	38,594
Share of other comprehensive income of investments accounted for using equity method	99	81
Total other comprehensive income	60,315	54,717
Comprehensive income	90,940	22,053
Comprehensive income attributable to:		
Owners of the parent	90,733	21,897
Non-controlling interests	207	156

Consolidated Statement of Changes in Equity (for the year ended March 31, 2022)

(Unit: millions of yen)

	Common stock	Additional paid-in capital	Treasury stock	Other components of equity				
				Remeasurement of defined benefit plan	Net changes in fair value of financial assets measured through other comprehensive income	Net changes in fair value of cash flow hedges	Exchange differences on translation of foreign operations	Total other components of equity
Balance as of April 1, 2021	135,364	186,231	(45,024)	-	7,807	(430)	74,720	82,097
Profit								
Other comprehensive income				14,571	(1,720)	676	46,835	60,362
Comprehensive income	-	-	-	14,571	(1,720)	676	46,835	60,362
Net change in treasury stock		(139)	(92,717)					
Retirement of treasury stock		(5,188)	137,265					
Dividends declared and approved to owners								
Share-based payment transactions		38	16					
Transfer from other components of equity to retained earnings				(14,571)	(1,547)			(16,118)
Other								
Total transactions with owners	-	(5,289)	44,564	(14,571)	(1,547)	-	-	(16,118)
Balance as of March 31, 2022	135,364	180,942	(460)	-	4,540	246	121,555	126,341

	Retained earnings	Equity attributable to owners of the parent	Non-controlling interests	Total equity
Balance as of April 1, 2021	561,578	920,246	3,606	923,852
Profit	30,371	30,371	254	30,625
Other comprehensive income		60,362	(47)	60,315
Comprehensive income	30,371	90,733	207	90,940
Net change in treasury stock		(92,856)		(92,856)
Retirement of treasury stock	(132,077)	-		-
Dividends declared and approved to owners	(14,058)	(14,058)	(30)	(14,088)
Share-based payment transactions		54		54
Transfer from other components of equity to retained earnings	16,118	-		-
Other	(2,077)	(2,077)		(2,077)
Total transactions with owners	(132,094)	(108,937)	(30)	(108,967)
Balance as of March 31, 2022	459,855	902,042	3,783	905,825

Consolidated Statement of Cash Flows (Unaudited) (for the year ended March 31, 2022)

	Millions of yen	
	For the year ended March 31,	
	2022	2021
I. Cash flows from operating activities		
Profit (loss)	30,625	(32,664)
Adjustments to reconcile profit (loss) to net cash provided by (used in) operating activities:		
Depreciation and amortization	90,479	104,618
Impairment of property, plant and equipment and intangible assets	762	24,879
Impairment of goodwill	306	3,787
Other income	(13,299)	(1,502)
Share of (profit) loss of investments accounted for using the equity method	(5,604)	(3,645)
Finance income and costs	1,268	(756)
Income tax expenses	13,763	(8,364)
(Increase) decrease in trade and other receivables	13,448	29,727
(Increase) decrease in inventories	(28,533)	16,413
(Increase) decrease in lease receivables	23,285	15,572
Increase (decrease) in trade and other payables	(26,212)	(4,712)
Increase (decrease) in accrued pension and retirement benefits	(9,306)	(12,315)
Other, net	13,907	14,056
Interest and dividends received	3,457	3,418
Interest paid	(3,795)	(3,259)
Income taxes paid	(22,089)	(18,291)
Net cash provided by (used in) operating activities	82,462	126,962
II. Cash flows from investing activities		
Proceeds from sales of property, plant and equipment	15,062	4,823
Expenditures for property, plant and equipment	(37,359)	(42,155)
Proceeds from sales of intangible assets	-	60
Expenditures for intangible assets	(33,683)	(24,779)
Payments for purchases of available-for-sale securities	(442)	(1,052)
Proceeds from sales of available-for-sale securities	6,327	491
Increase (decrease) in time deposits, net	162	(168)
Purchase of business, net of cash acquired	(9,422)	(8,431)
Proceeds from sales of investments in subsidiaries	-	7,846
Other, net	-	(194)
Net cash provided by (used in) investing activities	(59,355)	(63,559)

	Millions of yen	
	For the year ended March 31,	
	2022	2021
III. Cash flows from financing activities		
Net increase (decrease) of short-term debt	15,990	(19,428)
Proceeds from long-term debt	37,140	98,482
Repayments of long-term debt	(46,664)	(12,817)
Repayments of bonds	-	(12,413)
Repayments of lease liabilities	(31,146)	(35,728)
Dividends paid	(14,058)	(14,851)
Payments for purchase of treasury stock	(92,717)	(7,296)
Other, net	(230)	(34)
Net cash provided by (used in) financing activities	(131,685)	(4,085)
IV. Effect of exchange rate changes on cash and cash equivalents	12,254	7,338
V. Net increase (decrease) in cash and cash equivalents	(96,324)	66,656
VI. Cash and cash equivalents at beginning of year	330,344	263,688
VII. Cash and cash equivalents at end of year	234,020	330,344

Notes to Consolidated Financial Statements

All figures are rounded off to the nearest million yen.

Significant Accounting Policies Regarding the Preparation of Consolidated Financial Statements

Scope of Consolidation

The number of consolidated subsidiaries is 207 and the number of companies to which the equity method is applied is 17 in the fiscal year under review.

In addition to the above, Ricoh Company, Ltd. added structured entities to its scope of consolidation.

The names of major consolidated subsidiaries have been omitted, as they are stated in “1. Business condition of the Ricoh Group, (5) Major subsidiaries” of the Business Report for the 122nd business term.

Significant Accounting Policies

1. Basis of Preparation

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

2. Inventories

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

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

3. Property, Plant and Equipment

(1) Recognition and measurement

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

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

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

(2) Subsequent costs

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

(3) Depreciation

Depreciation of property, plant and equipment other than land and construction in progress is calculated principally under the straight-line method over the estimated useful lives of the assets. The depreciation period generally ranges from 2 to 60 years for buildings and structures, 1 to 20 years for machinery, equipment and vehicles, and 1 to 20 years for tools, furniture and fixtures.

The depreciation methods, useful life and residual value are reviewed at the end of each reporting period, and changed when necessary.

4. Goodwill and Intangible Assets

(1) Goodwill

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

(2) Intangible assets

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

(i) Capitalized software costs

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

(ii) Development assets

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

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

Amortization of the asset commences on the commercial production date after the completion of an internal project and the asset is amortized on a straight line basis over the estimated useful lives that are

the expected periods to generate net cash inflows. Other development expenditure and expenditure on research activities are recognized as an expense as incurred.

(iii) Other intangible assets

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

(iv) Amortization (other than development assets)

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

5. Leases

(1) Leases as lessee

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

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

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

Lease liabilities are measured at the present value of outstanding lease payments discounted using the lessee's incremental borrowing rate at the commencement date. Right-of-use assets are initially measured at the initial measurement amount of the lease liability adjusted for the prepaid lease payments and other factors. Right-of-use assets are measured at cost and amortized on a straight-line basis over the shorter of their estimated useful lives or lease terms. Lease payments are apportioned between the interest expenses and the reduction of the outstanding liability using the effective interest method.

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

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

(2) Leases as lessor

A finance lease is a lease that transfers substantially all the risks and rewards incidental to ownership of an

asset to the lessee. Other leases are classified as operating leases.

In circumstances in which the lessor is a manufacturer or dealer, the profit or loss from a finance lease is recognized in accordance with the same revenue recognition policy as that for products sales. Finance income is recognized over the term of the lease using the effective interest method. In circumstances in which the lessor is neither a manufacturer nor dealer, finance income is recognized over the term of the lease using the effective interest method.

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

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

6. Financial Instruments

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

(1) Initial recognition and measurement

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

(2) Classification and subsequent measurement

(i) Financial assets measured at amortized cost

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

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

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

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

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

- The asset is held within a business model whose objective is to both collect and sell contractual cash flows.

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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

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

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

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

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

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

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

(3) Impairment of non-derivative financial assets

For impairment on a financial asset measured at amortized cost, etc., allowance for doubtful accounts is recognized for the expected credit losses of the financial asset. At each fiscal year-end, the Ricoh Group assesses whether the credit risk on a financial asset has increased significantly since initial recognition. The determination of whether the credit risk has increased significantly is based on the change in the risk of a default, with objective information such as a predetermined past due information and deterioration of financial conditions of business partners taken into consideration.

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

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

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

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

(4) Equity

(i) Common stock under equity

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

(ii) Treasury stock of the Company

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

(5) Derivative financial instruments and hedging activities

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

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

(i) Fair value hedges

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

(ii) Cash flow hedges

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

(iii) Derivatives not designated as hedging instruments

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

7. Revenue

The Ricoh Group recognizes and measures revenue based on the following five step approach:

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

Step 2: Identify the performance obligations in the contract.

Step 3: Determine the transaction price.

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

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

The specific standards for revenue recognition are described in the “Notes to Revenue Recognition.”

8. Provisions

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

9. Employee Benefits (Post-employment benefits)

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

Notes to Changes in Accounting Policies

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

Notes to Accounting Estimates

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

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

For the consolidated financial statements for the fiscal year under review, the Ricoh Group assumes that although the global resurgence of new variants of COVID-19 and the supply constraints due to component shortages and logistics issues continue to affect its business results, to a certain extent, over the next fiscal year and beyond, the situation will gradually improve in the future.

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

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

The Ricoh Group has taken into account the business impact of the situation in which society will not completely recover to a pre-pandemic normal and of the supply constraints due to component shortages and logistics issues, in view of the prolonged impact of the COVID-19 pandemic as well as the well-received “new normal” work style stemming from the downsizing of office spaces and decreasing attendance rate at work as teleworking has taken root. An item that has a significant risk of resulting in a material adjustment to the carrying amount within the next fiscal year is goodwill of ¥51,187 million for the Office Printing business (sales group in Europe). The recoverable amount of goodwill is determined based on value in use, which exceeds the carrying amount. The value in use is calculated by discounting the estimated cash flows based on projections approved by management and the growth rate of negative 3%, using the pre-tax weighted average capital cost of 12%.

(2) Recognition of deferred tax assets

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

As a result of this estimation, deferred tax assets of ¥81,193 million was recorded in the consolidated statements of financial position as of the end of the current fiscal year.

The Ricoh Group adopts a consolidated taxation system in Japan and part of foreign regions.

Notes to Consolidated Statement of Financial Position

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

(1) Current assets:

Trade and other receivables: ¥9,376 million

Other financial assets: ¥4,270 million

(2) Non-current assets:

Other financial assets: ¥4,274 million

2. Pledged assets and liabilities:

Not applicable.

3. Matters related to transfers of financial assets:

Certain foreign subsidiaries of the Company transferred lease receivables with recourse. Ricoh recognized receivables subject to these transfers as well as relevant liabilities as “Borrowings” since the risks and economic values were retained and these transactions did not meet the derecognition criteria for financial assets. With respect to the aforementioned accounting treatment, the consolidated statement of financial position includes the following assets and liabilities:

(1) Assets:

Current assets:

Other financial assets: ¥143 million

Non-current assets:

Other financial assets: ¥117 million

(2) Liabilities:

Current liabilities:

Bonds and borrowings: ¥143 million

Non-current liabilities:

Bonds and borrowings: ¥117 million

4. Guarantee obligation:

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

5. Accumulated depreciation and accumulated

Impairment losses on property, plant and equipment: ¥765,083 million

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

Notes to Consolidated Statement of Changes in Equity

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

Common stock: 637,468,178 shares

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

Common stock: 468,700 shares

Note: The Company has established the Board Incentive Plan trust in which beneficiaries include Directors and Executive Officers. 398,600 of the Company's shares owned by the trust account relating to this trust are accounted for as treasury stock.

Category and number of treasury stocks:

Category of shares	Number of shares as of the beginning of the current fiscal year	Increase in number of shares for the current fiscal year	Decrease in number of shares for the current fiscal year	Number of shares as of the end of the current fiscal year
Common stock (shares)	26,692,132	81,237,813	107,461,245	468,700

Notes:

- The increase of 81,237,813 shares of treasury stocks was due to the share repurchase of 81,230,900 shares of treasury stocks by the resolution of the Board of Directors meeting, and the acquisition of 6,913 shares of shares less than the basic unit.
- The decrease of 107,461,245 shares of treasury stocks was due to the share retirement of 107,443,900 shares of treasury stocks by the resolution of the Board of Directors meeting, the share delivery of 17,200 shares by the Board Incentive Plan trust, in which beneficiaries include Executive Officers, and the sale of shares of 145 shares less than the basic unit.
- The number of treasury stocks includes 398,600 shares of the Company's shares (3,986 voting rights) owned by the Board Incentive Plan trust, established by the Company, in which beneficiaries include Directors and Executive Officers.

3. Dividends

(1) Payment of dividends

Resolution	Total amount of dividends	Dividends per share	Record date
Ordinary General Meeting of Shareholders (June 24, 2021)	¥5,390 million	¥7.50	March 31, 2021
Board of Directors meeting (November 4, 2021)	¥8,677 million	¥13.00	September 30, 2021

Note: The total amount of dividends determined by the resolution of the Ordinary General Meeting of Shareholders held on June 24, 2021 includes ¥3 million of dividends for the Company's shares owned by the Board Incentive Plan trust, established by the Company, in which beneficiaries include Directors and Executive Officers.

Additionally, the total amount of dividends determined by the resolution of the Board of Directors meeting held on November 4, 2021 includes ¥5 million of dividends for the Company's shares owned by the Board Incentive Plan trust, established by the Company, in which beneficiaries include Directors and Executive Officers.

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

Resolution (scheduled)	Total amount of dividends	Dividends per share	Record date
Ordinary General Meeting of Shareholders (June 24, 2022)	¥8,286 million	¥13.00	March 31, 2022

Note: The total amount of dividend includes ¥5 million of dividends for the Company's shares owned by the Board Incentive Plan trust, established by the Company, in which beneficiaries include Directors and Executive Officers.

Notes to Financial Instruments

1. Matters concerning the state of financial instruments

(1) Capital risk management

Ricoh's capital management policy is to maintain a strong financial position, which enables us to procure sufficient funds for business expansions and to build an efficient capital structure in order to achieve continuous growth and increase corporate value.

(2) Foreign currency exchange rate risk management

The financial results, assets and liabilities are subject to foreign exchange fluctuations because of the high volume of Ricoh's production and sales activities in the Americas, Europe and Other, such as China. Ricoh enters into foreign currency contracts to hedge against the potentially adverse impact of foreign currency fluctuations on those assets and liabilities denominated in foreign currencies.

(3) Interest rate risk management

Ricoh's interest-bearing debt is mainly bonds and borrowings with fixed interest rates.

Ricoh maintains positions in cash and cash equivalents that exceed the outstanding balance of its interest-bearing debt. At present, the current level of interest rate risk is minor.

(4) Credit risk management

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

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

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

(5) Liquidity risk management

Ricoh raises funds through borrowings from financial institutions or issuance of bonds. These liabilities are exposed to the liquidity risk that Ricoh would not be able to repay liabilities on the due date resulting from the deterioration of the financing environment.

The Company and certain subsidiaries have committed limit of borrowing and overdraft facilities with financial institutions as well as commercial paper programs.

Ricoh has implemented a cash management system as a pooling-of-funds arrangement to achieve greater efficiencies in the utilization of liquidity on hand from one group company to another company through finance subsidiaries located in each region.

Ricoh has various funding methods and also has several committed lines of credit with financial institutions in order to reduce the liquidity risk.

2. Matters concerning fair value of financial instruments

Carrying amounts and fair values of the financial instruments as of March 31, 2022 are as follows.

Cash and cash equivalents, time deposits, trade and other receivables, and trade and other payables are not included in the table below, as the carrying amounts approximate fair values due to the relatively short-term nature.

(Unit: millions of yen)

	Carrying amount	Fair value
Assets:		
Lease receivables	220,467	224,834
Derivative assets	147	147
Securities and equity interests	11,841	11,841
Bonds	488	488
Liabilities:		
Derivative liabilities	2,079	2,079
Bonds and borrowings	121,042	117,985

Note: The methods for calculating fair value are as follows:

Derivatives

As derivative instruments consist of foreign currency contracts and their fair value is mainly measured by obtaining quotes from brokers, their fair value is classified as Level 2.

Securities, equity interests and bonds

Securities, equity interests and bonds include mainly marketable securities and bonds, as well as unlisted securities and equity interests. As the fair value of marketable securities and bonds is measured using quoted prices of identical assets in an active market and is therefore observable, their fair value is classified as Level 1. As the fair value of unlisted securities and equity interests is measured based on valuation techniques using observable indicators such as market prices of comparable companies, as well as unobservable indicators, their fair value is classified as Level 3.

Lease receivables

Fair values of lease receivables, per each receivable classified per certain period, are calculated based on present value of such receivable discounted by the interest rate, which takes into account the period to maturity and the credit risk. As their fair value is measured by valuation techniques that include unobservable inputs, they are classified as Level 3 in the fair value measurements and disclosures.

Bonds and borrowings

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

Fair values of bonds and borrowings are calculated from estimated present value using year-end borrowing rates applied to borrowing with similar maturities derived from future cash flows, on a per-

loan basis, as well as calculated based on market prices. As their fair value is measured using observable market data, they are classified as Level 2 in the fair value measurements and disclosures.

3. Matters concerning fair value by level within the fair value hierarchy

The analysis of financial instruments subsequently measured at fair value is shown below. The fair value hierarchy of financial instruments is categorized as follows from Level 1 to Level 3:

Reclassification among the levels in the fair value hierarchy is recognized upon the date when the event or change in circumstances causing the reclassification to occur.

Level 1: Fair values measured using quoted prices in active markets with respect to identical assets or liabilities

Level 2: Fair values measured using inputs other than quoted prices that are observable, either directly or indirectly

Level 3: Fair values measured using inputs not based on observable market data

Fair value information of major financial instruments by level within the fair value hierarchy:

(Unit: millions of yen)

	Level 1	Level 2	Level 3	Total
Assets:				
Financial assets measured at fair value through profit or loss				
Derivative assets	-	147	-	147
Securities and equity interests	-	-	1,259	1,259
Financial assets measured at fair value through other comprehensive income				
Securities and equity interests	8,830	-	1,752	10,582
Bonds	488	-	-	488
Liabilities:				
Derivative liabilities	-	2,079	-	2,079

Notes to Revenue Recognition

1. Disaggregation of revenue

The Ricoh Group has five business units as reportable segments, namely Digital Services, Digital Products, Graphic Communications, Industrial Solutions, and Other. Net sales are based on the location of customers and are disaggregated by geographic region. The relationship between these disaggregated sales and each reportable segment is as follows:

	(Unit: millions of yen)				
	Japan	The Americas	Europe, the Middle East, and Africa	Other	Total
Digital Services	615,808	329,961	380,384	102,039	1,428,192
Digital Products	6,603	639	3	5,927	13,172
Graphic Communications	26,381	86,820	48,520	25,361	187,082
Industrial Solutions	47,779	22,145	17,663	23,204	110,791
Other	8,671	4,082	3,608	2,989	19,350
Total	705,242	443,647	450,178	159,520	1,758,587
Revenue from contracts with customers	700,574	391,073	376,145	134,665	1,602,457
Revenue from other sources	4,668	52,574	74,033	24,855	156,130

Notes:

- Figures exclude intersegment sales.
- Revenue from other sources includes lease revenue in accordance with IFRS 16 and others.

2. Underlying information for understanding revenue

The timing of revenue recognition is as follows:

	(Unit: millions of yen)		
	Goods or services transferred at a point in time	Goods or services transferred over time	Total
Digital Services	703,444	724,748	1,428,192
Digital Products	13,172	-	13,172
Graphic Communications	114,818	72,264	187,082
Industrial Solutions	110,548	243	110,791
Other	18,902	448	19,350
Total	960,884	797,703	1,758,587

Note: The above revenue includes revenue from other sources than IFRS 15, mainly lease revenue in accordance with IFRS 16.

The Ricoh Group's business consists of Digital Services, Digital Products, Graphic Communications, Industrial Solutions, and Other, and sells products and provides services in each business.

Net sales are measured at the amount of consideration promised in a contract with the customer, after deducting the amount of discounts, rebates based on the volume of purchases, etc. For variable consideration, including variable discounts and rebates, the Ricoh Group estimates the amount of consideration to which it is entitled using all reasonably available information, including historical, current, and projected estimates, and recognizes revenue only to the extent that it is highly probable that a significant reversal will not occur.

In Digital Services and Other, revenue from sales of merchandise in which the Ricoh Group is an agent is recognized at the net amount.

With respect to product warranties, the Ricoh Group accounts for such warranties as a provision, since the customer does not have the option to independently purchase such warranties and the Ricoh Group does not

provide services to the customer in addition to the warranty that the finished goods comply with the agreed-upon specifications. There are no significant return and refund obligations and other similar obligations.

Revenue from products in Digital Services (equipment such as multifunctional printers, printers, personal computers and servers), Digital Products (OEM of multifunctional printers and printers) and Graphic Communications (production printer, inkjet heads, imaging systems and industrial printers, etc.) is recognized typically when they have been installed and accepted by the customer, and revenue from related consumables related to these equipment is recognized at the time of delivery, as delivery represent the timing at which legal title and physical possession of the product, significant risks associated with ownership of the product, and economic value are transferred to the customer, and performance obligation of Ricoh is deemed to have been satisfied.

Revenue from the sales of Industrial Solutions (thermal paper, industrial optical components, etc.) and major products of Other is recognized at the time when such equipment, etc., is delivered to the customer, as the customer acquires control over the equipment, etc., at the time of delivery of the equipment, etc., and performance obligation of Ricoh is deemed to have been satisfied.

In the Office Printing business in Digital Services and the Commercial Printing business of Graphic Communications, revenue is recognized from maintenance contracts that pay a metered fee based on the customer's equipment usage, a fixed fee, or a base fee plus a metered fee based on usage. The Ricoh Group has determined that its performance obligation under maintenance contracts is to provide the customer with equipment available at all times in accordance with the contract, and revenue is recognized over a certain period of time as the relevant performance obligation is satisfied. Revenue from maintenance contracts based on a fixed fee is recognized equally over the contract period for the transaction amount related to the contract with the customer. Revenue from maintenance contracts that pay a metered fee based on usage and that pay a base fee plus a metered fee based on usage are recognized based on the amount invoiced to the customer.

In the Office Services business of Digital Services, sales of software services are mainly divided into two types: license-based services with maintenance services, and cloud-based services. Revenue from license-based services is recognized when the software is provided according to the customer's specifications and the customer acquires control over the software at the time of delivery, and performance obligation of Ricoh is deemed to have been satisfied. On the other hand, revenue from maintenance services is recognized over time, as maintenance and support services for products are provided over a certain period of time and performance obligation of Ricoh is satisfied over a certain period of time. Similarly, revenue from cloud-based services is recognized over time, as services are provided through applications according to customer's specifications over a certain period of time.

As receivables under installment sales contracts are billed monthly over the installment payment period, the Ricoh Group makes adjustments with respect to the financing component. For other contracts, the Ricoh Group receives consideration generally within one year after performance obligation of Ricoh is satisfied, and they do not contain a significant financing component.

3. Underlying information for understanding amounts of revenue for the fiscal year under review and the following fiscal year

(1) Contract balance

Receivables from contracts with customers and liabilities from contracts with customers are as follows:

(Unit: millions of yen)

	Beginning balance of the fiscal year under review (April 1, 2021)	Fiscal year under review (March 31, 2022)
Receivables from contracts with customers	370,667	372,249
Contract liabilities	59,669	68,366

Contract liabilities are included in other current liabilities and other non-current liabilities on the consolidated statement of financial position. Contract liabilities are mainly related to advances received from customers for maintenance contracts.

For the revenue recognized for the year ended March 31, 2022, the amount included in liabilities from contracts with customers at the beginning of the fiscal year was included in contract liabilities amounted to ¥28,030 million. The amount of revenue recognized from performance obligations that were satisfied (or partially satisfied) in previous periods are immaterial.

(2) Transaction price allocated to the remaining performance obligations

The transaction prices allocated to the remaining performance obligations in the contracts in which the duration of individual contracts is over one year amounted to ¥198,575 million. The transaction prices are mainly related to maintenance contracts for equipment sold to customers, and include fixed fees and the base fee component for metered fee contracts. They do not include the metered fee component for metered fee contracts. The time frame in which the Ricoh Group expects to recognize such transaction prices as revenue is approximately one to five years. The Ricoh Group has applied a practical expedient, and omits disclosures for individual contracts with expected durations of one year or less.

(3) Assets recognized from costs to acquire or fulfill contracts with customers

Ricoh capitalizes the incremental costs of obtaining contracts with customers as an asset if those costs are expected to be recoverable and records them in “other current assets” and “other non-current assets” in the consolidated statements of financial position. Incremental costs of obtaining contracts are those costs that Ricoh incurs to obtain a contract with a customer that would not have been incurred if the contract had not been obtained.

Incremental costs of obtaining contracts recognized as assets by Ricoh are mainly the initial costs incurred related to sales commissions. The related assets are amortized on a straight-line basis over the estimated contract terms.

There are no assets recognized from the cost to fulfill contracts with customers.

(Unit: millions of yen)

	Beginning balance of the fiscal year under review (April 1, 2021)	Fiscal year under review (March 31, 2022)
Assets recognized from costs to acquire contracts with customers	6,314	6,727

Amortization expenses arising from assets recognized from costs to acquire contracts with customers amounted to ¥4,232 million.

Subsequent Events

(Business combinations)

The Company resolved in its Board of Directors meeting held on April 28, 2022 to partially acquire the common shares in Fujitsu Limited’s subsidiary, PFU Limited (“PFU”) and concluded the said share acquisition contract. Ricoh will acquire 80% of the shares of PFU and make it a consolidated subsidiary of the Company.

1. Name and Business of the Acquiree

Name of the Acquiree: PFU Limited

Principal Business: Document scanners, industrial computing products and other hardware; security and document management and other software & services; configuration of IT infrastructure; and multivendor services provided in cooperation with third-party companies

2. Background and Reason for the Acquisition of Shares

This share acquisition is a part of the growth investments outlined in the medium- to long-term plan through FY2025. PFU has the No. 1 share in the global market for document scanners and offers cloud construction and managed security services in Japan. By making PFU a subsidiary of the Company, the Company intends to strengthen edge devices that support digital services by acquiring industry and business scanners that serve as entry points for business workflows, and also intends to fortify its human capital through acquiring software engineers and digital professionals in the field, close to its customers and edge devices including construction and operation of multi-cloud environments and security services. Through this, the Company intends to achieve digital transformation (DX) for customers and expand Ricoh’s Office Services business, which is positioned as an area of accelerated growth in its business portfolio management. In addition, PFU has the No. 1 share in the Japanese market for industrial computer boards and boasts an extensive product lineup. The combination of PFU’s strengths and the Company’s electronics business will create synergies in production, purchasing, and development to increase cost competitiveness, strengthen the industrial computer business, and develop new edge devices that will advance the digitalization of frontlines in fields such as logistics and manufacturing.

3. Date of Share Acquisition

July 1, 2022 (tentative)

4. Acquisition Price

Approximately ¥84.0 billion

(Note) Actual acquisition price in this share acquisition may change, as it is adjusted based on the PFU's balance sheet, etc. as of the date of share acquisition.

5. Method of Financing and Payment

Although the Company plans financing by interest-bearing debt at present, in the future, the Company plans to optimize financing, including the use of its own funds, while taking into consideration the Company's financial conditions, market trends, and other factors.

(Share repurchase and retirement of treasury stocks)

The Company resolved in its Board of Directors meeting held on May 10, 2022 to repurchase some shares in accordance with Article 156 of the Companies Act of Japan and pursuant to Article 165, Paragraph 3, of the Companies Act. The Board also decided to retire treasury stock under Article 178 of the Companies Act.

1. Reason for share repurchase and share retirement

To improve shareholder return and capital efficiency.

2. Share repurchase

- (1) Share category: Common stock
- (2) Number of shares: Up to 48,000,000 shares
(representing 7.5% of issued and outstanding shares excluding treasury stocks)
- (3) Repurchase ceiling: Up to ¥30.0 billion
- (4) Period: May 11, 2022 through September 30, 2022
- (5) Method: Open market purchase on Tokyo Stock Exchange

3. Share retirement

- (1) Share category: Common stock
- (2) Number of shares: all shares repurchased by 2. above
- (3) Retirement date: October 31, 2022

4. Total number of shares repurchased (as of May 16, 2022)
- (1) Total number of shares repurchased: 870,800 shares
 - (2) Total repurchase cost: ¥902,335,000

(Reference) Treasury stock as of March 31, 2022

Number of issued and outstanding shares (excluding treasury stocks): 636,999,478 shares

Number of treasury stocks: 468,700 shares

Notes to Per-share Information

1. Equity per share attributable to owners of the parent:	¥1,416.08
2. Earnings (loss) per share:	
Earnings (loss) per share attributable to owners of the parent-basic	¥45.35
Earnings (loss) per share attributable to owners of the parent-diluted	¥45.34

Non-consolidated Balance Sheet (as of March 31, 2022)

	Millions of yen	
	As of March 31,	
	2022	2021 (Reference)
ASSETS		
Current Assets:	330,489	430,710
Cash on hand and in banks	82,932	143,601
Notes receivable – trade	1,771	1,718
Accounts receivable – trade	106,535	110,461
Marketable securities	9,999	49,996
Finished goods	32,747	31,418
Raw materials	3,529	2,186
Work in process	2,424	3,655
Supplies	13,593	11,823
Accounts receivable – other	20,232	17,580
Short-term loans receivable	40,473	39,323
Other current assets	16,330	19,025
Allowance for doubtful accounts	(81)	(81)
Fixed Assets:	532,164	537,043
Tangible fixed assets:	89,106	90,932
Buildings	46,129	47,327
Structures	1,941	2,087
Machinery and equipment	11,682	12,175
Vehicles	48	68
Tools, furniture and fixtures	7,258	7,161
Land	18,883	18,884
Leased assets	1,113	1,474
Construction in progress	2,048	1,753
Intangible fixed assets:	34,002	34,036
Goodwill	1,550	2,170
Leasehold right and others	7,302	7,489
Software	25,150	24,376
Investments and Other Assets:	409,055	412,074
Investment securities	9,825	15,813
Subsidiaries and affiliates' securities	344,417	344,743
Investment in subsidiaries and affiliates	13,357	13,357
Long-term loans receivable	20,505	19,470
Claims provable in bankruptcy, claims provable in rehabilitation and other	113	115
Deferred tax assets	19,905	16,534
Lease deposit	264	1,334
Other investments	859	901
Allowance for doubtful accounts	(195)	(196)
Total Assets	862,653	967,753

Non-consolidated Balance Sheet (as of March 31, 2022)

	Millions of yen	
	As of March 31,	
	2022	2021 (Reference)
LIABILITIES		
Current Liabilities:	299,483	294,535
Notes payable – trade	262	217
Electronically recorded obligations – operating	3,772	33,897
Accounts payable – trade	106,742	104,726
Bonds maturing within one year	13,670	-
Short-term borrowings	34,769	12,204
Current maturities of long-term borrowings	30,000	42,980
Leased obligations	434	458
Accounts payable – other	74,764	65,342
Accrued expenses	9,756	10,331
Accrued bonuses	8,685	6,550
Accrued Directors’ bonuses	29	-
Warranty reserve	1,570	1,865
Other current liabilities	15,025	15,961
Fixed Liabilities:	118,398	143,666
Bonds	20,000	32,980
Long-term borrowings	90,505	96,490
Leased obligations	765	1,207
Retirement benefit obligation	4,438	9,245
Provision for share-based compensation	110	82
Asset retirement obligations	2,064	3,158
Other fixed liabilities	513	503
Total Liabilities	417,882	438,202
EQUITY		
Shareholders’ Equity:	440,776	522,175
Common stock	135,364	135,364
Additional paid-in capital:	180,804	180,804
Legal capital reserve	180,804	180,804
Retained earnings	125,067	250,868
Legal reserve	14,955	14,955
Other retained earnings	110,112	235,913
Reserve for deferral of capital gain on property	2,461	2,550
General reserve	-	15,350
Retained earnings brought forward	107,650	218,013
Treasury stock	(459)	(44,862)
Difference of appreciation and conversion	3,994	7,375
Net unrealized holding gains on securities	3,994	7,375
Total Equity	444,771	529,551
Total Liabilities and Equity	862,653	967,753

Non-consolidated Statement of Profit or Loss (for the year ended March 31, 2022)

	Millions of yen	
	For the year ended March 31,	
	2022	2021 (Reference)
Net sales	483,481	445,297
Cost of sales	327,072	309,113
Gross profit	156,409	136,183
Selling, general and administrative expenses	179,537	174,787
Operating loss	(23,128)	(38,603)
Non-operating income:	55,346	104,858
Interest and dividend income	47,797	103,049
Foreign exchange gain	940	758
Other revenue	6,608	1,050
Non-operating expenses:	1,903	2,228
Interest expense	542	716
Other expenses	1,361	1,512
Ordinary income	30,314	64,025
Extraordinary income	1,095	33,464
Gain on sales of fixed assets	1,095	-
Gain on sales of shares of subsidiaries and affiliates	-	33,464
Extraordinary loss:	8,238	4,303
Impairment of fixed assets	1,516	3,239
Transfer pricing adjustment	3,915	-
Loss on liquidation of subsidiaries and affiliates	2,806	-
Loss on valuation of shares of subsidiaries and affiliates	-	1,063
Income before income taxes	23,171	93,186
Income taxes – current	(309)	333
Income taxes – deferred	(1,888)	4,795
Net income	<u>25,368</u>	<u>88,057</u>

Statement of Changes in Equity (for the year ended March 31, 2022)

(Unit: millions of yen)

	Shareholders' equity					
	Common stock	Additional paid-in capital		Retained earnings		
		Legal capital reserve	Legal reserve	Other retained earnings		
				Reserve for deferral of capital gain on property	General reserve	Retained earnings brought forward
Beginning balance	135,364	180,804	14,955	2,550	15,350	218,013
Changes of items during the period						
Dividends from surplus						(14,066)
Net income						25,368
Reversal of reserve for deferral of capital gain on property				(88)		88
Reversal of general reserve					(15,350)	15,350
Purchase of treasury stock						
Disposal of treasury stock						(0)
Retirement of treasury stock						(137,103)
Net changes of items other than shareholders' equity						
Total changes of items during the period	-	-	-	(88)	(15,350)	(110,363)
Ending balance	135,364	180,804	14,955	2,461	-	107,650

	Shareholders' equity			Valuation and translation adjustments	Total equity
	Retained earnings	Treasury stock	Total shareholders' equity	Total valuation and translation adjustments	
	Total retained earnings				
Beginning balance	250,868	(44,862)	522,175	7,375	529,551
Changes of items during the period					
Dividends from surplus	(14,066)		(14,066)		(14,066)
Net income	25,368		25,368		25,368
Reversal of reserve for deferral of capital gain on property	-		-		-
Reversal of general reserve	-		-		-
Purchase of treasury stock	-	(92,716)	(92,716)		(92,716)
Disposal of treasury stock	(0)	16	16		16
Retirement of treasury stock	(137,103)	137,103	-		-
Net changes of items other than shareholders' equity	-		-	(3,381)	(3,381)
Total changes of items during the period	(125,801)	44,402	(81,398)	(3,381)	(84,780)
Ending balance	125,067	(459)	440,776	3,994	444,771

Notes to Non-consolidated Financial Statements

All figures are rounded down to nearest million yen.

Notes Regarding Significant Accounting Policies

1. Accounting Policy for Securities

(1) Securities of subsidiaries and affiliates

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

(2) Other securities

Securities other than shares that do not have a market price:

Fair value method (with the entire amount of valuation differences inserted directly into net assets, and the cost of sales calculated using the moving average method).

Shares that do not have a market price:

Stated at cost based on the moving average method.

2. Basis and method for valuation of derivatives

Derivatives are stated at the fair value method.

3. Basis and method for valuation of inventories

Inventories are stated principally at cost using the weighted-average method (with amount shown on balance sheet written down as profitability declines).

4. Depreciation and Amortization

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

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

Buildings: 5-50 years

Machinery and equipment: 4-12 years

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

Amortized by using the straight-line method.

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

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

(3) Leased assets

Finance leases for which ownership does not transfer to lessees

The Company applies the straight-line method for leased assets using the lease term as the service life and a residual value of zero.

5. Basis for Provision of Reserves

(1) Allowance for doubtful accounts:

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

(2) Accrued bonuses:

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

(3) Accrued Directors' bonuses:

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

(4) Warranty reserve:

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

(5) Retirement benefit obligation:

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

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

For actuarial gains or losses, the Company uses straight-line amortization over a certain period of time (11 years) within averaged remaining employment term as incurred in each business year starting from the year following the year of occurrence.

For prior service costs the Company uses straight-line amortization over a certain period of time (11 years) within averaged remaining employment term as incurred in each business year.

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

(6) Provision for share-based compensation:

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

6. Basis for Recording Revenue

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

from maintenance contracts is recognized over a certain period of time as the relevant performance obligation is satisfied.

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

7. Application of Consolidated Taxation System

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

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

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

The Company plans to apply the “Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System” (PITF No.42 of August 12, 2021) from the beginning of the following fiscal year, which provides for accounting treatment and disclosure of income taxes, local income taxes and tax effect accounting when the group tax sharing system is applied.

Notes to Changes in Accounting Policies

(Application of Accounting Standard for Revenue Recognition, etc.)

The Company applied the Accounting Standard for Revenue Recognition (ASBJ Statement No. 29 of March 31, 2020), etc. in the fiscal year under review. The Company recognizes revenue when control of a promised good or service is transferred to a customer in an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods and services.

As a result, among intercompany transactions in which revenue was recognized on a gross basis before the application, for transactions of brokerage trades and goods purchased from other companies, the transaction amounts are calculated at the net amount of consideration received from the customer after deducting the amount paid to such other party, as it is determined that the Company acts as an agent for another party in the provision of goods to a customer.

These changes in accounting policies are applied retrospectively, and there was no impact on the beginning balance of retained earnings. For the non-consolidated statement of profit or loss for the previous fiscal year, which is included for reference purposes only, sales and cost of sales decreased by ¥316,099 million.

(Application of Accounting Standard for Fair Value Measurement, etc.)

The Company applied the Accounting Standard for Fair Value Measurement (ASBJ Statement No. 30 of July 4, 2019; hereinafter the “Fair Value Measurement Standard”) and other standards from the beginning of the fiscal year under review, and will prospectively apply the new accounting policies stipulated by the Fair Value Measurement Standard, etc. in accordance with the transitional treatment provided in Paragraph 19 of the Fair Value Measurement Standard and Paragraph 44-2 of the Accounting Standard for Financial Instruments (ASBJ Statement No. 10 of July 4, 2019). There is no impact on the non-consolidated financial statements.

Notes to Changes in Accounting Estimates

In accounting for retirement benefits, the Company changed the number of years for amortization of actuarial gains and losses and prior service cost from 12 years to 11 years in the fiscal year under review, in accordance with the shortening of the average remaining years of service of the Company’s employees.

As a result of this change, operating income, ordinary income and income before income taxes decreased by ¥9 million for the fiscal year under review, compared to conventional methods.

Notes to Accounting Estimates

Items for which an amount has been recorded in the non-consolidated financial statements for the fiscal year under review due to accounting estimates, and which may have a significant effect on the non-consolidated financial statements for the following fiscal year are as follows:

Deferred tax assets

- (1) Amount reported in the non-consolidated financial statements for the fiscal year under review:
¥19,905 million
- (2) Information on the significant accounting estimates for identified items

The details are presented under “Notes to Accounting Estimates” of the consolidated financial statements.

Notes to Non-consolidated Balance Sheets

- Monetary claims and obligations to subsidiaries and affiliates:
 - Short-term receivable due from subsidiaries and affiliates: ¥165,020 million
 - Long-term receivable due from subsidiaries and affiliates: ¥20,720 million
 - Short-term payable due to subsidiaries and affiliates: ¥124,740 million
 - Long-term payable due to subsidiaries and affiliates: ¥25 million
- Guarantee obligation:
 - Parent company's guarantee for commercial papers issued by subsidiaries and affiliates: ¥36,717 million
 - Parent company's guarantee for the credit line agreement by subsidiaries and affiliates when necessary: ¥20,000 million
 - Parent company's guarantee for the lease agreement by subsidiaries and affiliates: ¥497 million
- Accumulated depreciation on tangible fixed assets: ¥422,987 million

Notes to Non-consolidated Statements of Operations

Transaction with subsidiaries and affiliates:

Sales:	¥456,412 million
Purchase:	¥183,773 million
Other operating transactions:	¥34,554 million
Non-operating transactions:	¥53,954 million

Notes to Statements of Changes in Shareholders' Equity

Category and number of treasury stocks:

Category of shares	Number of shares as of the beginning of the current fiscal year	Increase in number of shares for the current fiscal year	Decrease in number of shares for the current fiscal year	Number of shares as of the end of the current fiscal year
Common stock (shares)	26,692,132	81,237,813	107,461,245	468,700

Notes:

- The increase of 81,237,813 shares of treasury stocks was due to the share repurchase of 81,230,900 shares of treasury stocks by the resolution of the Board of Directors meeting, and the acquisition of 6,913 shares of shares less than the basic unit.
- The decrease of 107,461,245 shares of treasury stocks was due to the share retirement of 107,443,900 shares of treasury stocks by the resolution of the Board of Directors meeting, the share delivery of 17,200 shares by the Board Incentive Plan trust, in which beneficiaries include Executive Officers, and the sale of shares of 145 shares less than the basic unit.
- The number of treasury stocks includes 398,600 shares of the Company's shares (number of voting rights: 3,986) owned by the Board Incentive Plan trust, established by the Company, in which beneficiaries include Directors and Executive Officers.

Notes to Deferred Tax Accounting

Major factors giving rise to deferred tax assets include deductible temporary difference relating to loss on valuation of shares of subsidiaries and affiliates, retirement benefit obligations, accrued bonuses, depreciation, etc., and net operating losses carried forward, with a valuation allowance of ¥89,166 million deducted. Valuation allowance is principally recognized for loss on valuation of shares of subsidiaries and affiliates and net operating losses carried forward.

Notes to Leased Fixed Assets

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

Notes to Related Party Transactions

(Unit: millions of yen)

Attribute	Name of company, etc.	Voting rights held by Company (%)	Relation with company		Description of transactions	Transaction amount (Note 1)	Account item	Balance as of the fiscal year under review (Note 1)
			Concurrent Directors	Business relation				
Subsidiary	RICOH JAPAN CORPORATION	(Possessed) Directly: 100	Yes	Sale of the Company's office equipment	Sales of products (Note 2)	245,593	Accounts receivable – trade	60,661
Subsidiary	RICOH INDUSTRY COMPANY, LTD.	(Possessed) Directly: 100	Yes	Manufacture of the Company's office equipment	Purchase of products (Note 2)	73,187	Accounts payable – trade	7,972
Affiliate	RICOH LEASING COMPANY, LTD.	(Possessed) Directly: 33.7	Yes	Factoring transaction	Factoring transaction (Note 3)	64,405	Accounts payable – other	23,545
Subsidiary	RICOH AMERICAS HOLDINGS, INC.	(Possessed) Directly: 100	Yes	Borrowing of funds	Borrowing of funds (Note 4) (Note 5)	9,823	Short-term borrowings	11,128
Subsidiary	RICOH EUROPE FINANCE LIMITED	(Possessed) Indirectly: 100	Yes	Borrowing of funds Lending of funds	Borrowing of funds (Note 4) (Note 5)	13,569	Short-term borrowings	3,510
					Lending of funds (Note 4)	13,152	Short-term loans receivable	
					Collection of funds (Note 4)	10,522		20,505
					Lending of funds (Note 4) Collection of funds (Note 4)	13,152 13,152	Long-term loans receivable	
Subsidiary	RICOH EUROPE SCM B.V.	(Possessed) Indirectly: 100	No	Sale of the Company's office equipment	Sales of products (Note 2)	38,203	Accounts receivable – trade	13,744

Notes: Transaction conditions and policy in determining transaction conditions

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

Notes to Per-share Information

- | | |
|---------------------------------|---------|
| 1. Equity per share: | ¥698.22 |
| 2. Net income (loss) per share: | ¥37.88 |

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

Notes to Revenue Recognition

Underlying information for understanding revenue from contracts with customers is described in "Notes to Revenue Recognition" of the consolidated financial statements.

Subsequent Events

(Business combinations)

The Company resolved in its Board of Directors meeting held on April 28, 2022 to partially acquire the common shares in Fujitsu Limited's subsidiary, PFU Limited ("PFU") and concluded the said share acquisition contract. Ricoh will acquire 80% of the shares of PFU and make it a consolidated subsidiary of the Company.

1. Name and Business of the Acquiree

Name of the Acquiree: PFU Limited

Principal Business: Document scanners, industrial computing products and other hardware; security and document management and other software & services; configuration of IT infrastructure; and multivendor services provided in cooperation with third-party companies

2. Background and Reason for the Acquisition of Shares

This share acquisition is a part of the growth investments outlined in the medium- to long-term plan through FY2025. PFU has the No. 1 share in the global market for document scanners and offers cloud construction and managed security services in Japan. By making PFU a subsidiary of the Company, the Company intends to strengthen edge devices that support digital services by acquiring industry and business scanners that serve as entry points for business workflows, and also intends to fortify its human capital through acquiring software engineers and digital professionals in the field, close to its customers and edge devices including construction and operation of multi-cloud environments and security services. Through this, the Company intends to achieve digital transformation (DX) for customers and expand Ricoh's Office Services business, which is positioned as an area of accelerated growth in its business portfolio management. In addition, PFU has the No. 1 share in the Japanese market for industrial computer boards and boasts an extensive product lineup. The combination of PFU's strengths and the Company's electronics business will create synergies in production, purchasing, and development to increase cost competitiveness, strengthen the industrial computer business, and develop new edge devices that will advance the digitalization of

frontlines in fields such as logistics and manufacturing.

3. Date of Share Acquisition

July 1, 2022 (tentative)

4. Acquisition Price

Approximately ¥84.0 billion

(Note) Actual acquisition price in this share acquisition may change, as it is adjusted based on the PFU's balance sheet, etc. as of the date of share acquisition.

5. Method of Financing and Payment

Although the Company plans financing by interest-bearing debt at present, in the future, the Company plans to optimize financing, including the use of its own funds, while taking into consideration the Company's financial conditions, market trends, and other factors.

(Share repurchase and retirement of treasury stocks)

The Company resolved in its Board of Directors meeting held on May 10, 2022 to repurchase some shares in accordance with Article 156 of the Companies Act of Japan and pursuant to Article 165, Paragraph 3, of the Companies Act. The Board also decided to retire treasury stocks under Article 178 of the Companies Act.

1. Reason for share repurchase and share retirement

To improve shareholder return and capital efficiency.

2. Share repurchase

- (1) Share category: Common stock
- (2) Number of shares: Up to 48,000,000 shares
(representing 7.5% of issued and outstanding shares excluding treasury stocks)
- (3) Repurchase ceiling: Up to ¥30.0 billion
- (4) Period: May 11, 2022 through September 30, 2022
- (5) Method: Open market purchase on Tokyo Stock Exchange

3. Share retirement

- (1) Share category: Common stock
- (2) Number of shares: all shares repurchased by 2. above
- (3) Retirement date: October 31, 2022

4. Total number of shares repurchased (as of May 16, 2022)

- (1) Total number of shares repurchased: 870,800 shares
- (2) Total repurchase cost: ¥902,335,000

(Reference) Treasury stock as of March 31, 2022

Number of issued and outstanding shares (excluding treasury stocks): 636,999,478 shares

Number of treasury stocks: 468,700 shares

(TRANSLATION)

Independent Auditor's Report

May 17, 2022

To the Board of Directors of
Ricoh Company, Ltd.:

Deloitte Touche Tohmatsu LLC
Tokyo Office

Masato Shoji
Designated Engagement Partner,

Certified Public Accountant:

Yutaka Hamaguchi
Designated Engagement Partner,

Certified Public Accountant:

Norihiro Watanabe
Designated Engagement Partner,

Certified Public Accountant:

Opinion

Pursuant to the fourth paragraph of Article 444 of the Companies Act, we have audited the consolidated financial statements of Ricoh Company, Ltd. and its consolidated subsidiaries (the "Group"), namely, the consolidated statement of financial position as of March 31, 2022, and the consolidated statement of profit or loss, and consolidated statement of changes in equity for the fiscal year from April 1, 2021 to March 31, 2022, and notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of March 31, 2022, and its consolidated financial performance for the year then ended in accordance with accounting standards prescribed pursuant to the provisions of the second sentence of the first paragraph of Article 120 of the Ordinance on Company Accounting that omit a part of the disclosures required under International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the provisions of the Code of Professional Ethics in Japan, and we have fulfilled our other ethical responsibilities as auditors. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. Audit & Supervisory Board members and the Audit & Supervisory Board are responsible for overseeing the Directors' execution of duties relating to the design and operating effectiveness of the controls over the other information. The other information comprises the information included in the Business Report and the accompanying supplemental schedules.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Audit & Supervisory Board Members and the Audit & Supervisory Board for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting standards prescribed pursuant to the provisions of the second sentence of the first paragraph of Article 120 of the Ordinance on Company Accounting that omit a part of the disclosures required under International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with accounting standards prescribed pursuant to the provisions of the second sentence of the first paragraph of Article 120 of the Ordinance on Company Accounting that omit a part of the disclosures required under International Financial Reporting Standards.

Audit & Supervisory Board members and the Audit & Supervisory Board are responsible for overseeing the Directors' execution of duties relating to the design and operating effectiveness of the controls over the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks. The procedures selected depend on the auditor's judgment. In addition, we obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Obtain, when performing risk assessment procedures, an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate whether the overall presentation and disclosures of the consolidated financial statements are in accordance with accounting standards prescribed pursuant to the provisions of the second sentence of the first paragraph of Article 120 of the Ordinance on Company Accounting that omit a part of the disclosures required under International Financial Reporting Standards, as well as the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with Audit & Supervisory Board members and the Audit & Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide Audit & Supervisory Board members and the Audit & Supervisory Board with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partner[s] do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Notes to the Readers of Independent Auditor's Report

This is an English translation of the independent auditor's report as required by the Companies Act of Japan for the conveniences of the reader.

* Details of the audit report on the consolidated financial statements by the Audit & Supervisory Board are included in the transcript of the Audit & Supervisory Board's Report on pages 174 and 175

(TRANSLATION)

Independent Auditor's Report

May 17, 2022

To the Board of Directors of
Ricoh Company, Ltd.:

Deloitte Touche Tohmatsu LLC
Tokyo Office

Masato Shoji
Designated Engagement Partner,
Certified Public Accountant:

Yutaka Hamaguchi
Designated Engagement Partner,
Certified Public Accountant:

Norihiro Watanabe
Designated Engagement Partner,
Certified Public Accountant:

Opinion

Pursuant to the first item, second paragraph of Article 436 of the Companies Act, we have audited the nonconsolidated financial statements of Ricoh Company, Ltd. (the "Company"), namely, the nonconsolidated balance sheet as of March 31, 2022, and the nonconsolidated statement of profit or loss and nonconsolidated statement of changes in equity for the 122nd fiscal year from April 1, 2021 to March 31, 2022, and notes to the nonconsolidated financial statements and the accompanying supplemental schedules.

In our opinion, the accompanying nonconsolidated financial statements present fairly, in all material respects, the financial position of the Company as of March 31, 2022, and its financial performance for the year then ended in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Nonconsolidated Financial Statements section of our report. We are independent of the Company in accordance with the provisions of the Code of Professional Ethics in Japan, and we have fulfilled our other ethical responsibilities as auditors. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. Audit & Supervisory Board members and the Audit & Supervisory Board are responsible for overseeing the Directors' execution of duties relating to the design and operating effectiveness of the controls over the other information. The other information comprises the information included in the Business Report and the accompanying supplemental schedules.

Our opinion on the nonconsolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the nonconsolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the nonconsolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Audit & Supervisory Board Members and the Audit & Supervisory Board for the Nonconsolidated Financial Statements

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

In preparing the nonconsolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan.

Audit & Supervisory Board members and the Audit & Supervisory Board are responsible for overseeing the Directors' execution of duties relating to the design and operating effectiveness of the controls over the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Nonconsolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the nonconsolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these nonconsolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the nonconsolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks. The procedures selected depend on the auditor's judgment. In addition, we obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Obtain, when performing risk assessment procedures, an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the nonconsolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate whether the overall presentation and disclosures of the nonconsolidated financial statements are in accordance with accounting principles generally accepted in Japan, as well as the overall presentation, structure and content of the nonconsolidated financial statements, including the disclosures, and whether the nonconsolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with Audit & Supervisory Board members and the Audit & Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide Audit & Supervisory Board members and the Audit & Supervisory Board with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Company which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Notes to the Readers of Independent Auditor's Report

This is an English translation of the independent auditor's report as required by the Companies Act of Japan for the conveniences of the reader.

Audit Report

In regard to the Directors' performance of their duties for the fiscal year from April 1, 2021 to March 31, 2022, the Audit & Supervisory Board has prepared this Audit Report after deliberations based on the Audit Reports prepared by each Audit & Supervisory Board Member and reports as follows.

1. Methods and contents of Audits by the Audit & Supervisory Board Members and the Audit & Supervisory Board

- (1) The Audit & Supervisory Board determined the audit policies, activity plans, and division of duties, etc. and received reports from each Audit & Supervisory Board Member regarding the implementation status and results of their audits, in addition to which it received reports from the Directors, etc. and the Independent Auditor regarding the status of the performance of their duties and requested explanations as necessary.
- (2) In compliance with the Audit & Supervisory Board Member audit standards established by the Audit & Supervisory Board and in accordance with the audit policies, activity plans and division of duties, etc., each Audit & Supervisory Board Member communicated with the Directors, the internal audit department, and other employees, etc., occasionally using telephone lines and the Internet, etc., endeavored to gather information and develop the audit environment, and conducted audits using the following methods.
 - (i) The Audit & Supervisory Board Members attended meetings of the Board of Directors and other important meetings, received reports from Directors and employees, etc. regarding the status of the performance of their duties, requested explanations as necessary, viewed important decision-making documents, etc., and inspected the status of operations and assets at the head office and main business locations. Additionally, in regard to subsidiaries, the Audit & Supervisory Board Members received the results of audit or reports on the status of management from the Headquarters internal audit division or administrative divisions in charge of subsidiaries, communicated and exchanged information with the Directors and employees, etc. of subsidiaries and received explanations of their business as necessary.
 - (ii) In regard to the content of resolutions of the Board of Directors regarding the development of systems to ensure that the Directors' performance of their duties complies with laws, regulations, and the articles of incorporation and other systems provided for in Article 100, paragraph (1) and paragraph (3) of the Ordinance for Enforcement of the Companies Act as systems necessary to ensure the appropriateness of operations of the corporate group composed of a stock company and its subsidiaries, as well as the systems developed pursuant to those resolutions (i.e., internal control systems) stated in the business report, the Audit & Supervisory Board Members periodically received reports from Directors and employees, etc. regarding the status of the establishment and operation of those systems and as necessary requested explanations and expressed opinions in regard thereto.
 - (iii) With regard to accounting audits, the Audit & Supervisory Board Members received explanations on audit plans from the Independent Auditor in advance and made discussions, as well as received audit reports. Furthermore, the Audit & Supervisory Board Members oversaw and verified whether the Independent Auditor maintained an independent position and conducted an appropriate audit, received reports from the Independent Auditor on the status of the performance of its duties, and requested explanations as necessary. Additionally, the Audit & Supervisory Board Members received notification from the Independent Auditor that, in accordance with the "Quality Control Standards for Audits" (Business Accounting Council, October 28, 2005), etc., it had developed systems in order to ensure that its duties are appropriately performed (i.e., notification of the matters stated in the items of Article 131 of the Ordinance on Accounting of Companies) and requested explanations as necessary.

Using the methods above, the Audit & Supervisory Board examined the business report, the supplementary schedules thereto, the non-consolidated financial statements (i.e., the non-consolidated balance sheet, non-consolidated statement of profit or loss, non-consolidated statement of changes in equity, and explanatory notes to non-consolidated financial statements), the supplementary schedules to the non-consolidated financial statements, and the consolidated financial statements (i.e., the consolidated statement of financial position, consolidated statement of profit or loss, consolidated statements of changes in equity, and explanatory notes to consolidated financial statements) for the fiscal year.

2. Audit results

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

- (i) We find that the Business Report and the supplementary schedules thereto accurately present the status of the company in accordance with laws, regulations, and the articles of incorporation.
- (ii) We do not find any misconduct nor any material fact constituting a violation of any law, regulation, or the articles of incorporation in relation to the Directors' performance of their duties.
- (iii) We find the content of the resolutions of the Board of Directors regarding internal control systems to be reasonable. Additionally, we do not find any matters that should be commented upon in regard to the statements in the business report or the Directors' performance of their duties relating to the internal control systems.

(2) Results of audit of accounting documents and supplementary schedules thereto

We find the methods and results of the audit by the Independent Auditor, Deloitte Touche Tohmatsu LLC, to be reasonable.

(3) Results of audit of consolidated accounting documents

We find the methods and results of the audit by the Independent Auditor, Deloitte Touche Tohmatsu LLC, to be reasonable.

May 20, 2022

The Audit & Supervisory Board, Ricoh Company, Limited

Audit & Supervisory Board Member (Full-time)	Kazuhiro Tsuji	(seal)
Audit & Supervisory Board Member (Full-time)	Shinji Sato	(seal)
Outside Audit & Supervisory Board Member	Yo Ota	(seal)
Outside Audit & Supervisory Board Member	Shoji Kobayashi	(seal)
Outside Audit & Supervisory Board Member	Yasunobu Furukawa	(seal)

Notes on the Audit Performance

1. Purpose of these Notes

Audit & Supervisory Board Members, as independent agents, are charged by the Company's shareholders with responsibility for auditing the execution of duties by Directors, and ensuring the establishment of systems of good corporate governance to respond to the trust placed in the Company by society. Since FY2017, the Audit & Supervisory Board has voluntarily prepared these Notes as complementary material to the Audit & Supervisory Board's Report (see pages 174 and 175), in order to enhance the effectiveness of the dialogue with stakeholders including shareholders, based on the belief that more concrete explanation of the Audit & Supervisory Board's activities will lead to enhanced audit transparency. We also plan to disclose the outline of these Notes in the section on the "Status of the Audit conducted by Audit & Supervisory Board" in the Securities Report.

2. Outline of audit activities

We reviewed risks and issues in the five areas, namely (1) Directors, (2) Business execution, (3) Subsidiaries, (4) Internal audit, and (5) Accounting audit, and formulated annual activity plans. Outline of audit activities in each of these areas are illustrated in Chart 1 below. Audit & Supervisory Board Members pointed out the issues and provided suggestions to Directors and business divisions, concerning the matters brought to our attention through these audit activities.

■ Chart 1: Outline of audit activities ★ Meeting organized by the Audit & Supervisory Board Members

NEW New initiatives for FY2021

Full-time Audit & Supervisory Board Members Outside Audit & Supervisory Board Members

		Full-time Audit & Supervisory Board Members	Outside Audit & Supervisory Board Members
(1) Directors	Attending the Board of Directors meeting	●	●
	Attending as an observer in the Nomination Committee and Compensation Committee meetings		●
	Holding regular meetings with Chairperson of the Board and Representative Director (quarterly) ★	●	●
	Holding governance review meetings attended by Directors and the Audit & Supervisory Board Members ★	●	●
	Holding <u>Outside Executive Meeting (meeting for exchange of opinions by Outside Directors and Audit & Supervisory Board Members)</u> ★ NEW	●	●
(2) Business execution	Auditing headquarters and principal offices (including remote meeting)	●	□
	Attending Group Management Committee (GMC)	●	
	Attending performance review meetings, business unit operation meetings, Investment Committee meetings and other important meetings	●	
	Holding separate regular meetings with the CEO and the CFO respectively (monthly) ★	●	
	Holding <u>information sharing meetings with presidents of business units and Group Headquarters Function Supervisors</u> ★ NEW	●	
	Reviewing and confirming important documents (agendas and minutes of important meetings, documents for approval, written agreements, etc.)	●	
	Holding regular meetings with risk management departments (monthly) ★	●	
(3) Subsidiaries	Auditing subsidiaries (including remote meeting)	●	□
	Holding regular meetings with Audit & Supervisory Board Members of subsidiaries (monthly) ★	●	
	Holding information exchange meetings among Audit & Supervisory Board Members of the Group ★	●	□
(4) Internal audit	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 audit	Holding three-way audit meetings (monthly) ★	●	
	Receiving explanation about audit plan and reports of quarterly review and audit results from the Independent Auditor	●	●
	Evaluating the Independent Auditor	●	●

● : In charge
□ : Voluntarily or partly in charge

3. Areas of focus and actions for FY2021

In FY2021, the Company transitioned to a business unit structure. The Audit & Supervisory Board examined the expected risks associated with the business activities. As a result, in addition to the audit activities shown in Chart 1, “audit of internal control systems, risk management, and subsidiary management structures in individual business units” and “audit of effective governance by the Group headquarters” were established as areas of focus for FY2021.

Area of focus: (i) Audit of internal control systems, risk management, and subsidiary management structures in individual business units

Authority has been delegated to individual business units as a result of the transition to the business unit structure. Business units are required to conduct business in an autonomous and speedy manner, and auditing and verification were performed for items (i) through (iii) below, for which governance-related changes will occur.

- (i) Status of design, creation, and operation of internal control systems and risk management by individual business units
- (ii) Division of responsibilities between individual business units and the Group headquarters, and status of use of support functions for individual business units
- (iii) Effectiveness of subsidiary management as a result of changes to the principal administrative divisions*¹, and existence of new issues occurring among subsidiaries

• Attendance at important meetings, information sharing with the presidents of individual business units

- In addition to the reviews on individual business units, the Audit & Supervisory Board Members participated in business operation meetings of individual business units and met with business unit presidents as needed, striving to stay updated about the decision-making, report contents, and the status of business operations by each business unit.
- Audit & Supervisory Board Members participated in portfolio management meetings and confirmed the status of deliberations regarding future business portfolios.

• Selection of scope of Audit & Supervisory Board Member reviews, taking into consideration the changes to the management structures of subsidiaries as a result of the transition to the business unit structure (29 subsidiaries)

- The Audit & Supervisory Board selected subsidiaries whose principal administrative divisions had undergone changes, and subsidiaries supervised by multiple business units, for review, and confirmed the status of management in these subsidiaries.
- In addition to making selections based on the risk information in the “integrated risk information database for the Ricoh Group”^{*2}, which has been prepared and is being used by the Audit & Supervisory Board Office, the Audit & Supervisory Board also selected principal subsidiaries and confirmed the impact of changes from the perspectives of (i) to (iii) above.

*1 Principal administrative divisions: Headquarters administrative divisions in charge of subsidiaries.

*2 Integrated risk information database for the Ricoh Group: A database that can be used to centrally manage and share

basic information and risk information regarding subsidiaries.

Area of focus: (ii) Audit of effective governance by the Group headquarters

The Audit & Supervisory Board monitored and verified the governance and control functions of the Group headquarters with respect to the Ricoh Group as a whole, the head office's cross-functional capabilities, the support functions for individual business units, and the clarification of the division of duties within the Group headquarters.

It also confirmed issues and future direction regarding the overall design of the internal control system and the comprehensive enhancement of internal audit and the Group headquarters, including accounting and legal affairs.

● **Appropriate information sharing with Group headquarters functional officers and participation in meetings with function divisions**

- In addition to Audit & Supervisory Board Member reviews of the individual organizations of the Group headquarters (18 organizations: global headquarters, platform organizations, and professional service organizations), Audit & Supervisory Board Members shared information with Group headquarters functional officers as necessary and strove to reinforce the information gathering and reporting systems.
- Audit & Supervisory Board Members participated in meetings conducted by Group headquarters functional divisions, such as SCM meetings and digital strategy meetings and confirmed the status of business execution and issues.

● **Exchange of information and opinions between Directors and Audit & Supervisory Board Members**

- At Outside Executive Meetings, the Audit & Supervisory Board Members exchanged opinions and shared information with Outside Directors regarding matters learned through auditing activities such as the status of governance by the Group headquarters.
- At governance review meetings, the Audit & Supervisory Board Members engaged in discussions regarding the inspection of governance given the transition to the business unit structure, and strove to create greater opportunities to share information and exchange opinions with Outside Directors in particular.

4. Activity status of the Audit & Supervisory Board

To ensure effective execution of duties by its members, the Audit & Supervisory Board carries out the following activities based on the Audit & Supervisory Board Regulations. In addition, their responsibilities are appropriately allocated, and a framework is in place to assist their work.

(1) Operation of the Audit & Supervisory Board

The Audit & Supervisory Board meetings were held 14 times during FY2021 (average time per meeting: approximately 140 minutes), and all full-time Audit & Supervisory Board Members were present at all meetings. (See page 121 for the attendance status of Independent Outside Audit & Supervisory Board Members.)

In FY2021 as well, to prevent the spread of COVID-19, remote meetings were also used in conjunction with face-to-face meetings for Audit & Supervisory Board meetings. Key matters and information shared and considered in the Audit & Supervisory Board meetings and main items improved in FY2021 are as follows.

Key matters and information shared and considered:

- 13 resolutions: Audit policy, audit plan, and division of duties, Audit & Supervisory Board's Report, agreement to resolution concerning election of Audit & Supervisory Board Members, reappointment of the Independent Auditor, agreement regarding audit fee paid to the Independent Auditor, etc.
- 27 deliberations: Review of exchange of opinions and the status of deliberations at the Board of Directors meetings, evaluation of the Independent Auditor, audit policy and audit plan, Audit & Supervisory Board's Report, Notes on the Audit Performance, contents of summary of Audit & Supervisory Board audit activities, contents of regular meetings and follow-up with the Representative Director and Chairperson of the Board of Directors, etc.
- 50 reports: Status of execution of duties by full-time Audit & Supervisory Board Members (monthly), results of self-assessment for audit performance, status of operation of the Investment Committee, status of creation and operation of the disclosure system, status of non-audit work by the Independent Auditor, contents of securities report, etc.

Main items improved:

- With regard to the agenda items of the Board of Directors meetings, in addition to the review by the Audit & Supervisory Board, the time designated for prior explanations by the executive side was used to share information and organize topics within the Audit & Supervisory Board in preparation for attendance at Board of Directors meetings.
- In addition to the contents of meetings that full-time Audit & Supervisory Board Members participated in this year for the first time, the contents of meetings with individual business unit presidents and Group headquarters functional officers were also shared at the Audit & Supervisory Board meetings.

(2) Allocation of responsibilities of the Audit & Supervisory Board Members

The full-time Audit & Supervisory Board Members are engaged in the audit activities illustrated in Chart 1 (see page 177), and the details of these activities were communicated at the Audit & Supervisory Board meetings, as appropriate.

The Outside Audit & Supervisory Board Members conducted audits on individual business units, functional organizations of the Group headquarters, and subsidiaries, and made suggestions, drawing on their respective individual expertise and background, together with the full-time Audit & Supervisory Board Members. They also received detailed explanations about important management themes and expressed opinions from the standpoint of Independent Audit & Supervisory Board Members at the regular meetings with the Chairperson of the Board of Directors and the Representative Director.

(3) Evaluation of the Independent Auditor by Audit & Supervisory Board Members

The Independent Auditor, Deloitte Touche Tohmatsu LLC, was monitored through evaluation items^{*3} based on the evaluation criteria for the Independent Auditor defined by the Audit & Supervisory Board.

The method used to evaluate the Independent Auditor was as follows.

- Management letters and mid-term reports were used to confirm that information and recommendations were being appropriately provided to management.
- Three-way audit meetings were used to confirm the stances of the Independent Auditor and the status of coordination with network firms, etc.
- Performance reviews on the Independent Auditor were conducted by the Audit & Supervisory Board based on the results of interviews with executive divisions (accounting and internal audit). Requests for the Independent Auditor were collected and organized during the fiscal year (in December), and explanations were received regarding replies to these requests.
- The Audit & Supervisory Board conducted an evaluation review at the end of the fiscal year, referring to the replies to the requests and other information, determined the appropriateness of the reappointment of the Independent Auditor, and confirmed points of improvement in the upcoming fiscal year.

*3: Evaluation items for the Independent Auditor: Quality control by the audit firm, audit team, audit fee, etc., communication with Audit & Supervisory Board Members, etc., relationship with management, etc., group audits, fraud risk

With regard to the Key Audit Matters (KAM) in FY2021, the Audit & Supervisory Board confirmed the status of deliberations regarding the explanations on Independent Auditor’s audit plans, quarterly audit reports, etc., and strove to communicate appropriately with the executive side, as well.

(4) Framework for the Audit & Supervisory Board Office to assist the execution by Audit & Supervisory Board Members

The Audit & Supervisory Board Office has been established as shown in Chart 2, staffed by four full-time employees dedicated to this office with a certain degree of guaranteed independence from the Business Execution and assists the activities of the Audit & Supervisory Board Members, such as collection and analysis of information globally and support for investigation. In addition, the Audit & Supervisory Board Office establishes requirements for qualities required of employees, and allocates staff in a well-balanced manner.

■ Chart 2: Framework for the Audit & Supervisory Board Office to assist the execution of duties by Audit & Supervisory Board Members



5. Issues to be monitored in FY2022

Self-assessment for our audit performance was made by each Audit & Supervisory Board Member, as well as the Audit & Supervisory Board, while the issues to be closely monitored during FY2022 were considered. The Audit & Supervisory Board will engage in auditing measures recognizing “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,” such as employee and workplace environments and organizations, as the issues to be monitored in FY2022.