

RICOH

R I C O H G R O U P

S U S T A I N A B I L I T Y

R E P O R T

(CORPORATE SOCIAL
RESPONSIBILITY)

2007

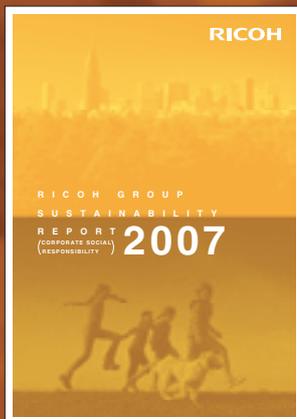


Earning the public's trust

Activity reports from 3 perspectives: "environment," "corporate social responsibility," and "economic"

Being a good corporate citizen means striving to be a valued and respected member of society by contributing to its sustainable growth. To this end, the Ricoh Group believes in being outstanding in all areas of the environment, corporate social responsibility and the economy, as well as openly communicating its activities. The Ricoh Group publishes information on its activities in reports written from three different perspectives: the environment, corporate social responsibility, and the economy. This report provides our shareholders, customers, and other stakeholders with information on our social responsibility management policies and performance, to facilitate a better understanding of what we do and how we work.

Corporate Social Responsibility



Sustainability Report (Corporate Social Responsibility)

- Concept of CSR
- Integrity in corporate activities
- Harmony with the environment
- Respect for people
- Harmony with society

Environment



Sustainability Report (Environment)

- Concept of sustainable environmental management
- Improving our products
- Improvements made at business sites
- Basis for sustainable environmental management
- Social contribution of environmental conservation/Environmental communication

Economic



Sustainability Report (Economic)

- Management policy
- Management results
- Financial status

■ How to Obtain Ricoh's Corporate Information:

- Corporate social responsibility
http://www.ricoh.com/about/csr_environment/csr.html
- Sustainable environmental management
<http://www.ricoh.com/environment/index.html>
- IR (for shareholders and investors)
<http://www.ricoh.com/IR/>
- Social contribution (Japanese language only)
<http://www.ricoh.co.jp/kouken/>

◎ Editorial Policy of the Ricoh Group

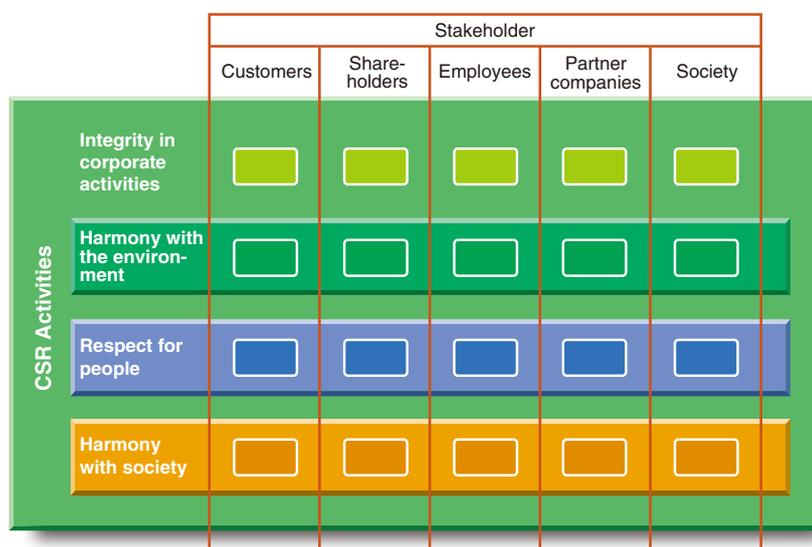
To contribute to the development of a sustainable society and to earn the public's trust, the Ricoh Group has established social responsibility for each stakeholder sphere and is committed to disclosing information on ideas, plans, and efforts in activities in respective spheres in a simple manner.

This fiscal year in particular, we have tried to offer more information on overseas activities and our employees, in response to the feedback we received last year.

◎ Reporting Policy

In compliance with the Ricoh Group CSR Charter, the Ricoh Group reports CSR activities in a variety of areas (integrity in corporate activities, harmony with the environment, respect for people, and harmony with society) in a systematic and comprehensive manner.

■ Framework of Corporate Social Responsibility



◎ Target Readers

This report is prepared for users of Ricoh products, shareholders and investors, suppliers, members of local communities, CSR specialists, people in charge of CSR issues for their companies, researchers, students, Ricoh Group employees, rating agencies, administrators and NPOs: All of the current and potential stakeholders in the Ricoh Group's sustainable management.

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The Ricoh Group continues to earn society's trust while promoting steady growth and development



Shiro Kondo
Representative Director,
President and CEO

近藤史朗

Earning the Public's Trust

Corporate entities should now strive to assume corporate social responsibility in addition to playing their essential roles of increasing corporate values and pursuing profitability. In terms of corporate social responsibility, companies are required to focus on legal compliance, cope with public needs, define ambitious goals and take positive and responsible actions to attain those goals, and continue to find new additional values, thereby earning the public's trust. The Ricoh Group strives to promote social responsibility-driven management as part of our corporate values and engages in global corporate expansion to contribute to the development of a sustainable society.

Aiming to Become a Reliable and Attractive Global Company with Sincerity

The roles and influence of companies as global citizens and members of society have become increasingly important. Consequently, companies are increasingly required to adopt management attitudes that contribute to the development of a sustainable society by addressing social needs and issues caused by environmental changes.

In this context, social responsibility management does not simply mean compliance management resulting from the establishment of a compliance scheme or social contribution activities that return part of the profits to society. Corporate social responsibility management includes activities related to the global environment, markets, society, and people. The object and importance of activities also differ according to the type of corporation and the region in which it functions. One thing we at Ricoh should remember, however, is that such activities must be based upon our core values and a sincere attitude towards our stakeholders. Without the right foundation, we may take the wrong road and fail to achieve our goals. We base our management policy upon sincere attitude, attaching importance to communications with our stakeholders, and striving to offer new values to society. We believe that to continue such activities will help Ricoh become the reliable and attractive global company it aspires to be.

The Ricoh Group has taken it upon itself, as a global citizen, to conduct environmental conservation activities. We have also learned many things through these activities. Based on this we will do our utmost to address social problems closely related to the Ricoh Group.

The Ricoh Group's CSR Management Vision

● Shift from social compliance and contribution to responsibility

We think that corporate activities aimed at producing a comfortable global and social environment should not be limited to social compliance rooted in observing laws or social contribution, and based on offering surplus funds and time. The Ricoh Group will set its sights high and continue to shoulder its responsibilities as a corporate and global citizen.

● Fulfilling corporate social responsibility and creating economic value

Fulfilling corporate social responsibility and creating economic value cannot be achieved without the continuous development of society. The Ricoh Group seeks to enhance corporate value by creating economic value for the company while assuming social responsibility. At Ricoh we have placed CSR at the heart of our management philosophy.

● Daily activities by all employees

In order to steadily enhance social responsibility management, it is important to encourage all employees to participate as part of their daily activities. As long as social responsibility management activities are only conducted by employees in specific divisions, we cannot meet the expectations of society. Every company in the Ricoh Group and all the employees in each of these companies must participate in these activities, making efforts to reach a higher goal every day, and to fulfill their responsibilities to the Earth and society.

● Thinking global, acting local

In promoting social responsibility management globally, we have to deal with both common global issues and issues that differ according to countries and regions. In dealing with global activities, it is necessary to promote unified activities while respecting cultural differences.

The Ricoh Group Corporate Social Responsibility Charter and the Ricoh Group Code of Conduct effective as of January 1, 2004, recognize this. By following these guidelines, the Ricoh Group will continue to pursue positive activities on a global scale.

Dear Stakeholder

The Ricoh Group has reported on its activities in the Ricoh Group Sustainability Report (Corporate Social Responsibility) since 2004, based on the concepts described above. Reflecting the valuable comments we received from stakeholders in our CSR report, we will enhance our social responsibility management, which is at the dawn of its development, through constant communication with you, the stakeholder. We hope that this report will help you understand and value our social responsibility management activities. We welcome your honest opinion on the Ricoh Group's activities as we grow and develop in harmony with society.

Donation of copiers was realized through the initiative of Afghan employees concerned about their home country



As part of its business activities, NRG Benelux B.V., a Ricoh sales subsidiary, established a business model to produce and supply high-quality recycled copiers at a recycling center (a plant that recycles used copiers). This achieved both a contribution to environmental conservation and a social contribution beyond Benelux borders.

NRG Benelux's social activities based upon clear policies

NRG Benelux actively engages in social contribution activities. Its policies for such activities: 1) should agree with the company's business activities, 2) should encourage the social values of the organization in the areas of environment and education, and 3) they should contribute to positive participation by employees.

This feature article is about social activities beyond Benelux borders. The project was initiated by Afghan employees working at the company's recycling center, who were concerned about their home land.

Hopes of employees coincided with the policies of the company, resulting in a donation of copiers to Afghanistan

Afghan employees, concerned about the worsening social conditions in their country following the collapse of the regime in 2001, proposed that the company do something to help with the reconstruction and future of their country. NRG Benelux held detailed discussions on whether such activities coincided with its policies on social contributions.

They agreed to support the rehabilitation of Afghanistan as part of the company's business activities (sales and service related to copiers including multifunctional products), since promoting the use of recycled copiers would positively affect the global environment and would promote positive participation by employees in social



Project team of NRG Benelux

activities. They decided to donate 75 recycled copiers as an initial lot to help to improve the difficult educational environment for children. Two hundred copiers have been installed to date. NRG Benelux thought copiers would be useful because they could be used for copying learning materials, much of which had been lost in the war.



Recycled copiers arriving in Kabul

They spent 18 months in careful preparation, and project team members conducted a field survey and held a series of face to face discussions to gain the trust of the Afghan government and understand their requirements. Particular attention was paid to selecting recycled copiers that could be used under severe conditions and establishing a maintenance system for the products. Finally in September 2003, the copiers were put into operation at schools in Kabul, thanks to the cooperation and support of many stakeholders (employees, governmental bodies, NGOs, NPOs, etc.).

Significant impact felt in the company

The donation of copiers did not constitute the entire project. NRG Benelux also supported the foundation of a company to maintain the copiers, contributing to the economic independence of the area through the creation of employment opportunities.

The project attracted people's attention as it was widely covered by the media, and the importance of social contributions by companies was widely recognized in the community. Employees at NRG Benelux felt proud of their project, which united the company in a common purpose.

One of NRG Benelux's customers, who appreciated the value of the project, reported on the activity in detail in their company's Christmas issue of their newsletter, impressing upon employees the importance of social contribution.

This one example of several community based projects NRG Benelux is currently involved in to support their CSR policies.

INTERVIEW

Interview with | Mr. Qanooni, Minister of Education of Afghanistan

Education is an important pillar in the reconstruction of the nation. I would like to express our gratitude on behalf of Afghanistan.

Afghanistan has been offered many supportive projects by various institutions, but only a few of them have been realized so far. Under such circumstances, the highly motivated project proposed by NRG Benelux was a big surprise and joy for us. Although we hesitated at first, we decided to cooperate in promoting the project. Education is one of the pillars for

the reconstruction of Afghanistan as a nation. I would like to express our gratitude on behalf of the nation. I hope, if possible, that this kind of project will be carried out at all the schools in all regions of Afghanistan.



Students in class



Copiers being carried into school

Copiers help children with learning.
[Principal of an elementary school]

Schools are so poor that they do not even have enough chairs for students and need every kind of support. The donation of copiers helps children to learn and is really helpful. We thank NRG Benelux, the Dutch government, and all the people involved.

Students no longer need to spend a whole day copying data by hand.
[Coordinator at the Kabul University library]

Students used to stay in the library for a whole day, to copying important information by hand. But now they can study more efficiently because of the copiers.

A unique color copier with easily distinguishable color tones



Kohji Ishigaki
2nd PM Section, 1st Products
Management Department,
Designing Center,
MFP Business Group



Tadashi Furushima
Products Management
Department, 1st Designing
Center, Production Printing
Business Group

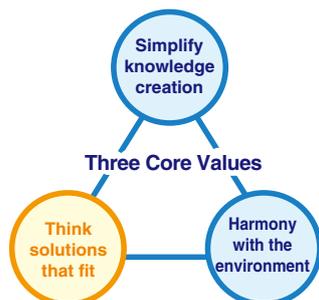


Hidenori Sakai
Appliance Promotion
Office, Quality of
Management Division

Ricoh promotes three core values, namely “simplify knowledge creation,” “think solutions that fit,” and “harmonize with the environment,” in offering outstanding value to customers, which are reflected in the development of a variety of products.

Creating products that fit

As part of its efforts to create products that fit, Ricoh develop products that allow everyone to easily enjoy the benefits of the information society. A special division to promote their concept was organized in 1998. Accordingly, Ricoh has always tried to observe Section 508 of the U.S. Rehabilitation Act¹, while persistently pursuing accessibility amid an aging society and movement towards normalization².



Ricoh's efforts to improve accessibility by providing products that fit to as many people as possible

The introduction of color information is progressing rapidly. At the sometime, people perceive color in different ways, and partially color-blind people³ are troubled by the shift to color-based information.

Ricoh is actively improving accessibility to information appliances including digital color multifunctional copiers. Through these efforts, Ricoh realized that wider introduction of barrier-free products in terms of color (to match our divers perception of color) is the most important issue and launched a full-scale drive in this direction. In the spring of 2005, Ricoh applied for color universal design certification.

- Notes: 1. A U.S. act that became effective in 2001. The act prohibits the U.S. government from purchasing products that do not incorporate accessibility for the physically challenged.
2. The idea that the physically challenged and/or the elderly should be able to live and engage in activities in the same way as other members of society.
3. The ratio of partially color-blind people is estimated at one in 20 men in Japan (a total of about 3 million in Japan) and the total number in the world is estimated at about 200 million.

* Color universal design: a design whose colors can be easily recognized by many people regardless of individual differences in perception color

A unique digital color copier was developed while learning about our diverse perception of color.

Our designers followed a trial and error course to design a product that is barrier free in terms of color perception, something unprecedented in the industry. Through such efforts, they discovered new things and learned about new ways to use color. These experiences allowed them to think about what kind of accessibility they should pursue in the future, including an operational environment that is not dependent on color alone. In the meantime, people from the Color Universal Design Organization (CUDO¹) gave them expert advice, which helped them realize what kind of equipment would be easier to use for partially color-blind people.

In August 2005, imagio MP C3000/C2500 became the first digital color multifunctional copier to acquire color universal design certification². In fiscal 2006, other products also acquired this certification. Ricoh expects that its leadership in these efforts will result in the popularization of similar products, which will contribute to society as a whole.

Notes: 1. For details on CUDO, please visit <http://www.cudo.jp> (Japanese language only).
2. Color universal design certification is a third-party certification given by the Color Universal Design Organization, an NPO, when the organization considers a product to have achieved a color universal design.

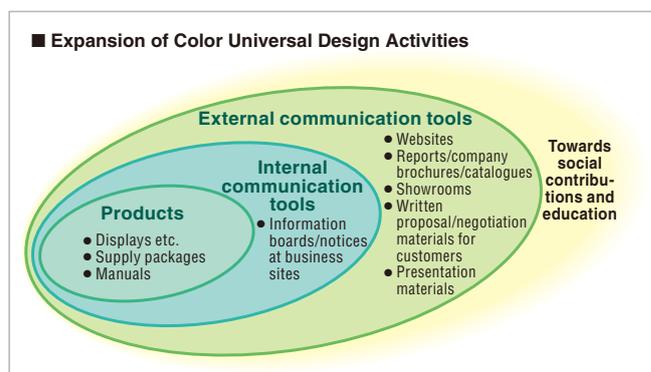
Ricoh promotes color universal design as a CSR mission*.

The Ricoh Group has decided to promote color universal design in the context of enhancing corporate value.

The Ricoh Group was quick to produce barrier-free products and publications with clear color distribution. Furthermore, the Group intends to promote this scheme widely in various fields such as information materials, written proposals and materials for negotiations prepared by individual employees for business purposes, as well as signs, information boards, and bulletin boards at its business sites.

In February 2007, we started a company-wide project to actively promote these activities, with the aim of enhancing the value of data transmitted by color at the interface of people and information, as part of a vision of a society where everyone can use information comfortably.

*See page 12.



INTERVIEW

Interview with an NPO | Mr. Masataka Okabe, Color Universal Design Organization (NPO)

Ricoh strives to meet the needs of partially color-blind people.

Amid the popularization of color-based appliances in society as a whole, many multifunctional copiers are also designed to be operated using a variety of color information. Partially color-blind people, however, sometimes find it difficult to match the green used on the sticker that explains how to deal with a paper jam and the green plastic part that should be actually moved. This is because partially color-blind people see the green on the sticker and the green of the plastic part as completely different colors. This problem can be solved by, for example, putting numbers on them. But designers need

to have high knowledge about the sense of color to notice such problems at the design stage. Our advice seems to have been helpful in such cases. We made difficult requests on ways of using color in multifunctional copiers. Ricoh, however, met most of our requests in a short period of time and developed products that are easy to use.

Ricoh seems to be the first company to embark on this course. It is really significant that a company like Ricoh, which offers a variety of products worldwide, is integrating the diversification of color perception in product development, for it



Mr. Masataka Okabe
M.D., Ph.D., Executive Board of Directors,
Color Universal Design Organization

will help popularize ideas about color universal design not only in Japan but also in the wider world.

Corporate philosophy informs the Group's CSR

Ricoh adheres to the philosophy advocated by its founder, Kiyoshi Ichimura. This philosophy is encapsulated in three guiding principles: "love your neighbor, love your country, and love your work." He explained the philosophy as follows: Everyone loves at least himself/herself. As time passes, however, this feeling of love grows and expands to include all people, plants, and animals in the world. This idea is the basis of the Ricoh Group's CSR initiatives. Ricoh's management philosophy was revised in 1986 based on these Guiding

Principles so as to nurture and develop its corporate culture and business structure to meet the changes in today's world, such as the acceleration of an advanced information society and diversification of values. On January 1, 2004, the Ricoh Group CSR Charter and Ricoh Group Code of Conduct, which are the principles for corporate activity, were established so that common values and behavioral principles might be shared globally among all members of the Group.

■ Corporate Philosophy

Love your neighbor
Love your country
Love your work

■ Management Philosophy

● Our Purpose

To constantly create new value for the world at the interface of people and information

● Our Goal

To be a good global corporate citizen with reliability and appeal

● Our Principles

To think as an entrepreneur

To put ourselves in the other person's place

To find personal value in our work

■ Ricoh Group CSR Charter

To grow as a respected enterprise, the Ricoh Group must fully discharge its corporate social responsibilities (CSR) from a consistent global perspective and throughout every aspect of its operations. To ensure this, the following principles are to be observed, with the proper social awareness and understanding, compliant with both the letter and the spirit of national laws and the rules of international conduct.

● Integrity in Corporate Activities

1. Every company in the Ricoh Group will develop and provide useful products and services, with high quality, reliability and ease of use, while maintaining security of information and giving proper consideration to the environment.
2. Every company in the Ricoh Group will compete fairly, openly and freely, maintaining normal and healthy relationships with political institutions, government administration, citizens and organizations.
3. Every company in the Ricoh Group will take responsibility for managing and safeguarding its own information and that of its customers.

● Harmony with the Environment

4. Every company in the Ricoh Group will take responsibility, as a citizen of the world, working voluntarily and actively to preserve the environment.
5. Every company in the Ricoh Group, and all employees of each company, will seek to implement technological innovations that reflect environmental concerns and will participate in ongoing activities to preserve the environment.

● Respect for People

6. Every company in the Ricoh Group will, apart from corporate group activities, maintain a working environment that is safe and that makes it easier for its staff to perform their duties, respecting their richly individual characteristics and encouraging their autonomy and creativity.
7. Every company in the Ricoh Group will respect the rights of all those connected with it, and will seek to create a cheerful working environment, free of discrimination.
8. No company in the Ricoh Group will permit forced labor or child labor, and none will tolerate the infringement of human rights.

● Harmony with Society

9. Every company in the Ricoh Group will, as a good corporate citizen, actively engage in activities that contribute to society.
10. Every company in the Ricoh Group will respect the culture and customs of its country or region, and will operate so as to contribute to their development.
11. Every company in the Ricoh Group will engage in the fullest possible communication with society, actively seeking to provide proper and unbiased disclosure of corporate information.

■ Ricoh Group Code of Conduct

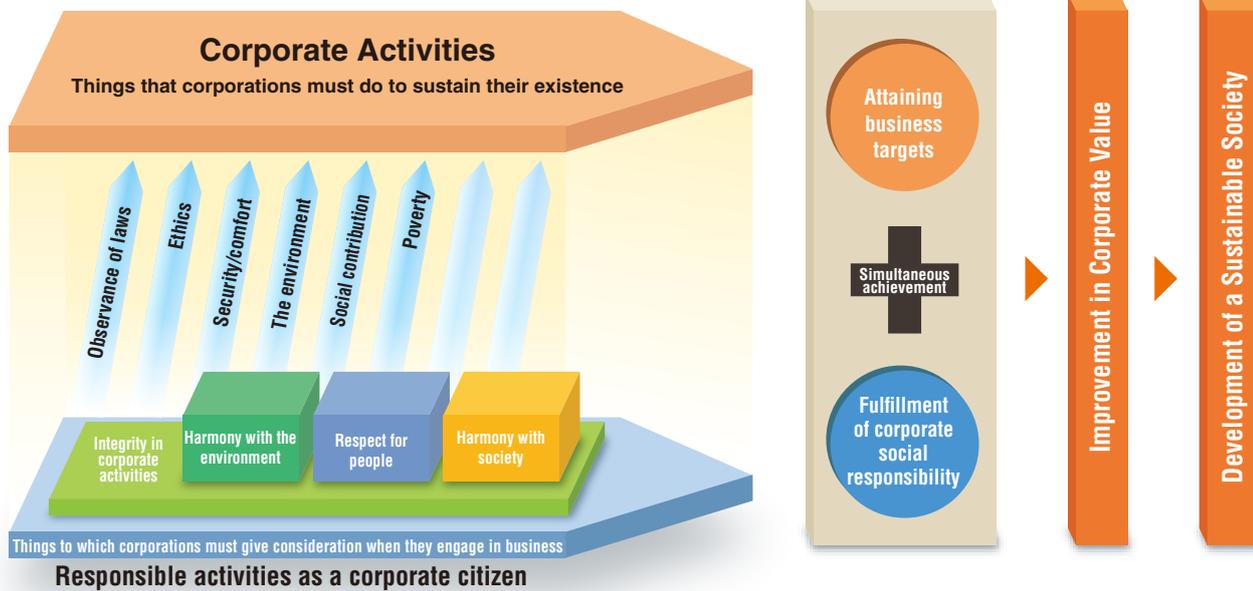
For details of the Ricoh Group Code of Conduct, go to http://www.ricoh.com/about/csr_environment/csr.html

● Ricoh Group's CSR stance

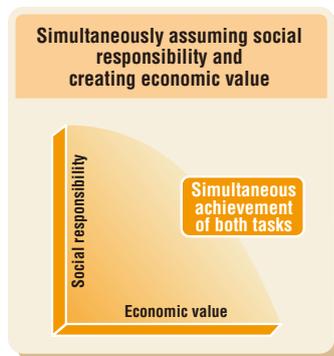
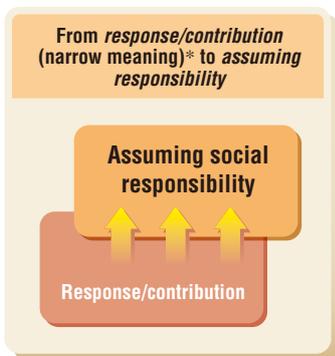
Our objective is to conduct business according to our business philosophy while engaging in corporate social activities as a corporate citizen, thereby improving corporate value. In other words, we aim to assume social responsibility and create

economic value at the same time. Our basic concept for CSR is to understand changing social needs as quickly as possible and act proactively, not as a mere response or contribution but as the responsibility of each member of the Ricoh Group.

■ Aiming for an ideal CSR



■ Basic thinking



* The narrow meaning of *response* is to solely complying with laws and regulations, while *contribution* means contributing to society on such a level as to return a surplus of funds and time to society.

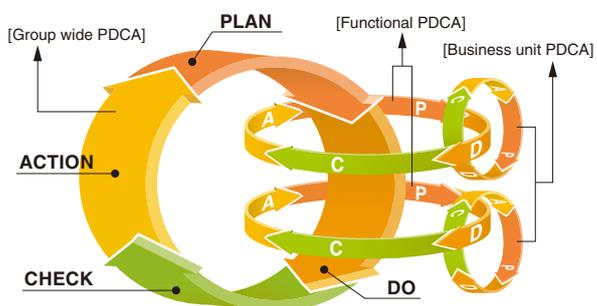
Enhancing Our CSR Initiatives

The Ricoh Group engages in CSR activities in order to continue to earn society's trust and keep growing, in accordance with CSR principles. These activities are intended to fulfill two types of responsibilities, namely fundamental responsibilities to society and voluntary commitments to society, in the four areas specified in the Ricoh Group CSR Charter (see page 9). Efforts to fulfill these responsibilities are respectively called compliance efforts and endeavors to earn the public's trust.

We hope to achieve the ideals of CSR by earning the trust of society through the spread of compliance efforts, creating an attractive company, and enhancing our corporate value. This is how we visualize a reliable and attractive global corporation, in line with our management philosophy, while contributing to the development of a sustainable society. Since fiscal 2006, we have implemented a PDCA management system*, clarifying the directions of three areas of CSR activities, i.e., 1)

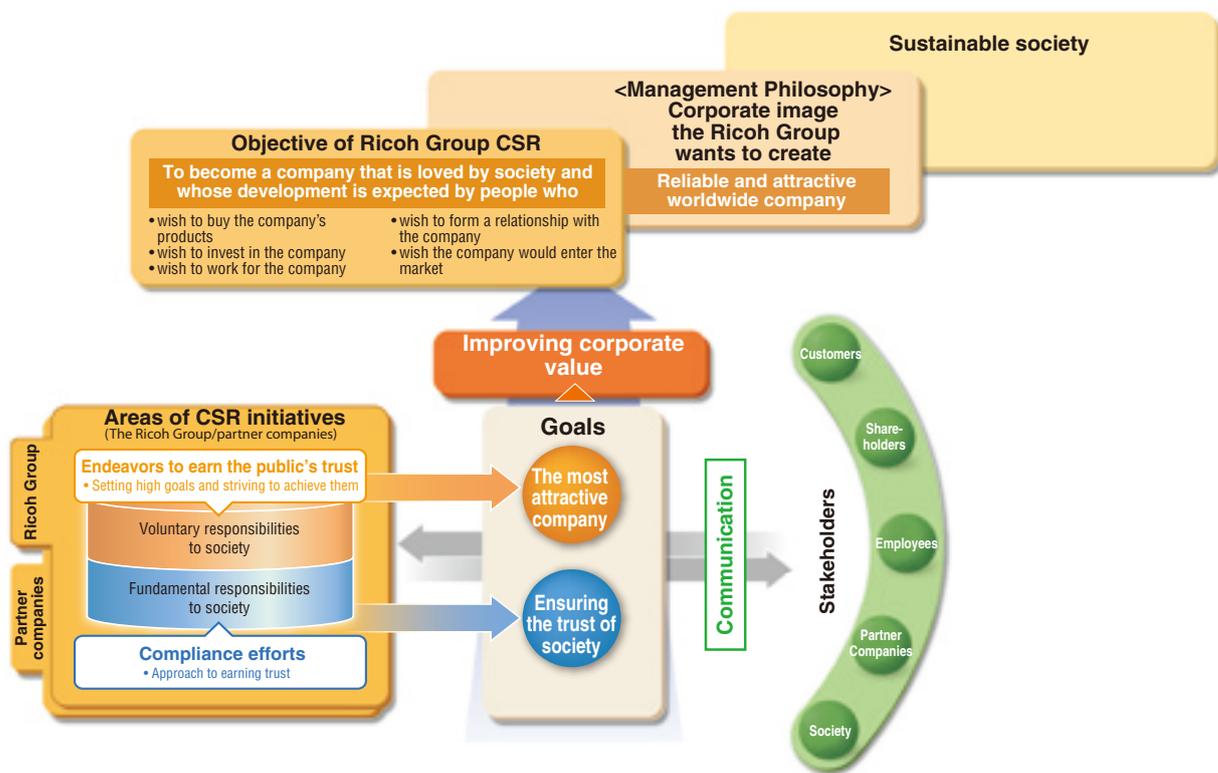
establishment of compliance efforts, 2) endeavors to earn the public's trust, and 3) CSR efforts in collaboration with partner companies.

■ PDCA* Responsible for Controlling Group and Business Functions.

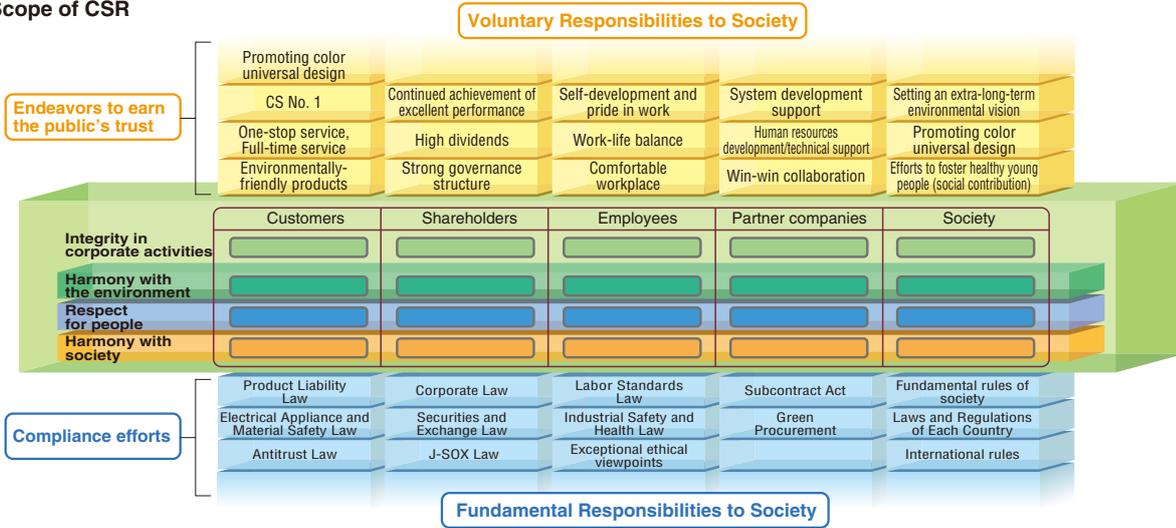


* Continuous improvement management system using a Plan-Do-Check-Action cycle

■ Framework of Ricoh Group's CSR



■ Scope of CSR



● Endeavors to earn the public's trust

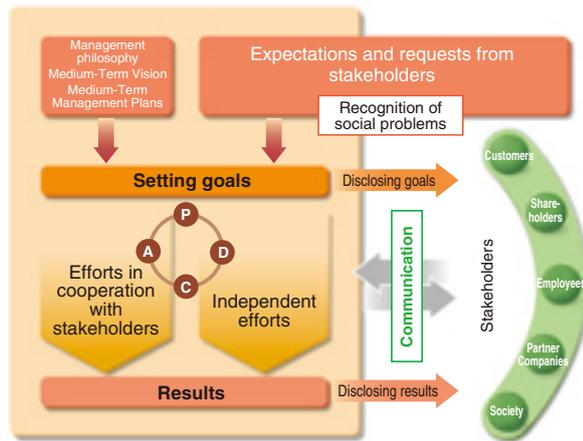
To understand what kind of company appeals to stakeholders, we have to start by talking with them and learning about social problems as well as stakeholders' expectations and requests for the Ricoh Group. Talking with stakeholders and setting our sights high with regard to themes that are closely related with the Group's business and achieving such goals will increase the appeal of the Ricoh Group.

We have been engaged in activities under the overarching theme of the environment. In fiscal 2006, we were once again very active in this area. Color universal design was introduced as a new important theme, and we started to work toward a society where many can enjoy the merits of color-based devices.

● Compliance activities

To firmly establish the Ricoh Group Code of Conduct, including compliance, particular efforts are made to institutionalize the Code by ensuring that it permeates into the thought processes and actions of individuals in their daily lives. In fiscal 2006, a survey was conducted into how deeply the Code of Conduct had penetrated, and the results led to improved practices by throughout the organization. This survey will be conducted regularly from now on, so that the PDCA cycle can function effectively.

■ Endeavors to earn the public's trust



● Expanding CSR to our partner companies

The Ricoh Group aims to contribute even more to sustainable development in society, strengthening the win-win relationships with its partner companies.

● Reaching out to suppliers

In September, Ricoh conducted a survey on how far the Ricoh Group Supplier Code of Conduct, which the Group had requested its suppliers to observe, had been incorporated. 266 companies responded. The results revealed no problems that needed to be addressed urgently. The Group will make further improvements in the future.

● Reaching out to dealers

The Group is planning to share its CSR vision with its dealers and its suppliers.

Note: For the time being our efforts in this area are limited to Japan.

Improving CSR effectiveness

● The Ricoh Group's corporate governance structure

The Ricoh Group has strengthened its corporate governance to ensure the effectiveness of CSR activities.

(1) Board of directors

To ensure mutual oversight among board members and further improve management transparency, the board of directors consists of directors in equal positions (conventional titles such as executive managing director and managing director were abolished) and outside board members. Additionally, we have a Nomination & Compensation Committee as a permanent organ of the board of directors. The responsibilities of the committee include planning and determining appointments/dismissals as well as compensation policies for directors and operating officers.

Thus, discussions at board meetings, whose management oversight function has been enhanced, focus on social responsibility and compliance.

(2) Executive function for groupwide management

Placed under the Chief Executive Officer (CEO), Chief Officers are responsible for important management functions. Chief Officers support the CEO in supervising the Group's management strategies, important decision making, and execution of business, while taking charge of respective functions.

Also, the CEO and Chief Officers make up the Group Management Committee (GMC), which aims to achieve the management goals (performance and strategic goals) of the whole

Group. GMC plans and carries out management strategies as well as supervises the execution of business for the whole Group.

(3) Restructuring the internal control system

To further strengthen the internal control function, an Internal Control Committee was organized within the GMC, while the Internal Management & Control Division was set up in April 2007 under the direct supervision of the President.

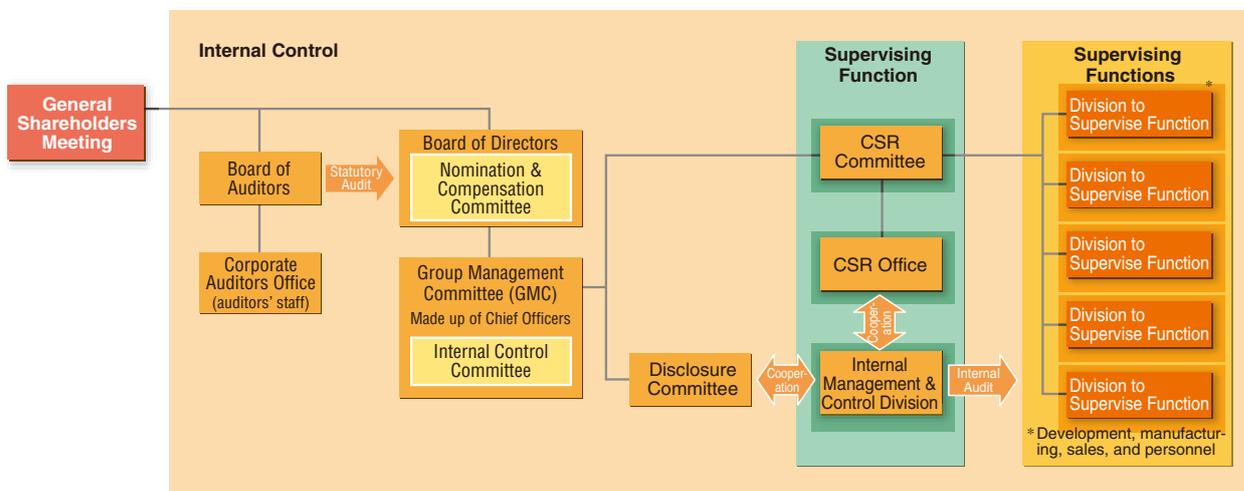
The Internal Management & Control Division supervises internal control (SOX Law-related matters and strengthening of internal controls), while administering and promoting related compliance, risk management, and internal audits.

In the meantime, the Audit Office was replaced in April 2007 by the Corporate Auditors' Office, whose function is to assist auditors, clearly showing that audits conducted by auditors and auditors' staff are independent. We will further strengthen the foundations of CSR to help improve corporate values by restructuring the internal control system.

(4) Reported incidents

Two incidents happened during the period April 2006 to May 2007. All the employees of the Group are acting to prevent such incidents from recurring, applying the lessons learned from the incidents. For further details, please see pages 16 and 17.

■ CSR-Oriented Corporate Governance Structure



On course with the 15th Midterm Plan (FY 2005–2007)

● CSR Activities from Fiscal 2005

The Ricoh Group set a growth-oriented three-year midterm plan in fiscal 2005 which has informed all our activities since. The table below shows the major CSR activities being carried out under the plan. For developments in fiscal 2006, please refer to the relevant pages.

■ Important Theme: Fulfilling corporate responsibilities in society

(from the Group vision in the 15th Midterm Business Plan)

1. All the organizations, employees and partner companies obey the law and act according to corporate ethics.
2. It executes and actively supports social contribution activities.
3. It practices environmental management with a sense of mission as a global citizen.

Ricoh Group CSR Charter	Major item	Activities	Development
Integrity in corporate activities	1. Corporate governance	Investigation of systems to strengthen internal control functions, including the supervisory function of the board of directors	Page 13
	2. Information security	Completing acquisition of Group global unified certificate by fiscal 2007. Japan: Improving effectiveness and preservation of existing processes. Global: Completing investigation into expanding production and sales affiliated companies.	Page 18
	3. Compliance	Japan: Determining how well the CSR Charter and Code of Conduct are followed by employees, and improving their performance. Global: Promoting understanding and use of the CSR Charter and Code of Conduct.	Page 16
	4. Risk management	Japan: Penetration and review of proactive measures for important crises. Global: Starting development of proactive measures for crises.	Page 15
	5. Offering useful products	Developing and creating appliance-like products.	Page 19
Harmony with the environment	1. Environmental management (Achieving environmental conservation and corporate profits)	Improving environmental performance of products and promoting environmental technology development.	Page 21*
		Developing environmental conservation activities at business sites and offices, aiming at cost effectiveness.	
Respect for people	1. Creation of a vital and motivated culture	Establishing human resources management to foster excellence and encourage individual employees to challenge high goals	Page 23
		Creating a pleasant and comfortable working environment that meets the needs of our employees and fulfills our responsibilities as a corporate citizen	
Harmony with society	1. Communication	Continuing to improve stakeholder-based communications	Page 31
	2. Social contributions	Clarifying social contribution themes based upon current social issues both at home and abroad as well as problems that have surfaced through past activities	Page 28
		Reviewing and improving current programs	
3. Expansion of CSR to our partner companies	Popularizing and promoting CSR in partner companies as part of our efforts to create a sustainable society	Page 12	

*For further details, please refer to pages 21 and 22 of the *Ricoh Group Sustainability Report (Environment) 2007* (separate volume).

Preventing crises is one of the Group's fundamental responsibilities.

Concept

Management routinely envisions crises caused by various internal and external factors. The Ricoh Group considers taking preventive measures for crises to be one of its fundamental responsibilities, and implements these measures in its daily activities together with compliance measures.

Risk Management

The Business Process Risk Management (BPRM) Subcommittee was organized to comprehensively control any crisis or risk the Ricoh Group might face. The Ricoh Group defines "a crisis" as an event or accident caused by "a risk" (a sign or precursor of a crisis). We have divided our risk management activities into two parts: eliminating risks by taking preventive measures against them, and implementing countermeasures at the initial stage of a crisis, and we carry out those activities according to the rules and regulations we have established.

Risk Management Activities in Fiscal 2006 and Their Review

[Japan]

● Implementation of preventive activities in the workplace

To firmly implant preventive activities into the workplace, we revised the preventive measures in the Ricoh Group Standards. In order to prevent crises by using daily management tools, we created a database and check sheets at each workplace.

● Improvement in the degree to which rules for initial countermeasures are applied

Efforts were made to improve the application of individual rules for initial countermeasures, which have been established for respective crises through crisis simulation training.

[Overseas]

● Implementation of activities overseas

We first selected potential crises common to overseas group companies, and then established and promoted preventive measures. In the future more detailed activities will be required to match the situation in individual countries.

Plan for Fiscal 2007

[Japan]

● Planning and promotion of Total Risk Management (TRM)

Prior to the enactment of the Corporate Law in May 2006 and the Law on Sales of Financial Products scheduled to come into effect in April 2008, the Ricoh Group reviewed its internal control system during the previous fiscal year. Based on this review we will identify significant crises/risks that may arise in our business from a wider perspective outside the framework of existing business process risks, and will establish plans to implement PDCA.

● Review of rules on initial countermeasures for crises

Having identified the challenges through crisis simulation training we will review initial countermeasures for crises. Improvements will be made following the policy of identifying the response to a crisis at an early stage when it has limited impact in order to contain the extent of influence.

[Overseas]

● Strengthening overseas activities

We will complete our identification of unique crises/risks for each region (Americas, Europe, China, and Asia-Pacific). Priority items will then be selected, and rules for preventive measures/initial countermeasures will be established.

■ Mapping Out and Developing Measures for Crisis Prevention

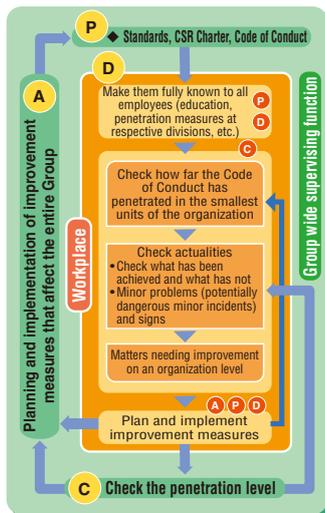
A Crisis Map was prepared that shows the significance and probability of occurrence for 139 expected crises. We have selected 22 significant crises and organized preventive measures for these crises as Ricoh Group Standards (RGS).



Compliance

To strengthen compliance and the Code of Conduct among employees, we provide compliance education using e-learning courses. At the same time we use educational videos. Furthermore, we will continue to plan and make improvements, while studying the effects, penetration and retention of this knowledge among employees.

■ Activities that allow the PDCA Cycle to function effectively in the workplace by using the ideas of employees



Compliance Awareness Activities in Fiscal 2006 and Their Review

[Japan]

● Checking how firmly the Code of Conduct has been established

Based on a survey in fiscal 2005 on the degree of penetration targeting all employees of the Ricoh Group, improvement activities based on employee feedback were promoted by section managers across the Group. To check the results, a second survey on the degree of penetration was conducted in February 2007. The results showed that significant improvements (quantitative) were achieved on the whole, while there are still problems left in the work environment.

[Overseas]

● Establishing overseas versions of the Code of Conduct

Overseas group companies have promoted the preparation and establishment of their own versions of the Code of Conduct, while educating their employees. Preparations for the establishment of a code of conduct, however, have not been completed at some of the companies.

Plan for Fiscal 2007

[Japan]

● Improving employee understanding of the Code of Conduct

New mid-term targets will be established based on the results of the second survey on the degree of understanding and establishment of the Code of Conduct, with current situations taken into consideration. In addition, measures to further establish the Code of Conduct (improving items common throughout the Group, based on employee feedback, by section managers throughout the organization) will be developed, which will then be carried out by respective divisions and affiliates.

[Overseas]

● Establishment of overseas versions of the Code of Conduct

Each overseas affiliate will complete the establishment of its own code of conduct and employee training.

Incident Report: (1) Paper Shredder Story

● Background

In August 2006, several paper shredder manufacturers were faced with multiple incidents in which children cut their fingers when using paper shredders. These cases received a lot of attention from the general public. In response to this, the Ministry of Economy, Trade and Industry urged shredder manufacturers, through industry associations, to implement measures to prevent the recurrence of such accidents and to warn consumers of potential risks involved when using shredders.

● Response

Unfortunately at Ricoh we had seven incidents in Japan involving children in the 12 years from 1985 to 1997. Treating these incidents seriously, we have responded to customers' inquiries, made modifications to commercially available shredders, and reviewed our safety standards.

At the same time we have posted a "Special Notice" on our corporate website giving an outline of the incidents, what we have done about them, and countermeasures.

Also we established a customer support center for shredder users and our customer engineers visited the users of accident-prone models as part of our activities to ensure safety. Furthermore, to make doubly sure, we mailed warning letters to all Ricoh customers to date.

● Preventive measures and further responses

To take thorough preventive measures we will adhere to our own strict uniquely safety standards*. Also the Ricoh Group actively participates in the establishment of safety standards for the organization of shredder manufacturers.

* Standards defining clearance of slots and distance between slot and cutter. Please refer to our website for details.

Column

Customer-driven CSR activities began first at 44 domestic sales subsidiaries <Ricoh Group/Japan>

The Ricoh Group has 44 domestic sales subsidiaries¹ where employees meet customers everyday. Prior to the establishment of the Ricoh Group Code of Conduct, Ricoh's Marketing Group formulated a code of conduct for the domestic sales group in November 2002. Later in July 2004 a self-check system was launched for MQ-UP (Management Quality Up) activities².

Notes: 1. Headquarters, local sales subsidiaries, and affiliates
2. Activities to achieve higher quality management

Employees answer a test once a month on their personal computers to reconfirm those items in the code of conduct that require particular attention for the month (protecting personal data, preventing drunken driving, etc.). The domestic sales group will continue to review the system and strengthen the internal audit to continue activities on a higher level.



A poster to raise awareness directed at eliminating drunken driving

INTERVIEW

Chiba Business Headquarters, Ricoh Sales Co., Ltd.



Sadao Kuroda
General Manager in charge of CSR Office
Management Quality Center,
Ricoh Sales Co., Ltd.

We are setting up a program through which all employees can understand the way our customers see us.

At Ricoh Sales Chiba, the most important task for a company that has earned public's trust is to consider the customer's viewpoint at all times.

First we decided to focus on company-owned cars bearing the RICOH logo. From 2004 to May 2006 we conducted a company-wide review on management rules for company cars and monitored driving manners. For example, in the course of daily operations with customers we may obtain important personal information. In line with security of information standards, we must never leave briefcase containing documents in the car and should always lock the car.

In addition we instructed employees to keep cars clean and strictly adhere to good driving manners at all times. Actually there was a case in which we closed a deal with a customer after he expressed admiration for the cleanliness of our company cars.

We also made it a rule to clean company cars and the office on the day of the MQ-UP self-check. In addition to checking adherence to the code of conduct on their PC screens, all employees at Ricoh Sales, including management, put the codes into practice. All employees in the organization have the same level of awareness of CSR activities, and work closely together to maintain them.

Incident Report: (2) Leakage of Personal Information

● Background

In April 2007 an employee of a group company brought their own private computer into the company without permission and copied data stored in a company-owned computer onto it for backup. The file exchange software program Winny was installed on this person's computer, and the computer was infected by a virus after copying the company data, which led to a leakage of personal information onto the Internet.

The leaked information included 786 items of personal information pertaining to customers, 273 items of personal employee information, and configuration information on personal computers and the customer network.

● Response

We studied the reason for this incident and took emergency countermeasures, promptly apologized to the affected customers, and explained to them the latest status.

In addition, to prevent any further problems for customers we took individual countermeasures after discussions with each customer.

● Preventive measures and further responses

As preventive measures, the group company in question reviewed its internal standards and rules, strengthened employee education on the importance of company secrets and personal information, and enhanced the internal audit on the handling of important information, so as to strengthen our information security system.

Ricoh also familiarized all employees in the Group with the accident, reminded them to strictly comply with existing rules, and urgently checked the current status of preparations.

In the future we will further tighten the operating rules of our information security management system and improve the IT infrastructure to raise the level of information security.

Providing New Value through Information Security

Concept

Information is at the core of the Ricoh Group's business. Recognizing that information security is indispensable in providing safe products and services to our customers, we manage and improve our daily business activities based on an all-employee participatory approach.

Information security management at the Ricoh Group is based on ISMS and aims to establish an organizational structure in which all employees take secure actions naturally, without needing to be conscious of the applicable rules and regulations.

Information Security Activities in Fiscal 2006 and Their Review

● Improvement in priority issues from internal audit and external review

We analyzed and assessed the points of improvement identified in the fiscal 2005 internal audit and external review and took the following actions:

- Implemented information security standardization measures (standardization and optimization of security level)
- Implemented an examination of server security
- Implemented security education for managers
- Drastically reformed the standards system in the Ricoh Group

● Results of testing in Japan (ISO 27001)

ISMS certification standard became international standard ISO27001 and we took the necessary measures to shift to the new standard and received a further review. All organizations (91 companies in 88 organizations) successfully passed the tests.

● Certification of overseas group companies

We established ISMS mainly at overseas sales subsidiaries, and 15 companies in 13 organizations passed the expanded review. Combined with eight companies that passed the further review, 23 companies acquired ISMS certification in total.

We will further broaden the target to achieve globally unified certification.

Plan for Fiscal 2007

● Domestic efforts

• To step up last year's theme, we will make efforts to familiarize employees with Group standards on information security and carry out an audit on the degree of penetration of the standards.

- (1) Education on Group standards (for key persons who promote Group standards and internal auditors)
- (2) Familiarization with risk assessment at the section level
- (3) Strengthening of education to raise awareness of security (for managers in the workplace)

• To learn from past accidents involving information security, we will strengthen and improve preventive measures, centering on enhancing measures against information leakage.

- (1) Limit on the use of electronic devices for personal use
- (2) Strengthening and thorough implementation of the management of information taken off the premises

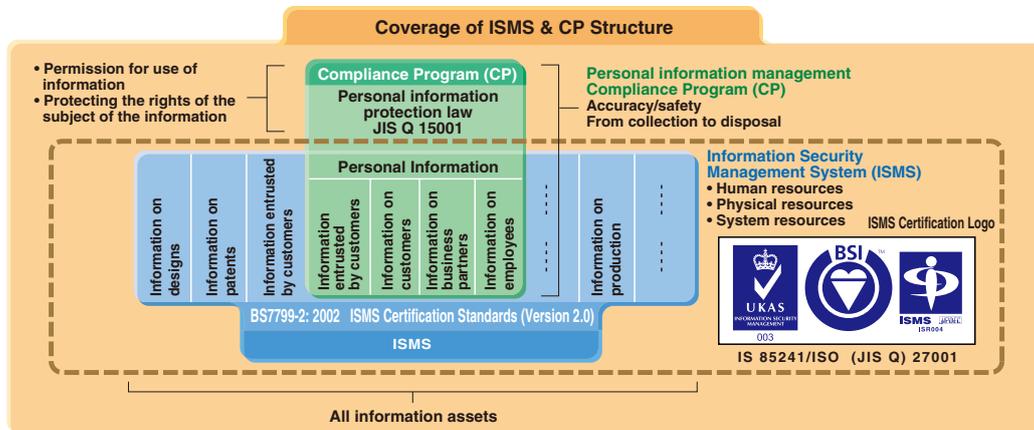
● Measures to cope with the review for renewal of ISMS certification

Reviewing our activities during a three year term of validity of the certification, we will confirm its effectiveness and strengthen group-wide management capabilities.

● Overseas efforts

Taking advantage of the experience of organizations that acquired certification in fiscal 2006, we will step up efforts to expand ISMS to other overseas sales subsidiaries.

■ Framework of Information Management in the Ricoh Group



For our comprehensive efforts on information security, please refer to the Information Security Report or our website at: <http://www.ricoh.com/about/security>.

A customer-driven approach to products

Concept

Recently, information devices are rapidly being given more and improved functions, including color functions. Amid this trend, manufacturers of information devices worldwide are required to create products that are safe and easy to use, and that are not prone to mistakes or misunderstandings in use.

At Ricoh we try to develop user-friendly products at a higher level for a wider range of users, including the elderly and the physically challenged, so that they can enjoy the benefits of the advanced information society. We believe this will reduce physical and mental stress and contribute to the achievement of a more affluent society.

Specifically, Ricoh intends to utilize the PDCA cycle in creating products with customers as the starting point. Those products should be easy and convenient to use.

Activities in Fiscal 2006 and Their Review

- **Continued cooperation with organizations that function as a point of contact with customers**
 - (1) Continued cooperation with NPOs and related organizations.
 - (2) Visited about 10 corporate customers in Japan and about 20 in Europe and the U.S. and conducted a survey on customer satisfaction for our imagio/Afisis MP series.
 - (3) Identified challenges to be tackled in developing user-friendly products based on the results of a questionnaire on the web and information collected at our Customer Support Center.
- **Efforts to create user-friendly products**
 - (1) Expanded our usability design guidelines.
 - (2) Followed the standards and guidelines on the user-friendliness of liquid crystal displays.
 - (3) Formulated Ricoh's original accessibility standards in line with industry guidelines.
- **Educating the customer**

To deepen the public's understanding of our efforts to develop user-friendly products we organized seminars, lectures, and exhibitions (see page 20).
- **Challenges**
 - (1) Enhancing usability design guidelines to achieve Ricoh's integrated operability and offer products with improved usability.
 - (2) Applying a process to create products with customers as the starting point, which is the base for the development of user-friendly products, to many other models.
 - (3) Implementing product development in accordance with accessibility standards.

Plan for Fiscal 2007

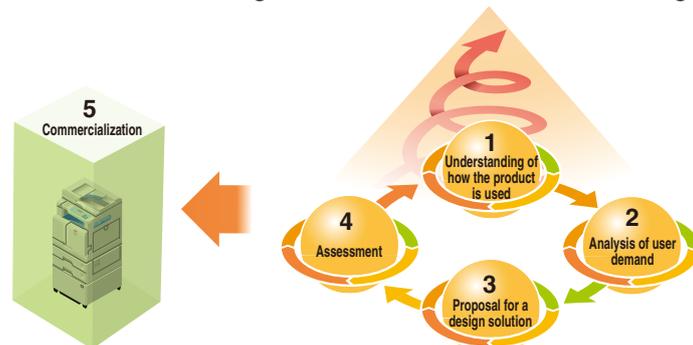
- **Promoting of Color Universal Design**

To strengthen efforts on color universal design (CUD), we will enhance cooperation with specialized bodies.
- **Enhancement of basic education**
 - (1) We will start a series of e-learning lectures on usability. The target will be gradually expanded to include all employees in charge of manufacturing our products.
 - (2) E-learning on accessibility is scheduled to be revised in accordance with the revision of existing laws and the formulation of relevant regulations.
- **Enhancement of usability design guidelines**

We will further enhance and expand our design guidelines to solve customers' problems and apply them to as many products as possible.
- **Implementation of a process to create products with customers as the starting point for the development of user-friendly products**

We will introduce a policy to create products with customers as the starting point to make our products' functions more convenient and usable from the upstream of product development so that we design products with which customers are fully satisfied.

■ PDCA of Efforts toward "Creating Products with Customers as the Starting Point"



Examples of Education and Awareness-Raising Activities

**Lecture on barrier-free color
<Ricoh/Japan>**

A lecture entitled “Barrier-Free Color ‘Public Perception of Color’—Color Universal Design” was held in March 2007, in which 90 employees of the Ricoh Group participated. This lecture aimed at disseminating Ricoh’s policy of “barrier-free color” and accelerating its progress.

We invited Mr. Masataka Okabe, the supervisor of an NPO Color Universal Design Organization (CUDO), as a lecturer (see page 8). In our exhibition corner, Ricoh’s publication which received color universal design certification, our multifunctional copier which obtained color vision certification thanks to the cooperation of CUDO, and tools to check barrier-free color were displayed.



Lecture on barrier-free color

**The 7th Appliance Meeting
<Ricoh/Japan>**

The theme of this meeting held in September 2006 was “achieving products with distinctive user-friendliness with customers as the starting point.” About 230 employees attended this meeting from Ricoh Group companies. Focusing on the GR DIGITAL digital camera and the imagio MP C2500/3000 multifunctional copiers that have been awarded the Appliance Grand Prize within the company, the concrete measures taken by related sections were introduced. The organizer, the Appliance Promotion Office, instructed the employees of group companies to adopt these products as ideal images of Ricoh products.



Recipients of the Appliance Grand Prize (digital camera)

**Co-sponsor of the 2nd International Conference for Universal Design in KYOTO 2006
<Ricoh/Japan>**

In October 2006, an internal conference on universal design was held in Kyoto, hosted by the International Association for Universal Design (IAUD). This association was established in 2003 to step up efforts to popularize and achieve universal design. The total number of visitors for the five-day session was 14,700 from 29 countries. Ricoh was a co-sponsor of the conference. Also, as a regular member of IAUD, we gave a presentation on our activities on universal design. In addition, we exhibited the imagio MP C4500 which has obtained color universal certification (see page 7) and imagio’s voice navigation system.



Ricoh’s booth

INTERVIEW

Customer Interview | Flower Center, Maihama Business Services Co., Ltd.



Positioning the original document and operating the copier made easy for people in wheelchairs

This multifunctional copier is easy to use from a wheelchair. I can create pamphlets just as I imagined.

The multifunctional copier I used before had its operation panel at eye level for someone sitting in a wheelchair, which forced me to stretch to see the liquid crystal display clearly. The digital color copier “imagio MP C3500,” has a scanner that can be removed from the main body and used by placing it on the side. The operation panel is clearly visible even in a wheelchair, allowing easy handling of printer, copy, and fax functions without stress. Formerly we outsourced creating pamphlets for customers who visit us to buy flowers, but we started to make our own, taking advantage of the useful functions of this copier. Another important point is that the paper feeder on the lower part of the machine can be pulled out easily. I can operate

the paper feed by myself without having to ask someone else.

Easy-to-use information equipment plays an important role in leading a normal life

This center was opened in February 2003 to offer jobs to the physically challenged and currently runs a flower cultivation business. In the future, the center will have a larger social responsibility as a place that offers work opportunities to the physically challenged. The usability of information equipment will have a greater role in helping them to lead normal lives.



Mr. Kuniyuki Ogura
Head of Flower Center

The Ricoh Group's Concept of Sustainable Environmental Management is to simultaneously achieve environmental conservation and profits

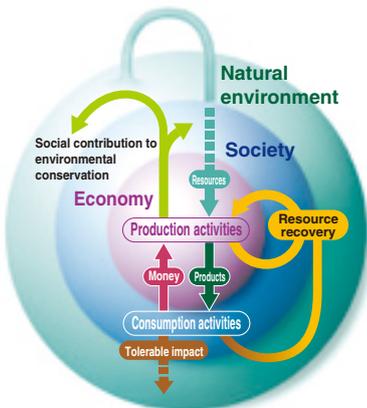
Concept

The Ricoh Group's sustainable environmental management aims at simultaneously achieving environmental conservation and profits. This policy is carried out through development of environment-oriented technologies and in activities conducted by all employees. Initiatives have been taken in the three areas of energy conservation and prevention of global warming, resource conservation and recycling, and pollution prevention for both production and business sites. To efficiently advance these activities, a basis for sustainable environmental management was established.

● Pursuing an environment ideal

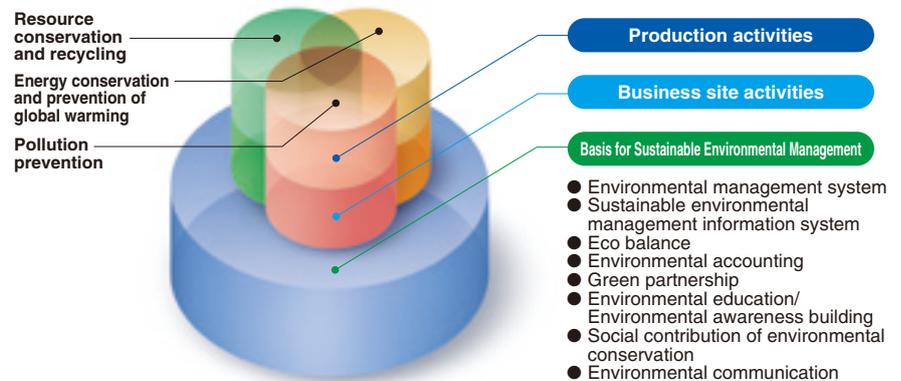
The purpose of environmental conservation activities is to reduce environmental impact to a level that the Earth's self-recovery capability can deal with and sustain the global environment. The Ricoh Group, by considering how the relationship among the three Ps (planet, people, and profit) in environmental, social, and economic activities has changed over time, defines the kind of society we should aspire to and carries out its responsibility as a company to help create such a society.

■ [Three Ps Balance™] Representing the Relationship between the Global Environment and Society



Pursuing the Ideal Society
Environmental impact remains within the recovering ability of the Earth.

■ Overall Picture of the Ricoh Group's Sustainable Environmental Management

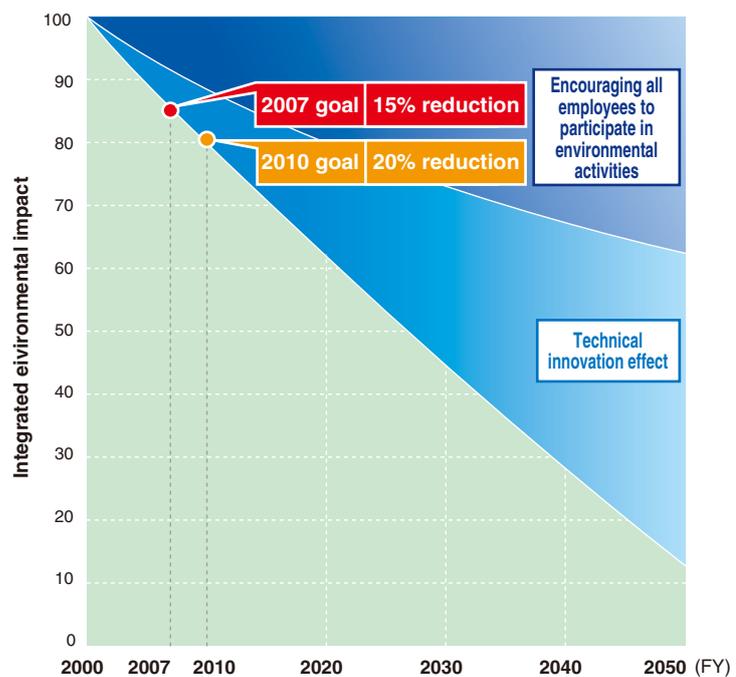


● Advanced nations need to reduce their environmental impact to one-eighth the fiscal 2000 levels by 2050.

Based on this perception, the Ricoh Group has established an Action Plan and is promoting sustainable environmental management.

The Ricoh Group does not consider the observation of laws and regulations as a goal. Instead, it intends to control environmental impact within the Earth's powers of recovery, regarding a sustainable society where the environment, society, and economic activities are well balanced as the ideal society (Three Ps Balance). To achieve this, the Group believes it necessary to formulate specific action plans in line with the "Extra-Long-Term Environmental Vision," which insists that advanced nations need to reduce their environmental impact to one-eighth of the fiscal 2000 levels by 2050.

■ Reduction Goals Integrated Environmental Impact



For details on our sustainable environmental management, see the Ricoh Group Sustainability Report (Environment) 2007 or refer to our website at <http://www.ricoh.com/environment/>.

The Ricoh Group has mapped out environmental action plan to be carried out from fiscal 2005 to 2007 and engages itself in activities accordingly. In these plans, goals for environmental impact reduction and activity promotion were set in areas such as improving environmentally-friendly functions, promoting green marketing,

environmental conservation activities that improve the effect on cost at plants and offices, improving the sustainable environmental management system, and promoting environmentally-friendly social contribution activities. We offer these plans as our commitment to society.

Ricoh Group's Environmental Action Plan (Fiscal 2005—2007) and Progress in Fiscal 2006 (extract) *For items that do not specify a target fiscal year, the target year is fiscal 2007.

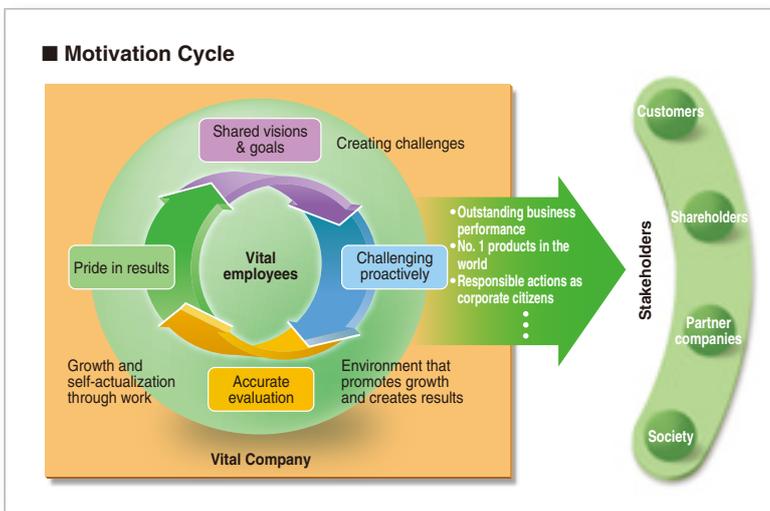
<p>1</p> <p>Improving environmentally-friendly functions and promoting environmental technological development</p>	<p>1) Develop new environmental technologies. (*Details of the progress of new technologies not currently released.)</p> <p>Details of plan Develop new environmental technologies to realize a society that is less dependent on fossil resources.</p> <p>Progress Prototypes of large and transparent parts for imaging equipment made from plant-based plastic and toners using plant-based resin were produced and exhibited at Eco-Products 2006.</p> <p>2) Improve environmentally-friendly functions.</p> <p>● Promote the use of resource-saving technologies in products.</p> <p>Details of plan Improve the quantity of reusable parts used by a factor of at least five (compared to fiscal 2003 figures in Japan).</p> <p>Progress Quantity of reusable products used increased 3.2 times.</p> <p>Details of plan Increase the quantity of recycled plastics used to 1,000 tons or more.</p> <p>Progress Quantity of recycled plastic used amounted to 1,132 tons.</p>
<p>2</p> <p>Promoting green marketing</p>	<p>● Increase the number of recycled copiers marketed.</p> <p>Details of plan Increase the number of recycled copiers marketed by a factor of at least 10 (compared to fiscal 2003 figures in Japan).</p> <p>Progress Sales of recycled copiers increased 5.1 times.</p>
<p>3</p> <p>Environmental conservation activities that improve the effect on cost at plants and offices</p>	<p>1) Promote energy conservation at business sites.</p> <p>● Reduce total amount of CO₂ emitted as a result of business activities.</p> <p>Details of plan Reduce CO₂ emissions by 12% by fiscal 2010 (Ricoh and manufacturing subsidiaries in Japan, compared to fiscal 1990 figures).</p> <p>Progress Total CO₂ emissions decreased 2.5%.</p> <p>Details of plan Reduce CO₂ emissions by 10% by fiscal 2010 (manufacturing subsidiaries outside of Japan, compared to fiscal 1998 figures).</p> <p>Progress Total CO₂ emissions increased 7.7%.</p> <p>Details of plan Reduce CO₂ emissions by 4% (Ricoh and manufacturing subsidiaries in and outside of Japan, compared to fiscal 2000 figures).</p> <p>Progress ● Ricoh and manufacturing subsidiaries in Japan: Total CO₂ emissions increased 3.3%. ● Manufacturing subsidiaries outside of Japan: Total CO₂ emissions increased 14.2%.</p> <p>Details of plan Reduce CO₂ emissions by 4% (non-manufacturing subsidiaries in Japan, compared to figures in the base fiscal year set at each company).</p> <p>Progress Changes in total CO₂ emissions: 15.6% reduction at sales subsidiaries in Japan*; 4.4% reduction at Ricoh Leasing; 4.4% reduction at Ricoh San-ai Service; and 8.7% reduction at Ricoh Logistic Systems. Each company's base year for comparison: 2004 for Ricoh Leasing and 2002 for other companies. *Figure for sales subsidiaries in Japan is the total for all sales subsidiaries in Japan plus Ricoh Technosystems.</p> <p>2) Promote resource conservation at business sites.</p> <p>● Reduce generated waste.</p> <p>Details of plan Reduce generated waste by at least 3% (Ricoh and manufacturing subsidiaries in and outside of Japan, compared to fiscal 2000 figures).</p> <p>Progress Generated waste increased 2.9%.</p> <p>● Improve the waste recycling rate.</p> <p>Details of plan Improve the waste recycling rate to at least 95% (non-manufacturing subsidiaries in Japan).</p> <p>Progress Waste recycling rate improved to 94.6%–98.4%.</p> <p>3) Promote pollution prevention at business sites.</p> <p>● Examine and improve soil and underground water at Ricoh's non-production sites and leased land.</p> <p>Details of plan Make and implement plans to improve sites where pollution is detected.</p> <p>Progress No pollution that needed dealing with was found, and all the measures were completed.</p>
<p>4</p> <p>Improving the sustainable environmental management system and making it more consistent through systems integration</p>	<p>1) Improve the sustainable environmental management system.</p> <p>● Improve the ISO14001 system.</p> <p>Details of plan Integrate the sustainable environmental management system with that of Ricoh (in fiscal 2005) and the Ricoh Group (in fiscal 2007).</p> <p>Progress In fiscal 2006, Ricoh's Integrated Environmental Management System acquired integrated certification by a third-party organization. This moved forward the merger between our businesses and environmental management system.</p>
<p>5</p> <p>Promoting environmentally-friendly social contribution activities to preserve the ecosystem</p>	<p>● Promote forest conservation activities and environmentally-friendly social contribution activities to preserve the ecosystem.</p> <p>Details of plan Promote environmentally-friendly social contribution activities to preserve the ecosystem (regional sales headquarters outside of Japan; Ricoh production sites, manufacturing subsidiaries, and marketing subsidiaries in Japan; Ricoh Logistics Systems Co., Ltd.; Ricoh Leasing Company, Ltd.; and Ricoh San-ai Service Co., Ltd.).</p> <p>Progress Social contribution activities to preserve the ecosystem were expanded at home and abroad, and sales subsidiaries and plants in various places actively participated in the projects. ● Regional headquarters and sales subsidiaries outside of Japan: 37 projects ● Manufacturing subsidiaries outside of Japan: 25 projects ● Manufacturing subsidiaries and production sites in Japan: 117 projects ● Sales subsidiaries in Japan: 129 projects ● Non-manufacturing subsidiaries in Japan (Ricoh Logistic Systems, Ricoh Leasing, and Ricoh San-ai Service): 19 projects</p>

*The above table shows an extract from Ricoh's environmental action plan. For further details, please refer to the Ricoh Group Sustainability Report (Environment) 2007 or refer to our website at <http://www.ricoh.com/environment/>.

Innovating the organization

Concept

The Ricoh Group’s corporate philosophy is “Love your neighbor, love your country, love your work.” This corporate philosophy, as well as the principles shown in its management philosophy (to think as an entrepreneur, to put ourselves in the other person’s place, and to find personal value in our work), is reflected in the CSR Charter. The Group’s basic ideas on human resources development, which aims to support employees in achieving their life goals, include promoting enthusiasm among our employees, creating an environment where specialization can be enhanced and demonstrated, evaluating and treating employees based upon their achievements, resulting in a comfortable working environment. In this way, the Group is endeavoring to establish a human resources management system that allows the motivation cycle to function effectively.



■ Major Activities based on the CSR Charter (Ricoch)

CSR Charter	Major Activities	General Description
Healthy, safe, and comfortable workplace	Self-managed working hours	Ricoh places top priority on a comfortable working environment and has introduced systems that allow more flexible working schedules (a variety of working schedules including flextime and the four-seasons holiday system), while endeavoring, through continual improvements and innovations in operational processes, to increase efficiency. Graph-①
	Childcare support system	Ricoh is supporting a scheme to help reconcile work and childcare, by formulating action plans that conform with the Law for Measures to Support the Development of the Next-Generation. Ricoh has introduced a system of leave for taking care of sick children and extended the period covered by the reduced working hour system. Graph-②
	Post-retirement employment	Individual group companies promote post-retirement employment to utilize the wealth of experience and skills of retired employees who are healthy and want to continue working. They can work as senior partners or senior staff. Graph-③
Pleasant working environment free from discrimination	Promotion of a gender discrimination-free environment	Ricoh is committed to creating an environment in which female workers can actively take up projects, making information on gender discrimination issues available to employees, publishing a handbook for managers, promoting information exchange among female managers, and nurturing female managers.
	Employment promotion of people with disabilities	Ricoh employs people with disabilities. For example, the majority of employees at Ricoh Espoir are people with disabilities. Ricoh Human Creates Co., Ltd., a Ricoh Group company specializing in education, is working to encourage the use of sign language to communicate with people who have hearing difficulties. Graph-⑤
Initiative and creativity are encouraged, Individuality is respected (A confidence enhancing work environment)	Nurturing leaders	Ricoh is nurturing young leaders who will lead the next generation, offering programs that will nurture leaders who can introduce changes for growth and create new values, and courses to train innovative managers to lead the organization.
	Communicating with managers	Ricoh has a "goal evaluation system" that works for fair evaluations by encouraging employees to set achievement goals for their tasks, endeavor to attain these goals, and report the results, while managers are encouraged to offer appropriate feedback. In addition, a "training interview system" is being implemented, in which employees have their own career plans, report them to their manager, and have an interview with the manager. This system aims to further develop employees' ability.
	Internal job transfer application system	Ricoh is working to create an environment to encourage employees to apply for new posts where they can actively develop their abilities and work willingly. Graph-④
	Employee Satisfaction Survey	Ricoh surveys the opinions of its employees every year, and these are reflected in the management of the organization and personnel system on a company level and in each division, so that a corporate culture and an organizational climate with vitality can be developed. Graph-⑥
	Commendations	The whole Group promotes systems that commend the daily activities of its employees through self-nomination or recommendations, including Minori Sho, the World's Greatest Product Award, and the Environmental Management Activity Award.

● Reforming human resources

Reform of the human resources management system covers both the plan for nurturing human resources and the key personnel scheme, including the qualification and wage systems.

It is important that both of these function together in harmony and the management of each organization use and operate the systems effectively, aiming to achieve their goals from a responsible standpoint. These efforts will help to create an organization that has the ability and vitality needed to implement a growth strategy and one in which the "motivation cycle" is functioning efficiently.

Reviewing Activities in Fiscal 2006

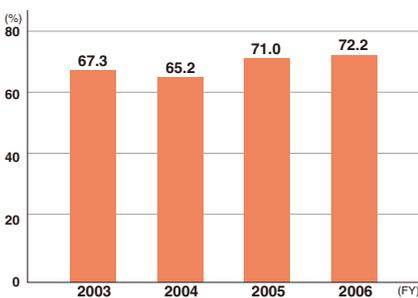
- In April 2006, Ricoh introduced new qualification and wage systems to allow employees to choose their own career course, either the management or specialist course, to allow individual employees to make the best use of their own distinctive abilities. Also, the company introduced evaluation indicators into the evaluation system so that employees are better able to understand and accept the evaluation results.
- Ricoh Group companies and individual divisions of Ricoh have started upgrading succession programs aimed at nurturing leaders for the next generation.
- An operational manager training course was introduced that fosters organizational leaders, to assist employees in mapping out a career and to maximize results, while training courses for individual qualification levels were reviewed.
- The shift to a new human resources management system was implemented further. Ricoh aims to introduce a scheme to support career development by the end of this fiscal year.

Plan for Fiscal 2007

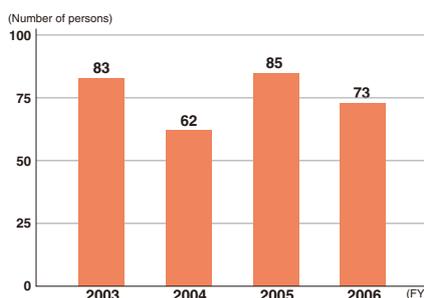
- Various measures for establishing a new management system will be implemented, while efforts will be made to make the working lives of employees more comfortable by improving the work environment to cope with changes in the social environment and assuring a work-life balance.
 - (1) Efforts will be made to upgrade the dual-ladder human resources management system.
 - (2) Training programs aimed at producing and nurturing highly-specialized human resources will be upgraded.
 - (3) The welfare system will be changed into one where employees can choose their program, so that employees' needs, which change reflecting their own life cycle as they age and as their family responsibilities change, can be met.
 - (4) Efforts will be made to improve the scheme for labor management (working hour management) to create a working environment that fully meets health and safety requirements.

● Shift in Activity Results (Ricoch)

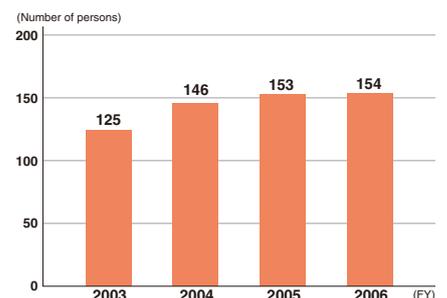
① Percentage of Employees who Took Paid Leave



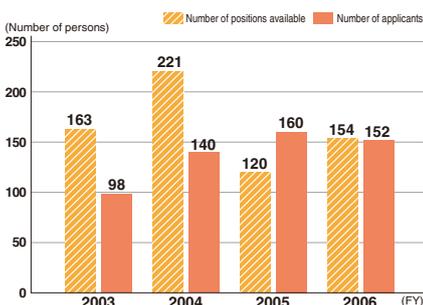
② Number of Employees who Took Childcare Leave



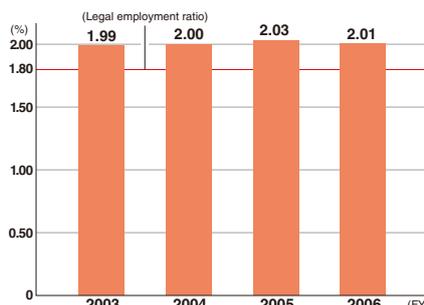
③ Number of Employed Retirees



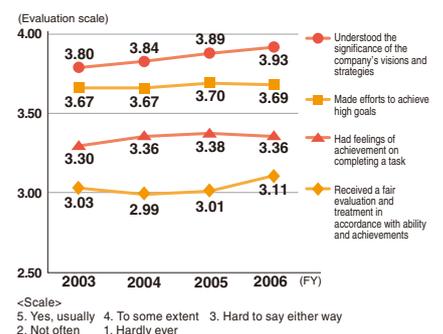
④ Number of Job Transfer Applicants



⑤ Number of Employees who Disabilities



⑥ Results of Employee Satisfaction Survey



Manager Training

<Ricoh (Japan)>

In fiscal 2006, Ricoh started a Management Improvement Course, Subordinate Training Course, and Personnel and Labor Management Course for a more comfortable workplace, covering about 1,000 operational managers. The Management Improvement Course and Subordinate Training Course were given continuously twice a month at Ricoh's training center, with about 30 people participating in each session. The Personnel and Labor Management Course was given 11 times in total at business sites throughout Japan so that everyone was able to take the course by the end of fiscal 2006, and a total of 1,051 people attended. These types of courses will continue to be given, so that organizational managers can actively engage in spontaneous activities.

Nurturing the Next Generation

<Ricoh (Japan)>

In response to the enactment of the Law for Measures to Support the Development of the Next-Generation, in April 2005, Ricoh formulated and carried out a first-phase action plan (from April 2005 to March 2007). As a result, Ricoh was certified by the Director of the Tokyo Labour Bureau as having satisfied certain conditions including achievements of targets set in the plan (refer to the certification mark for 2007).

To be specific, Ricoh introduced a nursery subsidy system, expanded information offered through its database to support a balance between work and childcare, and extended the period covered by the shorter working hour system



for childcare to include preschool children. The percentage of female workers who took childcare leave rose to 100%, while seven male workers have taken childcare leave or used the shorter working hour system in the last two years.

To improve the working environment, Ricoh is conducting working hour management education to enhance the current system, upgrading the health management system, and introducing a month in which employees are encouraged to take paid leave. These measures led to reduced working hours and a higher percentage of employees taking paid leave. In addition, as a way of contributing to society, an internship system was introduced and expanded to support the development of the next generation, offering young people the opportunity of work experience.

Column

Improving the Quality of Working Life

<Ricoh Leasing Company, Ltd. (Japan)>

Ricoh Leasing Company, Ltd., is in charge of financial services including lease contracts for Ricoh products. Their services are greatly appreciated because of their caring responses to their customers and efficiency in handling their tasks. Female employees are largely responsible for this appreciation. The percentage of female workers, which currently stands at 48.3% (as of March 2007), is on an upward trend and women are playing active roles in a variety of areas. Emphasis has been placed

upon a training system that fosters human resources, with all new employees getting comprehensive one-on-one education. New initiatives by Ricoh Leasing in fiscal 2006 included the implementation of a Human Resources Vitalization Project covering such themes as creating a comfortable working environment for female employees. The proposals resulting from this project are to be implemented in fiscal 2007.

A scheme to recognize outstanding service

For example, a satisfaction survey sheet is sent to each customer together with the payment schedule or notification of changes. If the customer gives comments such as "excellent response" or "satisfied," the comments are announced internally once a month on the bulletin board on the network together with the name of the employee in charge. This environment, in which the efforts of busy employees in carrying out their daily work are properly evaluated, leads to a rewarding working life for everyone.



Yukiko Ida
Group Leader, Vehicle Service Center

Honest responses by female staff appreciated by customers

The Rational Center, which accepts all customer calls to our marketing divisions, had a gratifying experience. A female staff member responded honestly to an inquiry from a customer in place of the salesperson in charge, who was not in the office at the time, and as a result, the customer terminated their dealings with Ricoh Leasing's competitor company and opened a contract with Ricoh Leasing. To achieve this kind of result, each employee goes through daily training, takes part in interviews once a month, and so forth, while they are encouraged to set goals that they can feel fulfillment in achieving.



Mari Sasaki
Chief, Rational Center

The Software R&D Group is working to establish a global research structure, and extending its collaboration with universities and research institutions in many countries of the world. An international internship system has been established, employing first-rate personnel. Currently, about 10% of the researchers are from overseas. Eleven interns from overseas were welcomed in fiscal 2006. Japanese language classes and support for daily life are also offered to foreign employees, while they are given assistance to acquire the know-how needed to prepare in Japanese the technical documents necessary for R&D activities, including documents related to patents. We plan to further improve their working environment and treatment, so that foreign employees are able to work even more comfortably and remain highly motivated.



Zoran Stejic
Integration Engineering Research Center,
Solutions Laboratory, Software R&D Group

Not only is the R&D work fascinating, but the environment is comfortable and friendly

I completed an two-month internship in 1997. I was excited to be engaged in information retrieval and image processing, which were my specialties, and hoped to be able to work in those areas in the future.

Subsequently, I joined Ricoh in November 2004 after finishing the graduate school. I really liked working on flexitime, which I experienced as an intern, an environment in which we could talk to our managers at any time, and the advanced technology. In the beginning, I had an insufficient understanding of Japanese culture and the terms used in the office. As a result, I sometimes misunderstood

and caused problems for many of my co-workers. Nonetheless, they were always kind and gave me appropriate, thoughtful, and detailed instructions, and I found the working environment really comfortable. My home country of Croatia and Japan are different in some aspects, including ways of communicating, but I have not had any problems with the work environment. My co-workers respond to me in a really flexible manner. As someone from Europe, I am currently leading a project collaborating with people in Germany, Hungary, and other European nations. This is a really big challenge for me.

Improving health and safety of employees and extending support to dealer network <Ricoh UK Ltd. (Europe)>

Ricoh UK Ltd. (RUK) recently introduced a health and safety management system. Over a period of two years, health and safety coordinators selected from among the employees established the management system in cooperation with IRM UK Ltd., a specialized health and safety institution. In addition to the comprehensive risk surveys that were carried out at all RUK business sites, regular reviews have been conducted, with the problems surfacing through such reviews being reflected in training for employees. For example, the training for employees who drive cars for sales or collection purposes includes the confirmation

of travel distance, revision of responsible areas, and management of schedules. In addition, all-out efforts for health and safety management are being made through upgrading of the online health and safety information database and introductory training for new employees.

The implementation of the project has resulted in a 79% reduction in the number of accidents involving employees at RUK. Furthermore, RUK started widely supporting the health and safety management of its dealers, which has helped strengthen its relationships with partners and has been highly appreciated.



Scene during the training

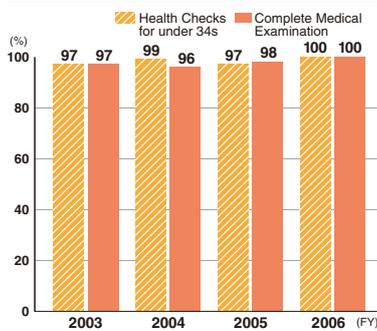
Creating a more Comfortable Working Environment

Concept

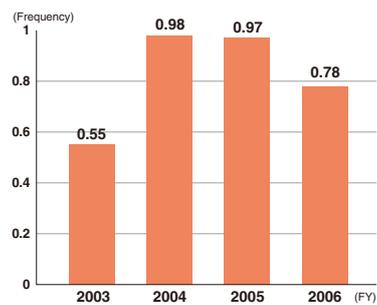
The Ricoh Group aspires to create a comfortable working environment through basic health and safety management that conforms with the basic policy of ensuring the health and safety of everyone who is working at its business sites.

As the first Japanese group to acquire Occupational Safety and Health Management System (OSHMS) certification, the Ricoh Group is committed to improving health and safety activities in Japan, announcing cases where health and safety has improved, and actively disclosing information.

■ Medical Checkups Rate/Complete Medical Examination Rate (Ricoh)

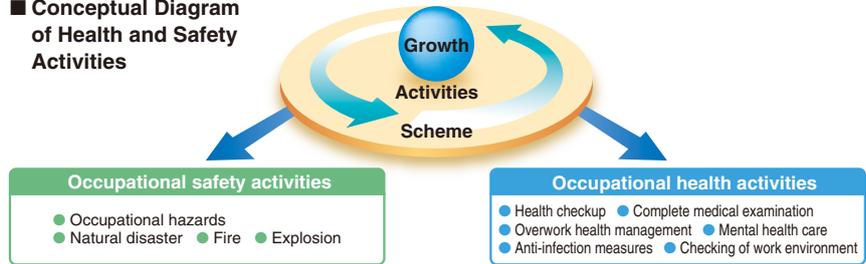


■ Frequency of Work-related Accidents (Ricoh)



* Frequencies have been calculated by the following formula.
 Frequency = (Toll of dead and injured in work-related accidents/Total of actual working hours) × 1,000,000

■ Conceptual Diagram of Health and Safety Activities



Reviewing Activities in Fiscal 2006

● Introducing and popularizing risk assessment (RA)

The Occupational Safety and Health Law that was amended on April 1, 2006, clearly lays down the obligation to introduce risk assessment with the aim of preventing work-related accidents. Accordingly, the introduction of RA has become an urgent task. Ricoh has encouraged its production sites to introduce RA three years ago, and in fiscal 2006, another three production sites completed their introduction of RA.

● Establishing a health management system to prevent overwork

To prevent health problems caused by long working hours, the manual was revised to upgrade the consultation process used by doctors treating employees who work many overtime hours. In addition, an Overwork & Health Support System was developed for early detection and treatment of people with health problems. The system aims at both preventing employees from working too much overtime and maintaining their health.

● Upgrading and expanding mental health care

To raise the awareness of managers, e-learning sessions and practical education training were held for all operational managers. In addition, we started offering information over the intranet to encourage all employees to become more aware of their own mental health issues.

● Asbestos-related measures

Six plans were formulated to eliminate or enclose dangerous substances, including construction materials containing asbestos which, although posing no immediate threat, can be expected to have an effect on health as they deteriorate in the future. The plans were based upon the results of measurements on the working environment and exposure times conducted in fiscal 2005. The measures were completed as planned.

Plan for Fiscal 2007

● Continuing to make improvements in priority issues

The following further qualitative improvements will be made in fiscal 2007, based upon those made in the last year.

- (1) Continued reduction in the risks related to risk substances, aiming to create a secure and safe working environment that will eliminate work-related accidents, including those caused by human error.
- (2) We will focus on the reasons for extended overtime work, while the division that supervises safety, the manager at the work site, and specialized medical staff will work in close cooperation to improve measures to deal with the causes as well as the consultation process.
- (3) Five plans to handle asbestos-related problems will be carried out this fiscal year, aimed at implementing continuous improvements to reduce risks in the work environment for people working at business sites.

● Addressing new issues

Better anticipation of changes in the world and issues surfacing in the company will be encouraged, while PDCA will be actively promoted on a company level. In this way, we hope to become a leader in health and safety.

- (1) Expanded acquisition of OSHMS certification: As the Ministry of Health, Labour and Welfare encourages increased implementation of OSHMS, we will endeavor to acquire OSHMS certification for all of the Ricoh Group's manufacturing plants.
- (2) Upgrading and expansion of mental health care: Mental health care is regarded as an important management issue. Accordingly, the program for reducing stress in the workplace, early detection and follow-up of high risk cases, hitherto carried out on a trial basis, will be expanded and implemented throughout the Group.
- (3) Targeted medical examination: A scheme for conducting targeted medical checkups will be established through cooperation between health insurance associations and Ricoh Group companies.

Respect for Human Beings, Respect for the Earth

Concept

The thinking behind the Ricoh Group's social contribution activities is to try to communicate with society through the company, employees, and shareholders and to contribute to creating a richer society. In line with this principle, Ricoh's social contributions that focus on environmental conservation and providing young people with sound value.

● Basic theme of Ricoh Group's social contribution activities

The basic theme governing the Ricoh Group's social contribution activities is summed up in the slogan "Foster attitudes and actions that value human beings and the Earth."

Each employee is encouraged to follow this precept, contribute to the society, and participate in activities. This spirit is put into practice beyond regional and national borders, through the use of corporate capital including know-how and human resources cultivated through our business activities. In this way, Ricoh's social contribution activities span the globe.

Activities in Japan

"Ichimura Nature School" for learning through agriculture

"Ichimura Nature School" is an NPO founded and operated in Kanagawa and Saga Prefectures based on the concept of "learning how to earn a living from Mother Earth through growing crops experiences." The participants grow vegetables over an eight month period and learn many things in a natural setting. For example, they learn the importance of working hard and an appreciative attitude by cooking and eating the vegetables they grow, as well as attitudes and actions that include independence, self-reliance, collaboration/cooperation, and consideration for other people through living together under the same roof. In fiscal 2006, 56 children attended the Ichimura Nature School Kanto, and a total of 243 people have completed the program so far.

Programs that nurture an interest in science

Hands-on programs that stimulate an interest in science such as the Ricoh Kid's Workshop, where elementary and junior high school students carry out experiments, the Science Camp for high school students, and the "Be a Copier" program for parents and children were carried out, and about 1,700 people participated in many areas of Japan. We hope to encourage as many children as possible to enjoy science through these activities. About 170 Ricoh Group employees also supported the programs as volunteers.



Children getting on inside look at copiers



Children harvesting burdock

Social contribution club: Free Will

Free Will is a social contribution club founded in January 1999 as a grass-roots organization based on employee participation. Members contribute a fraction of their monthly salaries and bonuses (less than ¥100 from an employee's salary and less than ¥1,000 from his/her bonus), which is used for social contribution activities. In January 2007, the club offered additional financial aid of ¥5 million to Japan Human Power (JHP), which had been selected from the organizations that had received support previously, to commemorate the eighth anniversary of the founding of the club.



Constructing a school in Cambodia

For details of our social contribution activities, please visit <http://www.ricoh.co.jp/kouken/> (Japanese language only).

Activities in Japan

Column

Every Little Steps Counts

<Ricoh Technosystems Co., Ltd. (Japan)>

As an IT service provider, Ricoh Technosystems Co., Ltd. (RTS) is developing community-based activities at 434 locations in eight branches nationwide. Each employee is involved in voluntary activities in the local community and social contribution initiatives closely related to their daily operations that can be carried out over the long term. The company provides support for these activities. At Head Office, members of the Social Contribution Promotion Committee take a leading role in planning a range of options for employees to participate in social contribution activities each day.

For example, there are four volunteer programs being carried out nationwide in cooperation with NPOs and local governments: Ricoh's Free Will social contribution club, collection volunteers, blood donor groups, and cleanup activities in the local community. To respond to the needs of the local community, employees involve themselves in anticrime patrols and welcome junior high school students on work experience programs, in addition to giving seminars on how to use computers. At RTS there are about 5,000 customer engineers¹ (CE) who use cars for their business, and anticrime patrols are one significant contribution to society that they can make during their daily duties.

In addition, details of social contribution activities and their achievements are communicated to employees around the country via company news posted on the intranet. Brochures giving a summary of



[Cleanup activities in the local community] Participated in cleanup and recycling activities in Taito Ward, Tokyo

[Anticrime patrols] To be introduced at all our sites during fiscal 2007 (photo: Chubu Branch company car)



Received the Nice Support Award under the "One More Life" Worker Volunteer Award scheme in fiscal 2006

activities over the previous six months are also prepared, allowing employees to learn from each other. Our efforts to create an environment in which employees feel free to engage in activities that contribute to society have been highly rated by external organizations. In February 2006, RTS Head Office received a Nice Support Award². This has given employees encouragement and pride in their company.

- Notes: 1. Service engineers are in charge of regular maintenance and repair visits; they ensure that our customers' OA equipment is always in good condition.
 2. "One More Life" Worker Volunteer Award given by the Sawayaka Welfare Foundation (Chairman: Tsutomu Hotta) as part of a program organized by the Ministry of Health, Labour and Welfare. Awardees are selected from companies that give good support to employees' volunteer activities and offer a supportive environment for them while building good communications with local communities.

Schedule of Social Contribution Activities (Fiscal 2007)

- Apr.
 - May
 - Donation by collection volunteers
 - Lecture by the Free Will social contribution club
 - Jun.
 - Hands-on seminars
 - Blood donor groups
 - Jul.
 - Explanation of Free Will club
 - Oedo Cleanup Campaign Summer Event
 - World famine event
 - Aug.
 - New program for elementary school kids in the local community
 - Sep.
 - Workshop in cooperation with NPOs
 - Oct.
 - Explanation of Free Will club
 - Nov.
 - Lecture by the Free Will social contribution club
 - Donation by collection volunteers
 - Dec.
 - Lecture on social contribution
 - Blood donor groups
 - Jan.
 - Campaign to collect unsorted postcards
 - Feb.
 - Mar.
- [Activities throughout the year]
 Handicraft volunteers, collection volunteers, cleanup volunteers for the local community

For details, visit our website at: <http://www.r-ts.co.jp> (Japanese language only).

Video Competition Supports Environmental Education for the Young

<Ricoh Hong Kong Limited (Asia-Pacific)>

Ricoh Hong Kong Limited, a sales subsidiary, held a special video competition in cooperation with a local Hong Kong environmental NGO, Friends of the Earth (HK) (FoE (HK)), to support the education of the younger generation on environmental protection. As many as 120 teams including educational institutions and secondary schools entered videos for the competition, which was held under the theme of "Waste Not, Dump Not." The competition allowed young people in Hong Kong to share their creativity and ideas on environmental protection with members of the public through the videos they produced, contributing to the creation of even wider environmental awareness in society.



Award ceremony

Fostering Values in Young People

<Ricoh Americas Corp. (US)>

Ricoh Americas Corp. (RAC) carries out a variety of activities in line with the Ricoh Group's basic social policies for social contribution. In particular, it encourages community-oriented activities through the "Employee Volunteer Program." RAC attaches great importance to employee team participation in company-sponsored volunteer activities that benefit local communities. In fiscal 2006, priority was given to expanding the possibilities for children who carry the hopes for tomorrow. NPOs and related parties supported by RAC greatly appreciated RAC's efforts, while employee

Vocational Soccer Training for Young Players

<Ricoh Espana S.A. (Europe)>

Ricoh Espana S.A. (RES), a sales subsidiary, not only sponsors Ricoh Premia, a football club in Barcelona, but also helps with education and vocational training for the young players in the team. Football is the national sport in Spain, while it is difficult for young players who cannot become professional players to find employment, and this has become a social issue. This project is the first innovative attempt in Spain to address the issue, which has been reported many times in newspapers and on TV. The project has been running for a year, and about half of the players who participated in the project work now at RES.



Ricoh Premia players

Ricoh Holds Annual "Team Day" for Employees Awareness

<Ricoh Europe PLC (Europe)>

The London head office of Ricoh Europe Plc., (formerly NRG Management Ltd.), holds a "Team Day" every year, when its employees take part in volunteer activities in the local community during working hours. The Team Day offers employees opportunities to engage in social contribution activities as well as to talk about social contribution with other members of the company they do not usually work with, helping to raise their awareness of corporate social responsibility. Ricoh Europe's policies, which include the fostering of young people, environmental protection, and participation by all, are reflected in all its activities, which are run systematically by a four-member committee and repeatedly upgraded. In fiscal 2006, Ricoh Europe carried out a garden project to create a new "Playhut" playground for children in cooperation with a charitable institution in the east end of London. Eighty-one per cent of all employees participated in the project, resulting in a satisfaction rate of 96%. It plans to continue supporting the charity in fiscal 2007.



Employees at Ricoh Europe constructing a playground



Completed playground. Drawings on the wall are done by employees.



Children on open-air stage for the first time

awareness of social contribution improved even more. The company plans to continue its efforts in fiscal 2007.



Camp Hope Clean-Up Day: Participated in cleaning and maintenance at the summer camp facility used by children in need of special care.



Children's Holiday Party: Held a Christmas pizza party for small children at a children's home.



Little Oak Learning Center: Helped paint and remodel a home for children in difficult living conditions due to various reasons.



Albertina Kerr Giving Tree: Delivered Christmas gifts to a home for physically-handicapped children and their families.

Communicating with Society to Earn the Public's Trust

Concept

To continue to earn society's trust while promoting steady growth and development, it is essential to communicate with all stakeholders so that we may appropriately understand their expectations. We can then optimize our corporate activities based on our findings. We believe harmony with society in a true sense can be achieved only by keeping stakeholders informed of the results of these processes and continuing to work through this entire cycle.

Communication with Local Communities

Ricoh held a risk communication meeting, inviting people from the local community and municipal government. <Ricoh Unitechno Co., Ltd. (Japan)>

An "Environmental Communication Meeting" sponsored by Saitama Environment Counselor's Association was held on January 24, 2007, at Ricoh Unitechno Co., Ltd. (Yashio City, Saitama), a manufacturing subsidiary. The meeting aimed to provide citizens, the municipal government, and companies with an opportunity to get together to share information on environmental contamination and chemical substances and promote mutual understanding, so that environmental risks could be reduced.

A total of 28 people participated in the meeting, including local residents,



Factory tour

environmental counselors (NPOs), local government officials from Yashio City in Saitama, and Ricoh and Ricoh Unitechno employees. At the meeting, sustainable environmental management of Ricoh and environmental conservation activities of Ricoh Unitechno were presented, while participants observed assembly processes for OA equipment.

While our sustainable environmental management was given a high evaluation, there was a request to convey more know-how to the local community. Ricoh Unitechno will consider opinions received and incorporate them into its activities in and after fiscal 2007.



Meeting with local residents

Communication with NPOs

The Fourth NPO Seminar on information exchange <Ricoh (Japan)>

On July 19, 2006, the fourth NPO Seminar was held at Ricoh Head Office. A total of 42 people participated in the seminar, including Ricoh Group employees, former employees of Ricoh, those in charge of CSR promotion at other companies, and NPO staff.

Easy to understand explanations were given by NPO staff on volunteer activities that company employees can easily participate in. In response, participants made the following comments: "The difference between NPOs and volunteers was made clear," and "These activities can be implemented at our company." After the seminar, participants and NPO staff directly exchanged information and this served as a motivator for the participants to start volunteer activities.



NPO Seminar

Communication with Customers (1)

Camera blog creates a sense of community among users.

<Ricoh (Japan)>

Before launching the much anticipated GR Digital camera, Ricoh was keenly aware that there were a large number of fans of the earlier GR models dating from the film era. For them, the GR compact cameras were unique creative tools harking back to more traditional values and craftsmanship. In order to cater to the emotional and artistic needs of this group in Japan we created an interactive blog that very quickly became a focal point, a sort of meeting place for GR fans all over the country. Pretty soon users were writing in with questions, praise, suggestions and yes, complaints too. All communications were answered. The site also features a constantly changing gallery of photographs taken with the GR D and is extremely popular in the photographic community. The blog exemplifies perfectly Ricoh's philosophy of "Oyakudachi" (Walking in the customer's shoes).



The average number of trackbacks is 37 per day, and in total more than nine million viewers have accessed the blog. It was initially scheduled to open for a limited period of time, but because of our customers' strong demand it is still open. (Figures are as of the end of February 2007.)

Ricoh's official blog [GR Blog] ▶ <http://blog.ricoh.co.jp/GR/>

Communication with Customers (2)

Used toner collected to help enhance customers' awareness of CSR

<Ricoh Espana S.A. (Europe)>

Ricoh Espana S.A. (RES), a sales subsidiary, has achieved both a rise in the collection rate for toner cartridges and CSR activities through cooperation with the Spanish police, which are one of Ricoh's customers, and over 90% of whose fax machines are Ricoh products. The scheme is as follows: (1) the Central Police Station of the Spanish police in Madrid purchases toner cartridges for all police stations and sends them to the individual stations; (2) the Spanish police collect used cartridges from police stations all over the country and separate them; (3) collected cartridges are stored at the central collection point designated jointly by RES and the Spanish police; (4) RES sends

the cartridges to the European Green Center for recycling; and (5) RES donates 3 euros per recyclable cartridge to charitable institutions from the collection costs saved.

Thanks to this collaboration, RES was able to communicate more in depth with the Spanish police, and this contributed to enhancing customer awareness of environmental protection and CSR activities. In addition, the recycling rate for toner cartridges more than doubled from the time when activities started. RES started adopting this collection program for other customers in May 2006.

Ricoh Co., Ltd., was established in Japan on February 6, 1936. The Ricoh Group consists of Ricoh Co., Ltd., 307 subsidiaries, and 15 affiliates.* The Ricoh Group engages in activities on a global scale that include the development, production, marketing, after-sales services, and recycling of office equipment including copiers and printers in five regions around the world (Japan, the Americas, Europe, China, and the Asia-Pacific region). The Group has approximately 82,000 employees.

* The definition of a subsidiary/affiliate follows the U.S. Generally Accepted Accounting Principles (U.S. GAAP), which differ slightly from the definition given in Japan's GAAP.

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 104-8222, Japan
 Main number: +81-3-6278-2111
<http://www.ricoh.com/>

Ricoh Group Brands

The Ricoh Group markets products under its own brand name "RICOH" as well as the following.



● Report period

This CSR report covers the period from April 1, 2006, to March 31, 2007, but some activities that fall outside this period are also covered.

● Report range

The data appearing in the report is from Ricoh, while examples show data for both Ricoh and the Ricoh Group.

● Date of issue

The 2007 Report in English was issued in September 2007. The 2008 Report in English will be out in September 2008.

External Evaluation and Economic Performance

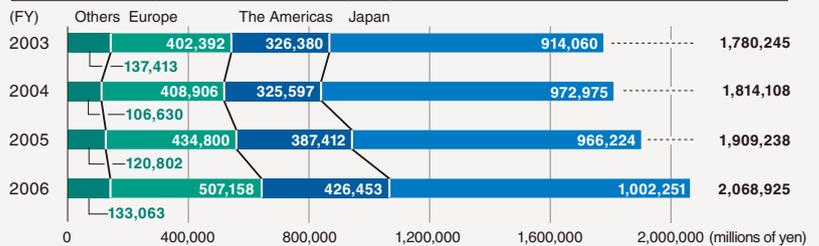
- In January 2007 Ricoh was selected as one of the Global 100 Most Sustainable Corporations in the World for the third consecutive year.
- Ricoh was given first place for customer satisfaction among business users of color laser printers in the 2006 Customer Satisfaction Survey for Printer Users in Japan organized by J.D. Power Asia Pacific.¹
- Ricoh received "Pick of the Year" awards in the MFP, LP, and GJ categories by the BLI² of the U.S.
- Ricoh Corporation in the U.S. was awarded the silver prize in the prestigious Brand-week Customer Loyalty Awards given to companies that achieved outstanding annual sales and customer satisfaction.

Notes: 1. Selected based on responses from 1,679 offices having 30 or more employees. www.jdpower.co.jp
 2. Buyers Laboratory Inc., the world's leading evaluation organization for OA equipment

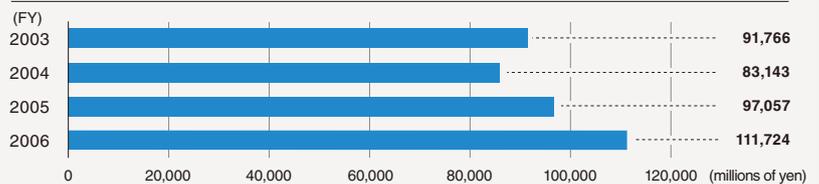
The Ricoh Group's Sales Classified by Business



The Ricoh Group's Sales Classified by Region



The Ricoh Group's Net Income



The Number of the Ricoh Group's Employees



* Figures are from the Ricoh Group's securities report and, accordingly, may differ from those of the environmental impact data due to a difference in the scope of data collection.

* Sales figures for fiscal 2005 are after adjustment for business that was discontinued in the first quarter of fiscal 2006.

* Business classifications were changed in fiscal 2005.

Major Product Lines of the Ricoh Group

[OFFICE SOLUTIONS]

Imaging solutions

Digital copiers, color copiers, analog copiers, printers, facsimiles, diazo copiers, scanners, MFPs (multi-function printers), printer-related supplies, maintenance services, software, others

Network system solutions

Personal computers, servers, network devices, networking software, applications, service and support, others

[INDUSTRIAL PRODUCTS]

Thermal media, optical equipment, semiconductors, PC unit products, measuring equipment, others

[OTHER]

Optical disk products, digital cameras, others

● Digital multifunction full-color copier



imagio MP C3500

● Color laser printer



IPSIO SP C411

● Digital camera



Caplio R6

Independent Third Party Review

Comments on the Ricoh Group Sustainability Report (Corporate Social Responsibility) 2007

Ricoh is a leading company in Japan in terms of sustainable environmental management, and it is no exaggeration to say that it has established its own model of sustainable environmental management. The spirit behind this lies in the integration of its mainstay business and environmental conservation, which means protecting the environment while at the same time pursuing profit generation. This spirit is embodied in Ricoh's social responsibility management policies and performance, which is the most distinctive character of the company.

● CSR activities integrated into business activities

Ricoh promotes CSR activities in two fields: endeavors to earn the public's trust and compliance activities, which are integrated into its business activities. This method to clarify the scope of CSR and focus on activities within that scope is an efficient way of enhancing the effectiveness of its CSR activities. Color universal design, which Ricoh is promoting now, is a significant contribution to society through its main business. I hope that Ricoh will step up these efforts in the future.

● Balance between review and planning

One distinctive characteristic of the Ricoh Group CSR Report is that the last review and next plan for CSR are presented in comparison. Although it is not easy to work through the PDCA cycle for CSR, a comparative presentation of the previous year's review and the plan for the next fiscal year helps clarify the steady improvements made in CSR at Ricoh. I evaluate this point highly as a concrete improvement in transparency.

● Evaluating corporate management from a CSR perspective

The Ricoh Group carries out CSR activities focusing on concrete actions as mentioned above, but a look at the entire corporate management from a CSR perspective is also necessary. In the international context, while a company's actual performance remains a key feature in CSR activities, what the company considers important and its propriety has become another key point, and is gaining more emphasis. I understood the key points in Ricoh's CSR activities from the report, but the priority of these activities and others should also be disclosed in the future. Especially in the area of "respect for people," further explanation would be effective by introducing such new concepts as "decent work," etc.

● Reflecting the voices of stakeholders

To this end the Ricoh Group should collect and analyze opinions from a wide range of stakeholders and constantly examine the direction of its CSR activities in light of the latest social situation. At present the Ricoh Group is actively communicating with its stakeholders, but the future challenge will be to systemize the communication from a CSR perspective and incorporate it into its business activities.

Lastly it is my fervent hope that the Ricoh Group will establish a model of social responsibility-driven management, in the way that it has established a model of sustainable environmental management in Japan.

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Response to the Independent Review

In the past year we focused on ensuring that the PDCA cycle for CSR activities functions effectively and enhancing the contents of endeavors to earn the public's trust. Although there is still room for improvement, we received encouraging comments and will continue to further expand our CSR activities. As Professor Kokubu points out, the challenges Ricoh now faces are evaluating corporate management from a CSR perspective and reflecting the voices of our stakeholders, which are not fully described in this year's report. We take these opinions seriously and are committed to tackle these challenges, because we believe that it will greatly contribute to improving the Ricoh Group's CSR activities.

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