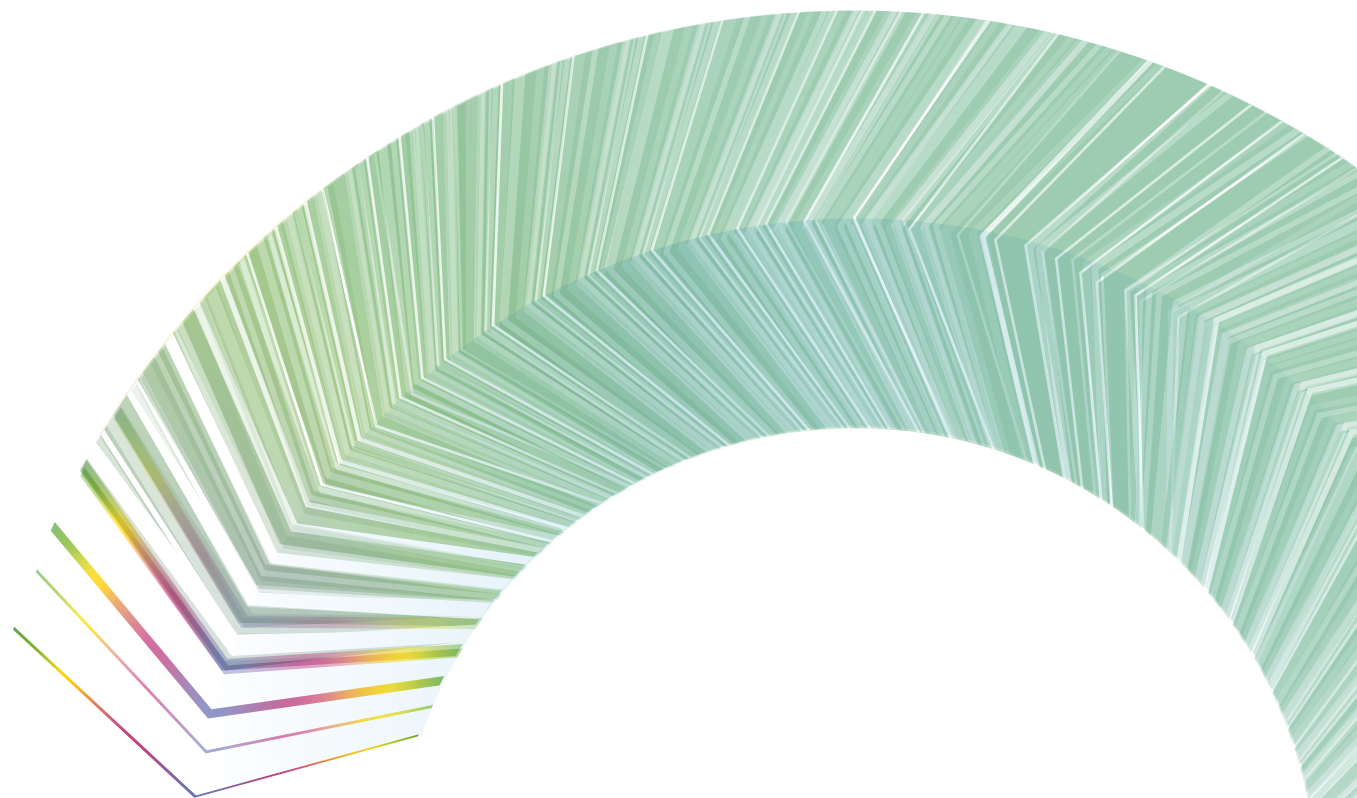




Ricoh Leasing
Integrated Report

| 2022



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Editorial policy

- Ricoh Leasing Company, Ltd. ("the Company") publishes the Ricoh Leasing Integrated Report as a means of informing shareholders, investors and all other stakeholders of the Ricoh Leasing Group's views on and actions for value creation. The report's purpose is to present the Group's corporate philosophy, medium- to long-term vision of becoming a Circulation-Creating Company and strategies for achieving that vision, history and corporate story on the path to sustainable growth.
- This year's report focuses on the identity that the Ricoh Leasing Group has sought to cultivate over time, and provides fresh clarity on its business model and sources of value creation. Additionally, the section on "Engagement with Society" uses an illustration to show in an easy-to-understand format how our many services are helpful in the real world. The report also highlights initiatives and activities that create value through business for each material issue. In addition, with corporate efforts to respect human rights becoming increasingly important, we invited Save the Children Japan, a global NGO specializing in supporting children, to engage in dialogue with us from the perspective of children's rights. That dialogue has been summarized in a roundtable discussion.
- In the process of preparing this report, we verified the interests and expectations of our stakeholders, interviewed people inside and outside Ricoh Leasing, including top management, and referred to the International Integrated Reporting Council (IIRC) framework advocated by the IFRS Foundation (former VRF) and the Guidance for Collaborative Value Creation issued by Japan's Ministry of Economy, Trade and Industry to select and decide the key subjects to be reported.
- Beyond the information included in this report, our website provides information about our policies and other basic information as well as past reports.
- Reporting period: Fiscal 2021 (April 1, 2021 to March 31, 2022; "FY2021")
Note: This report includes some information from outside the reporting period.
- Scope of report: Ricoh Leasing Company, Ltd., Techno Rent Co., Ltd., Enplus Inc. and Tokyo Business Rent Co., Ltd. ("the Ricoh Leasing Group")
- Publication: December 2022
- For inquiries regarding this report, please contact: Corporate Planning Department, Ricoh Leasing Company, Ltd. Phone 050-1702-4203

Note regarding forward-looking statements

- In addition to past and present facts about the Group, this report contains forecasts and strategies focused on the future. These are predictions of the future based on the information available at the time of preparation. Due to various factors, these predictions may differ from actual performance and the results of business activities.
- This report has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated report and the Japanese original, the original shall prevail.

VISION

Corporate Philosophy

We will be a bridge to
an abundant future with our
independent financial services.

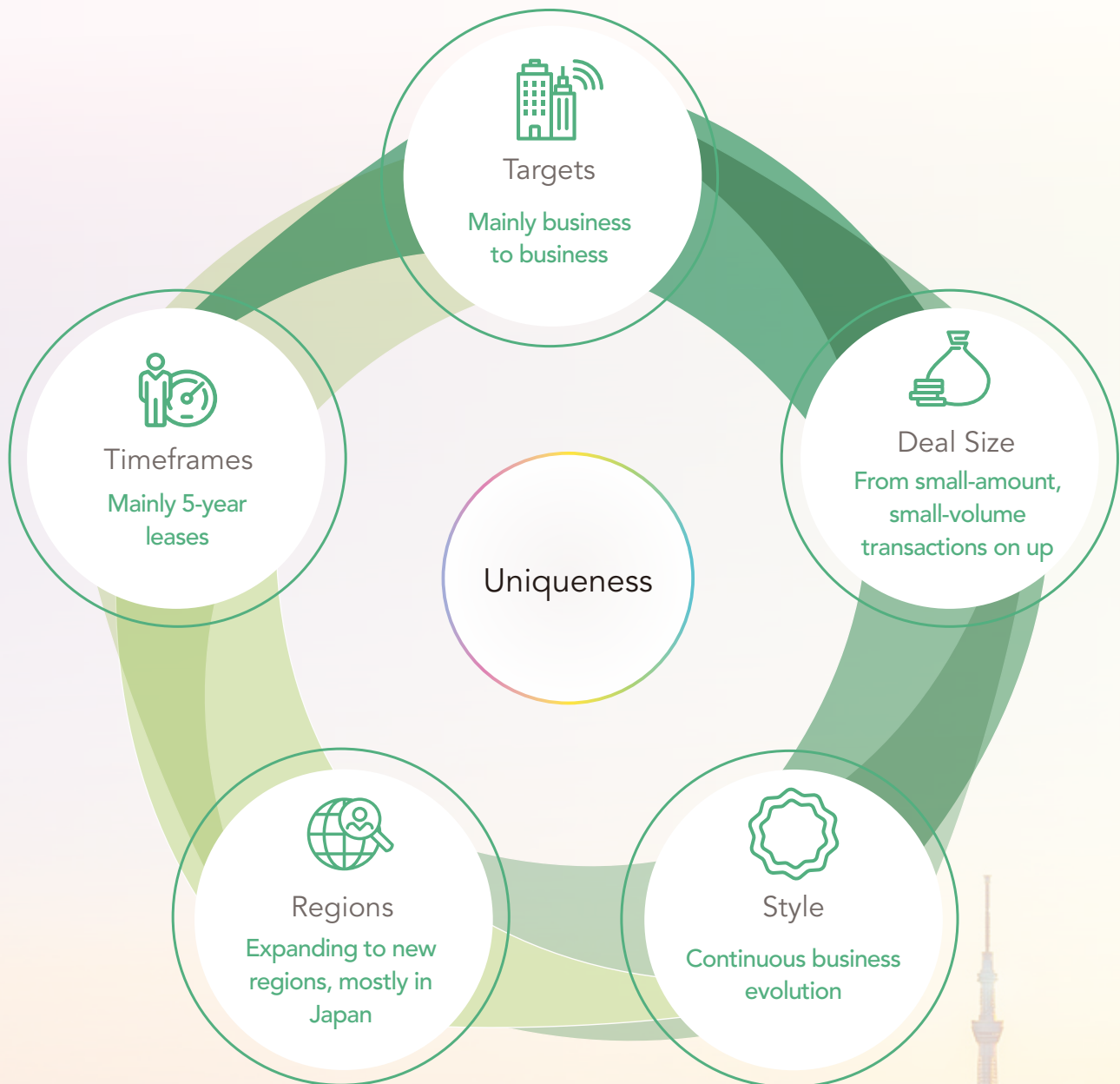
Basic Stance

1. We will contribute to the development of a sustainable global society with our integrity and reliable business activities.
2. We will connect our customers to the future and society with services beyond expectations.
3. We will create an enjoyable and active working environment while respecting each other.
4. We will answer shareholders' expectations by enhancing corporate value.

Identity and Vision

Our independent financial services

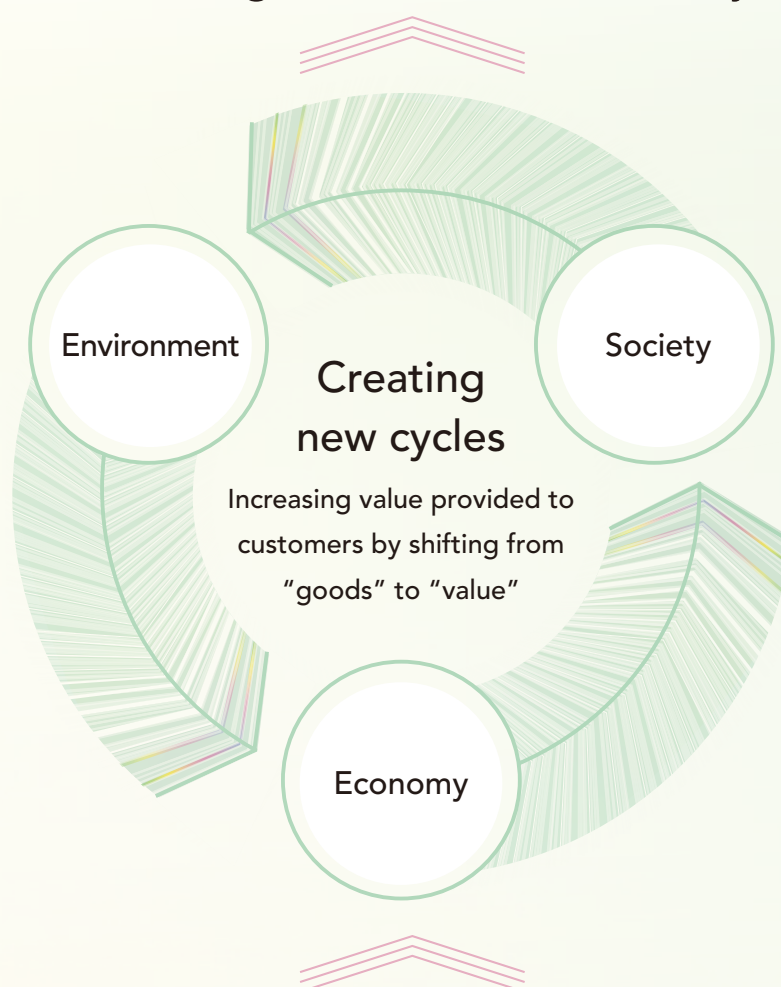
Since its establishment in 1976, the Ricoh Leasing Group has provided support for a wide range of capital investments, especially for small- and medium-sized business, and has contributed to improving business efficiency and creating new businesses. Here we introduce five elements that characterize the independent financial services that the Group has cultivated over the years.



A bridge to an abundant future

Given the changing business environment surrounding the Ricoh Leasing Group, we have set a medium- to long-term vision of becoming a Circulation-Creating Company, with the aim of building a sustainable circulation-oriented society focused on sustainability management. We will contribute to bringing about a sustainable society through the creation of new environmental, social, and economic cycles.

Realizing a sustainable society



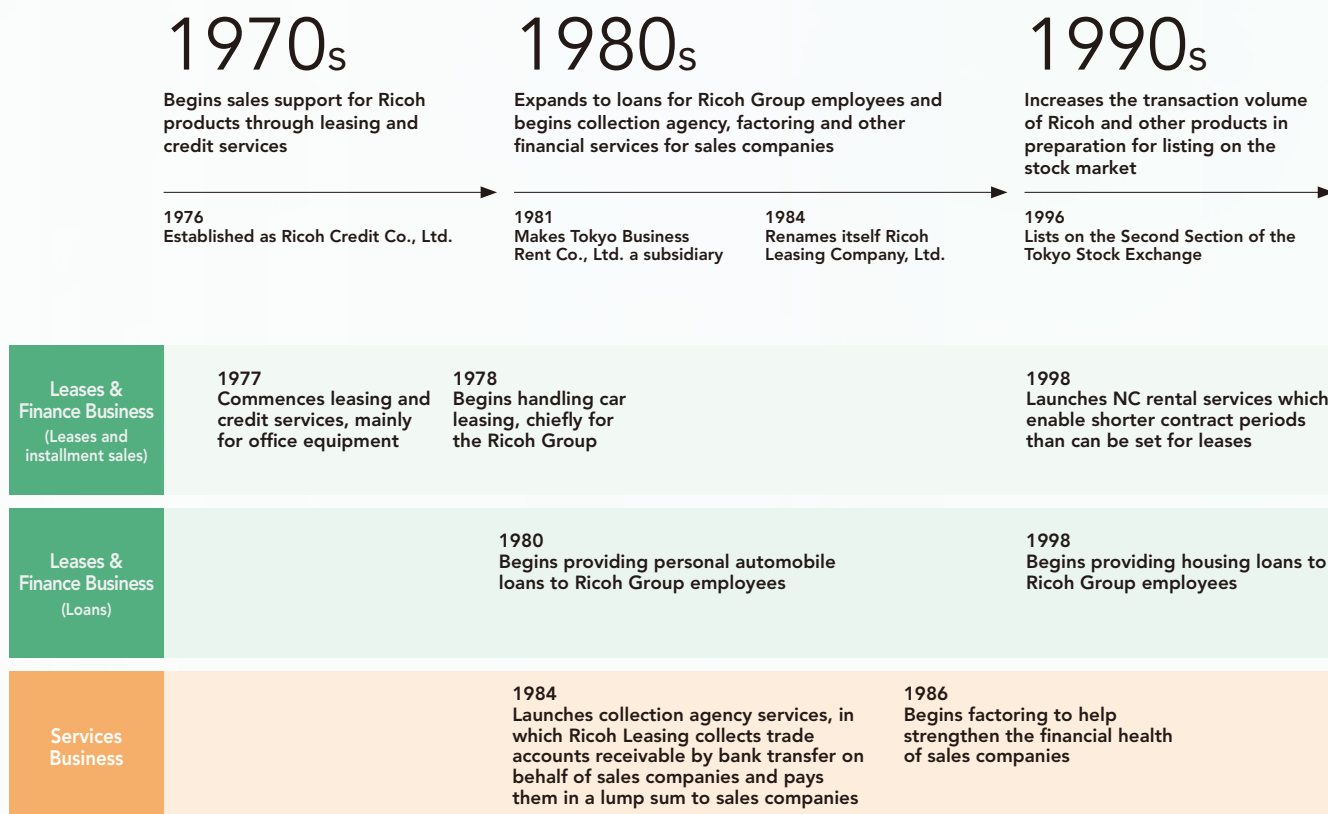
Using the power of finance to support companies responding to the changing social environment

SDGs	Population Decline (Responding to market contraction and labor shortage)	Geopolitical Situation in Flux (Ripple effects on economic activities)
Climate Change (Responding to the risk of natural disasters)	Progress of Fourth Industrial Revolution (Working with digital technologies)	COVID-19 (Responding to shifts in consumer sentiment)

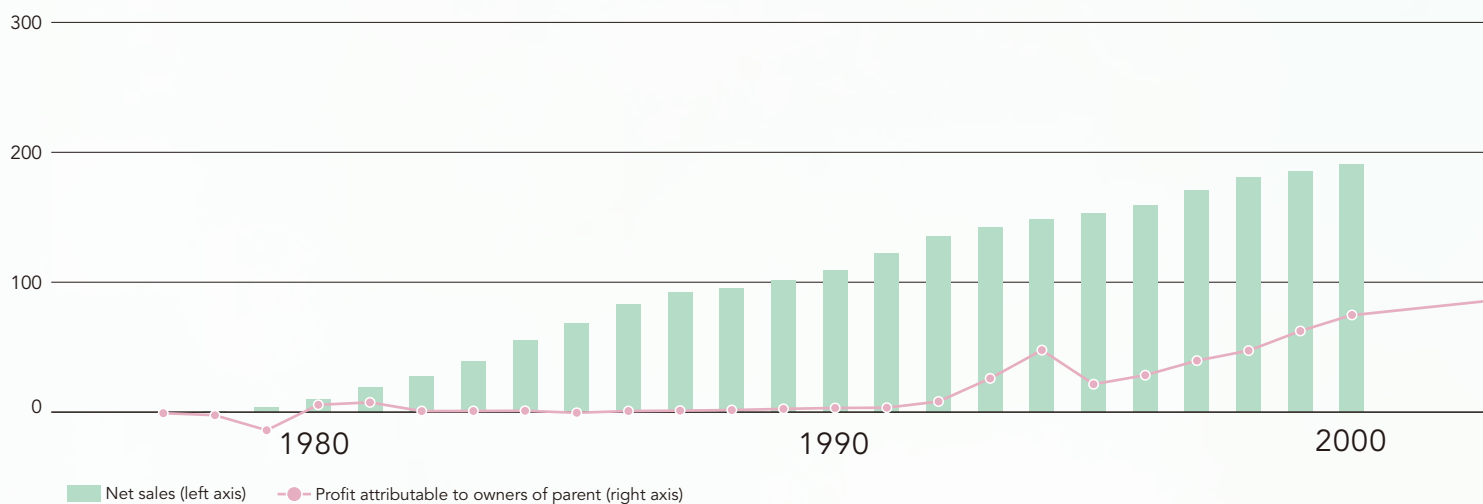
Responding to economic and social changes requires forward-looking investment

History

The Ricoh Leasing Group was established to support the sale of Ricoh products. Adapting to a drastically changing society, we have continued to expand our business domains together with the growth of our customers and business partners. We will contribute to resolving social issues by continuing to embrace the challenge of building new businesses based on vendor leasing, which is in our DNA.



Net sales (billion yen)



2000s

Accelerates growth by increasing sales activities outside the Ricoh Group while centered on product promotion within the Ricoh Group

2000 Acquires ISO 9001 certification
2001 Lists on the First Section of the Tokyo Stock Exchange
2004 Begins a shareholders special benefit program that includes social contribution
2005 Makes Techno Rent Co., Ltd. a subsidiary

2010s

Increases investment in related business domains on the basis of its finance knowledge

2000 Introduces a scoring system to increase the efficiency and precision of small credit operations

2002 Launches online leasing services that allow customers to view contract information

2012 Begins leasing solar power generation systems to aid customers seeking to improve environmental management

2020s

Adopts the medium- to long-term vision of becoming a Circulation-Creating Company and contributes to continuous environmental, social and economic development

2020 Concludes a trilateral business alliance agreement with Ricoh Company, Ltd. and Mizuho Leasing Company, Limited. Makes Enplus Inc. a subsidiary

2022 Moves to the Tokyo Stock Exchange Prime Market and launches system for "Abundant Future Reserves."

2021 Launched "NC Pay-Per," a pay-per-use operating lease arrangement

2000 Launches business loan center for corporate lending

2002 Begins providing loans supporting medical doctors with the goal of helping medical doctors open clinics

2016 Begins providing loans to condominium management associations to respond to the need to cover shortfalls in reserve funds for repairs and maintenance

2021 Releases new condominium loan product for retail customers

2005 Launches a convenience store payments service, in which Ricoh Leasing is commissioned to collect payments made at convenience stores

2006 Launches the Collect! website for collection agency services

2011 Begins providing factoring services for nursing-care facilities, helping them procure operating funds

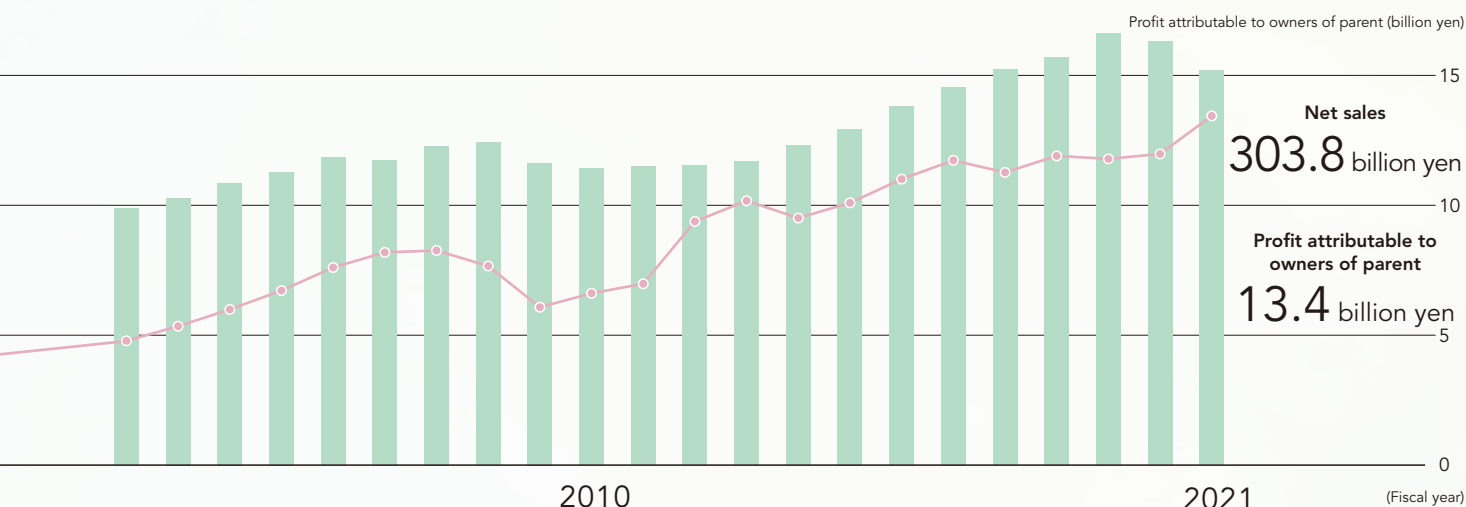
2022 Enplus enters business alliance with Tokyu Housing Lease Corporation to offer rental housing for foreign nationals

Investment Business

2017 Launches the housing rental business helping build communities where people are able to live comfortably

2018 Launches the solar power generation business to enter a new environmental field based on energy generation and conservation

2020 Diversifies investment methods to include equity investments in real estate and short-term holdings of trust beneficiary interests



Engagement with Society

Based on its corporate philosophy, the Ricoh Leasing Group will, in addition to providing financial services to its customers, contribute to the resolution of social issues and the achievement of the SDGs by improving people's quality of life and the economy through the circulation of goods and services.

1 Supporting agriculture

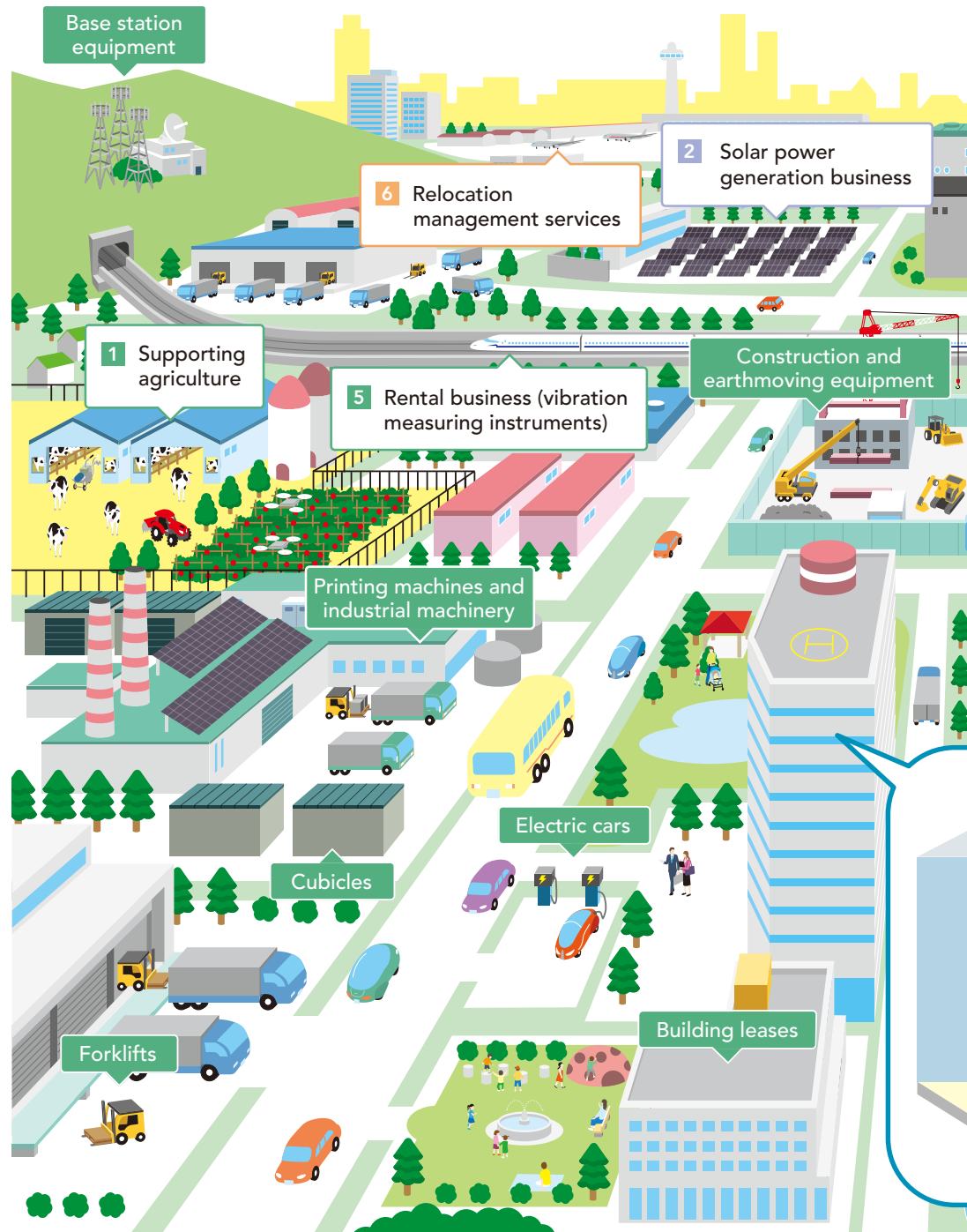
Through leasing and financing, we support smart agriculture that utilizes cutting-edge technologies, such as robots, AI, and IoT, for tasks that include pesticide spraying with drones and cattle movement management systems. We also provide support with financing methods for movable property and asset-based lending (ABL).

2 Solar power generation business

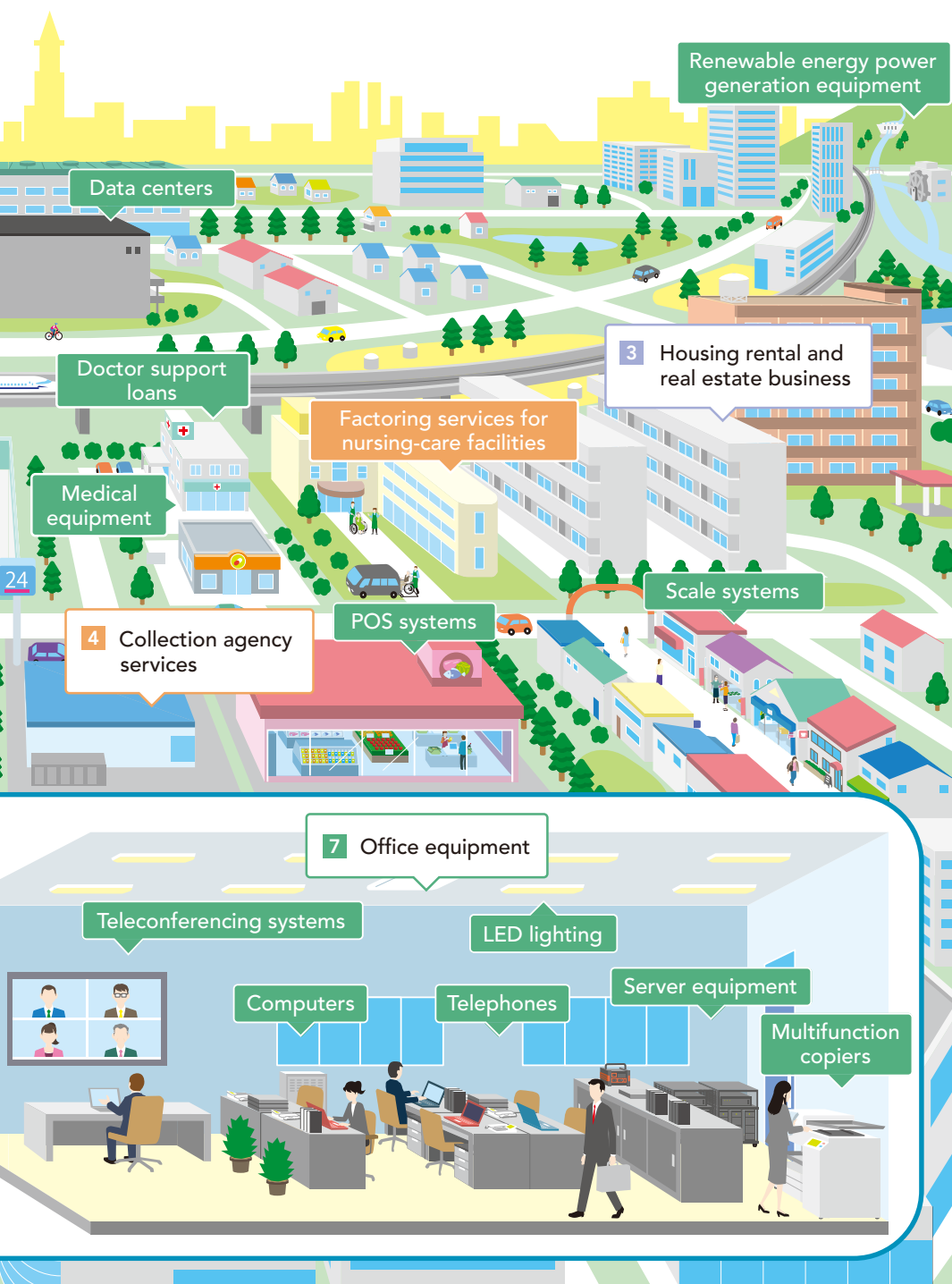
We have accumulated know-how in the financing of solar power generation facilities, and we are developing a solar power generation business with ourselves as a power generation business operator. By the end of fiscal 2021, a total of 390 power plants were in operation with 102 MW of power generation capacity. Our focus going forward will be on developing a model for self-consumption of solar power by customers.

3 Housing rental and real estate business

We operate a housing rental and real estate business enabled by know-how gained from our commercial lending and home loan businesses. Aiming to provide safe, secure and comfortable housing and lifestyles, we revitalize local communities by providing value-added services that lead to public housing renovation and better quality of life.



■ Leases & Finance Business ■ Services Business ■ Investment Business



7 Office equipment

By leasing office-related equipment such as multifunction copiers and computers, we support the capital investments of our customers, who are mainly small- and medium-sized companies. Additionally, we have strengthened partnerships by offering sales support functions to manufacturers and vendors and, by providing a wide variety of facilities and equipment (not limited to office equipment) we have expanded our business areas.

4 Collection agency services

To support enhanced productivity among our customers, who are mainly small- and medium-sized companies, we offer accounts receivable collection agency services. We offer a wide array of services, such as bank account debit payments, payment collection at convenience stores, billing agency services, and Pay-easy fund transfer services.

5 Rental business (vibration measuring instruments)

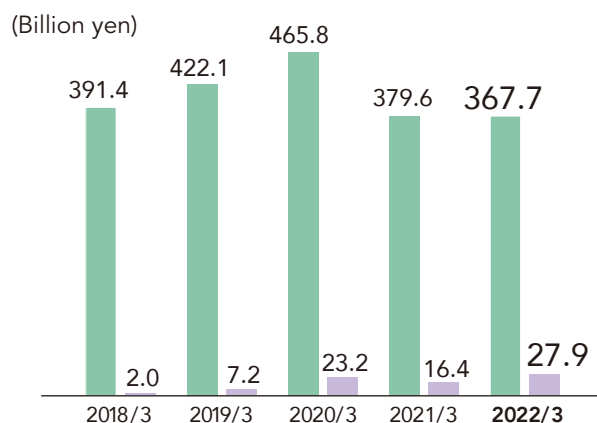
Group company Techno Rent provides a unique rental service for the railway sector with the addition of instruments for measuring vibration and noise levels. It also offers rentals of a variety of IT equipment; office equipment; event equipment; general-purpose, communication, environmental and industrial measuring instruments; and medical-related equipment and devices.

6 Relocation management services

Group company Enplus provides relocation management services that offer total support, from the complicated procedures related to moving personnel from one country to another (both into and out of Japan), to supporting employees during their posting. It also operates serviced apartments that offer a hotel-like living space.

Financial Highlights

Total Transaction Volume¹ / Investment Amount²

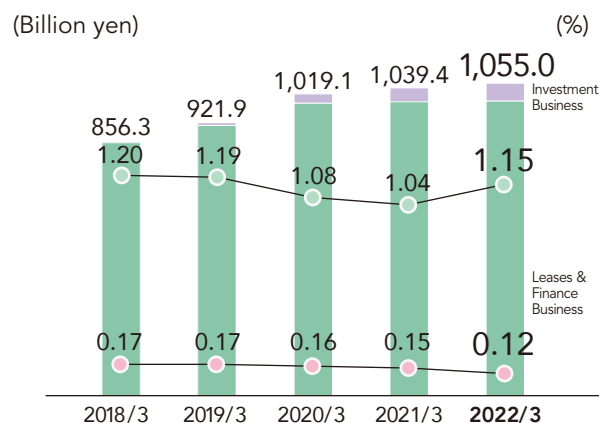


■ Leases & Finance Business
■ Investment Business

1. Transaction volume refers to total amount collected during the contract period
2. Investment amount refers to asset purchase amounts

Although leasing and installment sales transaction volumes declined due to semiconductor shortages, transaction volumes in business investments, such as trust beneficiary interests and solar power generation, and in condominium loans and structured loans increased.

Operating Assets³ / Return on Assets (ROA) / Default Rate⁴

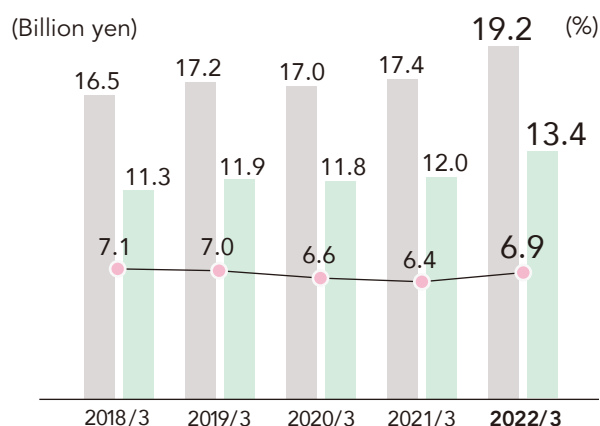


■ Operating assets
—●— Return on assets (ROA) —●— Default rate

3. The balance of operating assets includes securitized lease receivables
4. Default rate = Credit loss amount ÷ Average balance of operating assets

Operating assets increased in both the Leases & Finance Business and Investment Business. ROA rose thanks to continued improvement in operating asset yields and growth in the rental business.

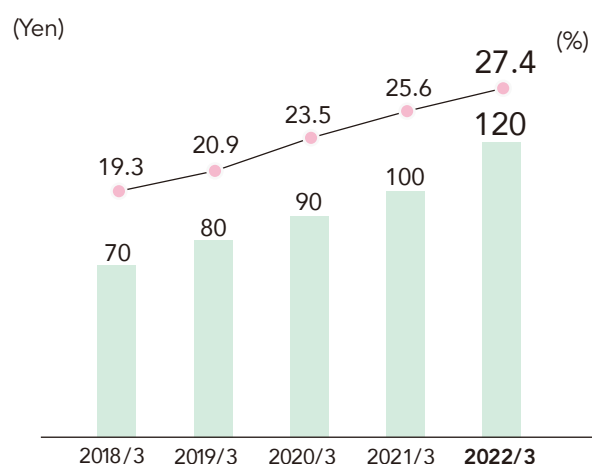
Operating Profit / Profit Attributable to Owners of Parent / Return on Equity (ROE)



■ Operating profit ■ Profit attributable to owners of parent
—●— Return on equity (ROE)

Our improved ability to generate earnings, derived from our emphasis on profitability, enabled us to absorb increased growth-investment costs, such as HR and IT systems, and still deliver record levels of operating profit and profit attributable to owners of parent. ROE also improved.

Dividend / Payout Ratio



■ Annual dividend per share —●— Payout ratio

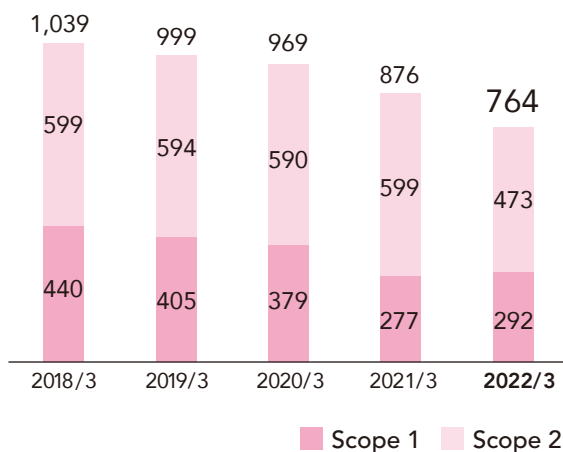
For the fiscal year ended March 31, 2022, we paid an annual dividend of 120 yen per share, marking the 27th consecutive year of dividend growth.⁵ We will maintain our basic policy of providing steady shareholder returns in the medium-and long-term future.

5. Including a substantial dividend increase following the stock split in the fiscal year ended March 31, 2000

Non-financial Highlights

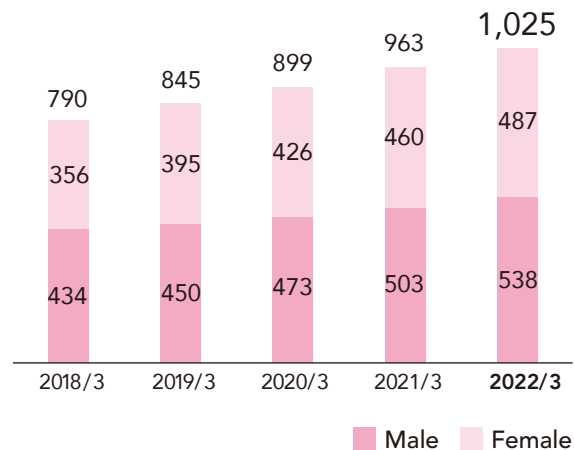
CO₂ Emissions

(t-CO₂)



Number of Employees (Non-consolidated)

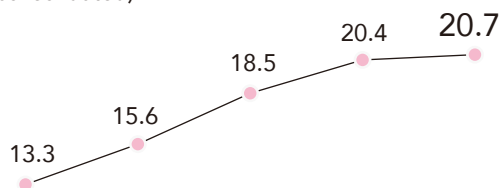
(People)



Percentage of Female Managers

(Non-consolidated)

(%)



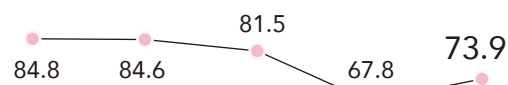
2018/4 2019/4 2020/4 2021/4 2022/4

* Executive officers and directors are included for 2018/4 only

Annual Paid Vacation Days Taken

(Non-consolidated)

(%)

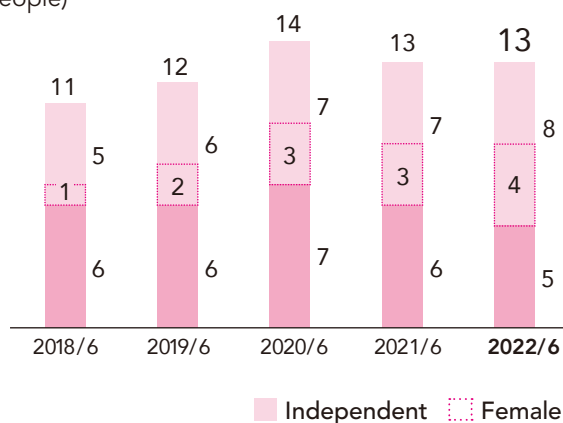


2017 2018 2019 2020 2021

* Periods run from January 1 to December 31

Number of Officers (Non-consolidated)

(People)

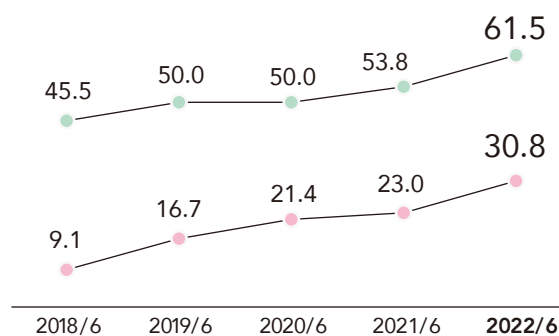


Independent Female

Note: The transition to being a company with an audit and supervisory committee took place in June 2020.

Officer Composition Ratio (Non-consolidated)

(%)



Independent officers Female officers

Note: The transition to being a company with an audit and supervisory committee took place in June 2020.

Message from the CEO



We aim to become a
Circulation-Creating Company
that can serve as a bridge to
an abundant future while
demonstrating our
uniqueness and increasing
our contribution to society.

Tokuharu Nakamura
Representative Director,
President and Chief Executive Officer

Amid the lingering social and economic effects of COVID-19, the Ricoh Leasing Group achieved steady results in the second year of its Mid-term Management Plan by developing a lean corporate structure. In fiscal 2022, the final year of our Mid-term Management Plan, we will promote our corporate philosophy and sustainability management, aiming to evolve into a Circulation-Creating Company and thereby bring about an abundant future. As a real-world business that also handles finance, we seek to create new businesses and contribute to society through our operations, while aiming to realize a sustainable circulation-oriented society.

We will increase our contribution to the world with Ricoh Leasing's independent and valuable financial services, and evolve from a financial services company that also handles businesses into a real-world business that also handles finance.

One of the financial industry's roles is to lower the bar for companies to make capital investments. Ricoh Leasing was established in 1976 as a leasing company to support sales of Ricoh products, and has grown by providing financial support for capital investments and business expansion, mainly to small- and medium-sized companies. Today, not only do we provide leasing and finance for Ricoh products and general equipment, but we are also contributing to the creation of a sustainable and abundant future by developing service businesses such as our collection agency services, and investment businesses such as in solar power generation.

One of the things that made me acutely conscious of the need to create a prosperous future was the COVID-19 pandemic that began in 2020, the same year I was appointed president. At the time, no one knew how the pandemic would unfold, and as people around the world were gripped with fear, I wondered what the Company should do next. While working from home, I heard the voices of children playing

outside. I thought, "we have to create an abundant future for these children."

In that abundant future, where small- and medium-sized enterprises will be faced with a variety of needs, we want to provide financial services with the Company's unique added value, and work to resolve social issues through our businesses, while making the world more prosperous and convenient. The corporate philosophy that Ricoh Leasing espouses reflects this: We will be a bridge to an abundant future with our independent financial services.

We currently make both an indirect contribution to the world through our Leases & Finance Business, and a direct contribution by ourselves developing new businesses, such as the solar power generation business we began in 2018. To make an even greater contribution, the Ricoh Leasing Group hopes to evolve from a financial services company that also handles businesses into a real-world business that also handles finance.

Transaction data from our 400,000 customers is an important and formidable asset. It is through our personnel utilizing this data, and by fostering our corporate culture, that we seek to grow new businesses.

The Ricoh Leasing Group does business with 400,000 customers and 6,000 vendors. The transaction data we have accumulated through vendor leasing transactions, which is in our DNA, is a key asset.

Our human resources are the source of value creation that

utilizes this data. The can-do spirit of taking on challenges in areas where profit is by no means guaranteed, is deeply ingrained in the Group. Through steady improvement, we have standardized and systematized our approach into organizational knowledge.

Together with vendors and customers, we have grown our business by each exercising the screening, operating, and sales capabilities the Company has so far refined.

We are able to do this thanks to our corporate DNA of steady, small-lot vendor leasing. We make business decisions based on whether something is characteristic of Ricoh Leasing, rather than whether it is easy or offers immediate profit. We have fostered a corporate culture in which employees think carefully about where

we can be most useful and what kind of business might be possible.

The Group's business is to give rise to new forms of credit, through billing and collection transactions, and we believe that by using our data assets our business opportunities will be limitless. We will utilize this data to develop new services and other offerings, leading to growth in our business that other companies will not be able to emulate.

Our corporate philosophy, which is both our mission and our purpose, serves as the highest concept of the Group. By cultivating the uniqueness of Ricoh Leasing, we aim to become a Circulation-Creating Company.

Our corporate philosophy is our mission, our purpose, and the highest concept of the Ricoh Leasing Group. Based on this philosophy, we emphasize five elements that are unique to Ricoh Leasing in our business.

The first is "targets." The Group mainly seeks to do business with other businesses (B to B). Moreover, we always consider

economic rationality in business. For example, revitalizing a public housing complex can resolve local issues but is not sustainable if infrastructure maintenance costs become negative. We believe that balancing both aspects is important.

The second is "deal size." The Group has 1,055 billion yen in operating assets. Some projects may require only a single computer,

Our independent financial services



others may cost tens of billions of yen, but our main projects are in the range of millions to tens of millions of yen.

The third is “timeframes.” We essentially view five years as the core or most common leasing period for multifunction copiers, based on economic efficiency.

The fourth is “regions.” Our business is centered in Japan. While Japan will remain the cornerstone of our business, we are looking to expand the regions we serve.

The fifth and most important is “continuous business evolution.” We will continue to revisit what characterizes “the uniqueness of Ricoh Leasing.” As an example, the Group operates a rental business as an extension of its leasing business. We started this business before the concept of “subscriptions” entered mainstream thinking and when “from the material to the immaterial” was the trend. This was because we envisioned a world where people are charged only for what they use. As the

next stage of evolution for our rental business, we are now considering the launch of a subscription-based business. Evolution may seem to occur spontaneously, however there is always an underlying continuity to it.

While we cannot anticipate the future perfectly, we can imagine what the world might become. While looking at our business domains through the lens of ESG, we plant a few seeds. We might make some slight adjustments or big changes as we plant and plant again. In other words, we will provide financial services unique to our company, commercialize them while modifying their form, and become a Circulation-Creating Company based on that business. As part of that process, we will help to make the world fully sustainable. This is our vision, and it entails becoming a real-world business that also handles finance.

Details on pages 2–3 Identity and Vision

We made steady progress in year two of the Mid-term Management Plan, despite the ongoing impact of COVID-19, set out a policy emphasizing profit, and transitioned to a leaner corporate structure in preparation for the future.

We are currently executing our 2020–2022 Mid-term Management Plan (“the Mid-term Plan”). Under the Mid-term Plan, which is based on “individual-centered management,” we aim to resolve social issues through our work in the three domains of Environmental Circulation (E), Social & Community (S), and Business & Governance (G). Our medium- to long-term vision is to become a Circulation-Creating Company that will serve as a bridge to an abundant future. People must be the ones to take charge of creating cycles in each domain, and as such our personnel need to be diverse and independent individuals.

During fiscal 2021, which was the second year of our Mid-term Plan, vendor leasing struggled to some extent due to goods shortages driven by the pandemic, and due to the situation in Russia and Ukraine. That notwithstanding, we set out a policy emphasizing profit, and transitioned to a leaner corporate structure, and improved business process efficiency, which led to profit. For example, our rental business has grown because of an increase in demand for short-term rentals given the shortage of goods.

In the Services Business, our collection agency services grew by capitalizing on the need to do business without meeting in-person. We are also expanding the Investment Business, such as

through our solar power generation business and housing rental and real estate business.

In 2019, anticipating the need for Buy Now, Pay Later (BNPL) services, we invested in Net Protections Holdings, Inc., which listed on the Tokyo Stock Exchange last year, and we are deepening our ties with the company.

In 2020, we set up a 20-billion-yen facility for ESG investment and we continue to invest in related projects. Our objective is to aid the growth of startups with new ideas and to gain knowledge from that. Target investments are selected on the basis of potential for collaboration to create synergies, for each party to utilize its respective knowledge bases, and for growing the business together.

Given the Ricoh Leasing Group’s scale, rather than competing in individual businesses, it is vital to realize synergies, add value, and create new businesses through internal and external relationships. It is thus essential to experiment with related businesses, redefine areas in which to compete, and adapt the method of competition.

For example, new services have arisen from the solar power generation business we ourselves initiated. Since we launched the business, there have been challenges to overcome on an almost daily basis, such as falling generation efficiencies or cracks

in solar panels caused by hail. If such issues are spotted immediately and action is taken, impact on the bottom line can be avoided, but often they are not noticed until months later. "Solar Assist" is a service we developed to stay apprised of system status in real time and avoid missing signs of change. Unique new services that we can provide are thus born wherever customers have issues and needs.

Looking ahead, the issue will be how to secure sources of

revenue while maintaining a lean and sound structure. We are planting seeds for new businesses, and while nothing yet has emerged to equal finance, real estate, or solar power, we nevertheless hope to grow small possibilities into key pillars of our business.

Details on pages 22–23 Progress of Mid-term Management Plan

As the external environment changes, our focus is on our capacity for circulation-style services, which are needed by the world. In the next mid-term plan, we will be investing in human resources as part of our strategy to strengthen the organization.

The external environment the Group operates in has changed significantly during the two years of the COVID-19 pandemic. Even if the pandemic recedes, there are concerns that goods shortages and rising raw material prices might continue, and supply-demand balance in the supply chain as a whole might remain disrupted. There is therefore a need for circulation-style services.

Furthermore, if shortages of natural gas and oil persist, industry structures will have to change and achieve greater energy efficiency. Coal-fired power generation has a large environmental impact, which makes the development of renewable energy urgent.

Since solar power generation on its own is non-dispatchable, we need to develop storage technologies. As the world changes, a shift to circulation-style services is urgently needed.

Our next mid-term plan will begin in fiscal 2023. We are mindful that the environment for leasing and finance may shift away from conventional financial services, such as installment sales, to subscription-based services. Going forward, we will continue to grow our renewable energy and real estate businesses.

Currently, as part of our strategy to bolster organizational capacities, we seek to foster a culture of mutual respect for diverse



and independent individuals and are training employees so that they can direct their own skill development. Furthermore, to bring greater diversity to Ricoh Leasing, we are actively hiring mid-career staff.

We are particularly focused on investing in personnel who possess the skills necessary to promote digital transformation ("DX"). A non-digitalized business is unthinkable today. We are also structuring a new mission-critical system that enables us to better utilize digital technology and respond quickly and flexibly to emergent trends.

In 2021, we were selected as a featured DX company among DX Stocks 2021, a joint initiative by the Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange. We established our DX Strategy Office that year and are promoting the renewal of web services for vendors and users, and the digitalization of various procedures. Rather than just looking for programmers who excel in specific skills, we are now seeking individuals who understand cutting-edge digital technology and can drive it forward as a business.

In the next mid-term plan, we will continue to emphasize

human resource investment. However, there are various ways to invest in human resources, such as through headcount growth, higher salaries, or training to improve skills. There are certain hurdles that make it more difficult to flexibly hire excellent talent and implement functional turnover at Japanese companies than it is for companies outside Japan. As such, we must first train our people while working to raise the Company's overall capability in a well-balanced manner.

In fiscal 2021, as part of our investments in human resources, we presented a "Mirai Award," a Group-wide commendation system targeting increased employee motivation and engagement by recognizing work that has produced excellent results in quantitative terms. In the Group-wide category, five initiatives were commended for outstanding achievement, including Solar Assist (mentioned above). In the sales category, eight organizations were commended. We hope that higher employee motivation and engagement will create a virtuous cycle for the environment, society, and the economy.

Details on pages 50–55 Create a Happiness Company and Society

The basic concept behind sustainability management contains the very essence of our corporate philosophy. We will strike a balance between generating profit and protecting social values.

The push in recent years to address issues such as achieving the SDGs, ESG, environmental conservation, and human rights has gained momentum globally, and there is increased focus on working toward common values that transcend borders.

Companies are also called upon to implement sustainability management in response to these issues, and such an approach is the very essence of Ricoh Leasing's corporate philosophy. Accordingly, when employees fully understand our corporate philosophy, they should act in a sustainable manner as a matter of course.

It is important to both generate profit and protect social values. Society will not sanction profits earned through corporate misconduct, while a company that focuses solely on a false sense of moral superiority and fails to make money will lose its reason to exist. It falls to companies to ensure an economic rationality that produces profit, while matters that merit moral attention must be addressed through the shared values of employees—i.e., the values conveyed in our corporate philosophy. While maintaining this balance, the Ricoh Leasing Group will strive to cultivate understanding of our corporate philosophy and maintain

sustainable management.

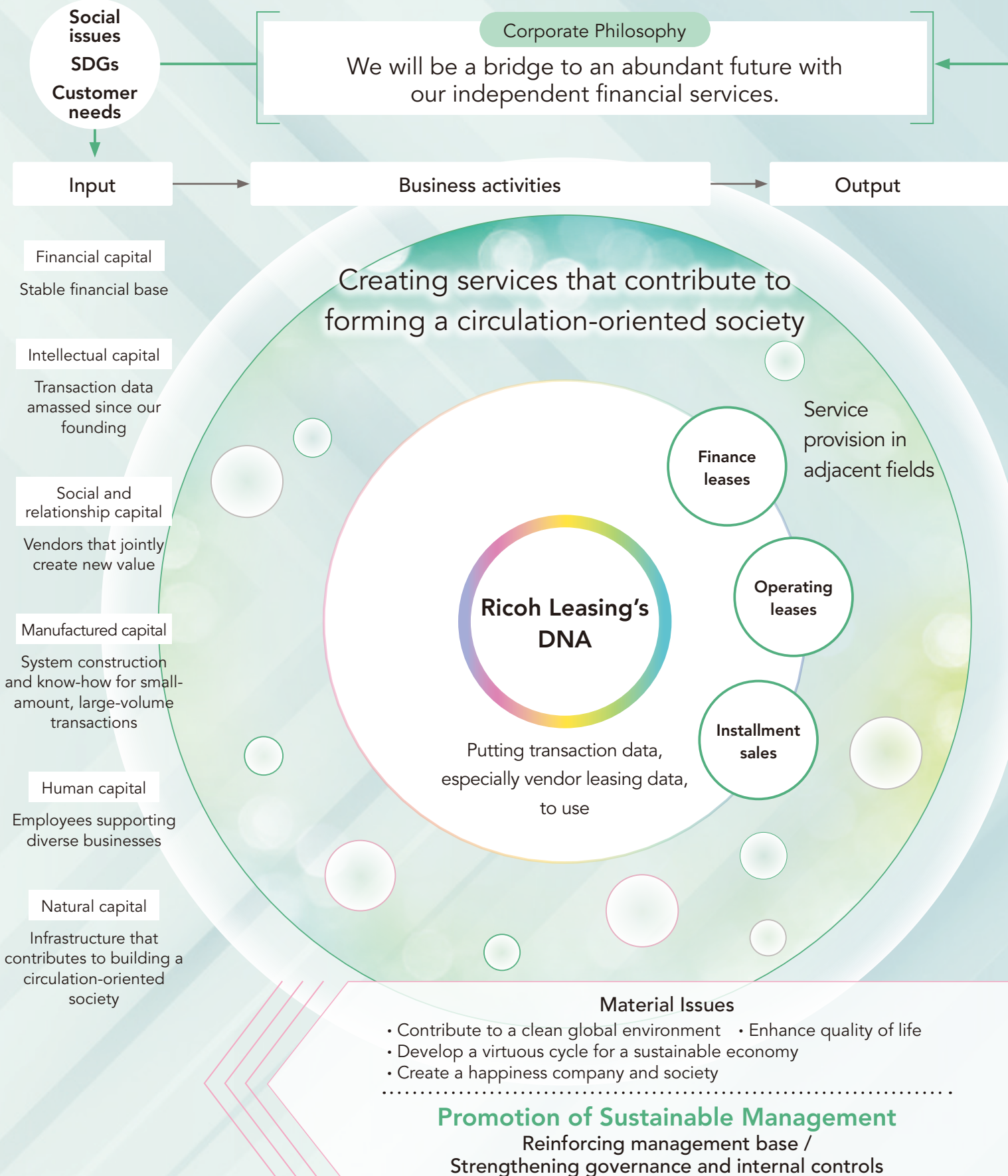
In fact, I have asked each division to develop its own interpretation of our policy, under which it perceives our corporate philosophy in a certain way, and sees Ricoh Leasing uniqueness in its own way. In addition, we provide training to link knowledge related to the SDGs and ESG that employees have acquired independently to business operations, and I sense that it is now being reflected in their actions.

To conclude, in fiscal 2021, the Group was able to exceed our expectations in terms of profits, despite the lingering impacts of COVID-19. Companies must of course look after short-term profits, but achieving long-term growth is even more crucial, and that is what will contribute to realizing a sustainable world. Moreover, by sticking to this path, our corporate value will continue to rise.

We ask for the continued support of our shareholders and hope that the ideas set forth in our corporate philosophy will resonate with them.

Please look forward to the future evolution that awaits Ricoh Leasing.

Value Creation Process





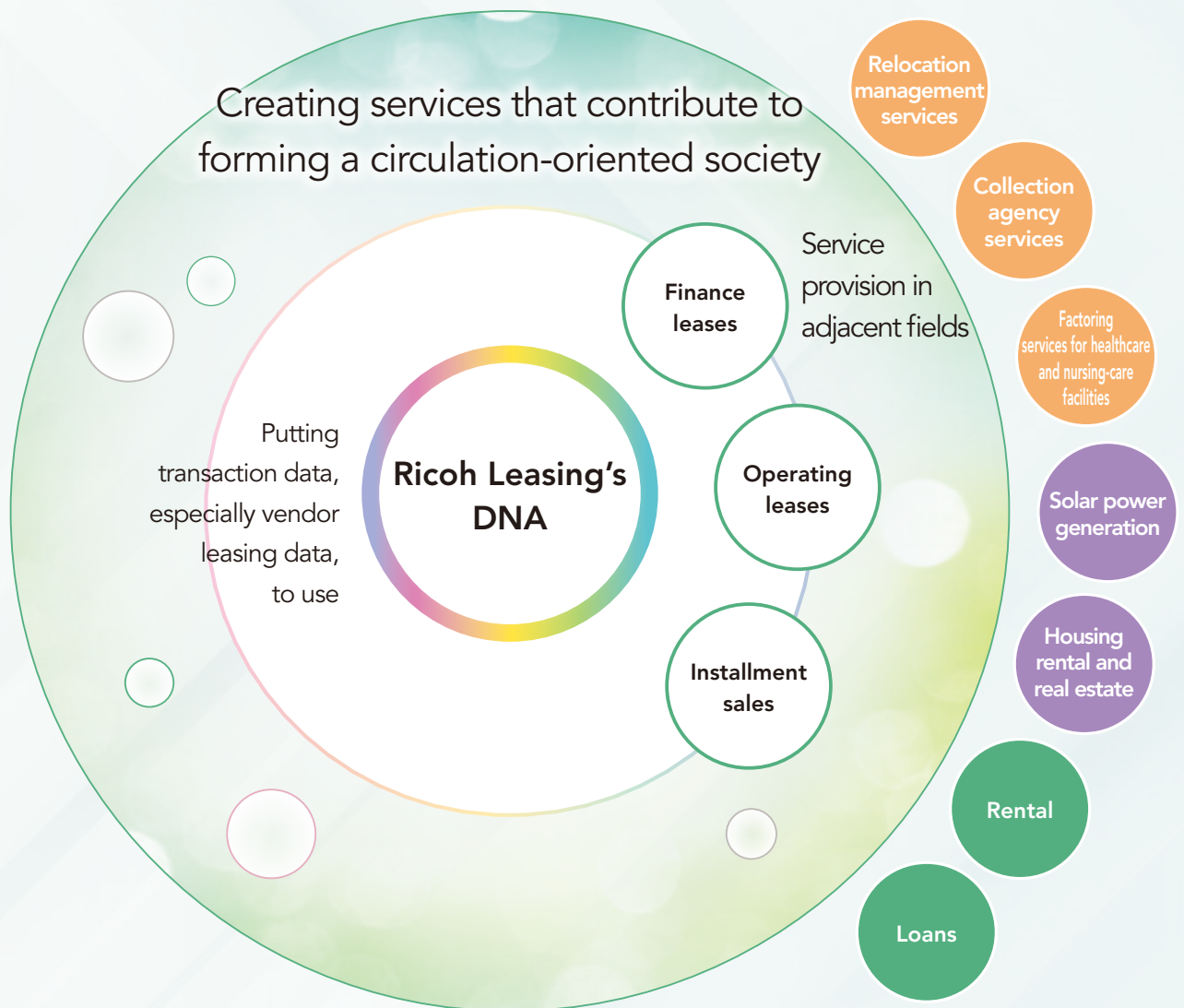
Business Model

With vendor leasing in our DNA, and taken as our core “uniqueness,” we are aiming to create new businesses as a real-world business that also handles finance.



Our DNA and Corporate Culture

Vendor leasing which can be said to be in Ricoh Leasing’s DNA, is where we have accumulated a track record of transactions, especially in support of capital investments by small- and medium-sized enterprises. Our corporate culture is to provide our partner companies and customers with financial services in line with our corporate philosophy, starting with small amounts and small lots, and we constantly seek to improve our service levels to support them.



Example

Business born from vendor leasing

The Ricoh Leasing Group has a track record of serving approximately 400,000 customers and partnerships with approximately 6,000 vendors, which provides an important foundation for its business. We seek to create businesses in adjacent fields by further developing the know-how we have cultivated in building our vendor leasing business, which is in our DNA, as well as our relationships with customers and vendors.

Our collection agency services are one example of a business we developed in line with the needs of customers and vendors.



Collection agency services

Ricoh Leasing has built a bank account transfer network with financial institutions nationwide to facilitate the collection of lease fees from leasing customers. Vendor partners from a host of different industries were encountering issues with accounts receivable collection for consumables and related items they sell, which led us to launch a receivables collection agency service to streamline billing and collection operations.

Our bill payment collection agency service, which collects payments in a similar way to electricity and other utilities, offers two services. We use our bank account transfer system to collect payment from customer bank accounts of the receiving company. We also offer convenience store payment services, through which more than 50,000 convenience stores are ready to collect payments 24 hours a day, 365 days a year

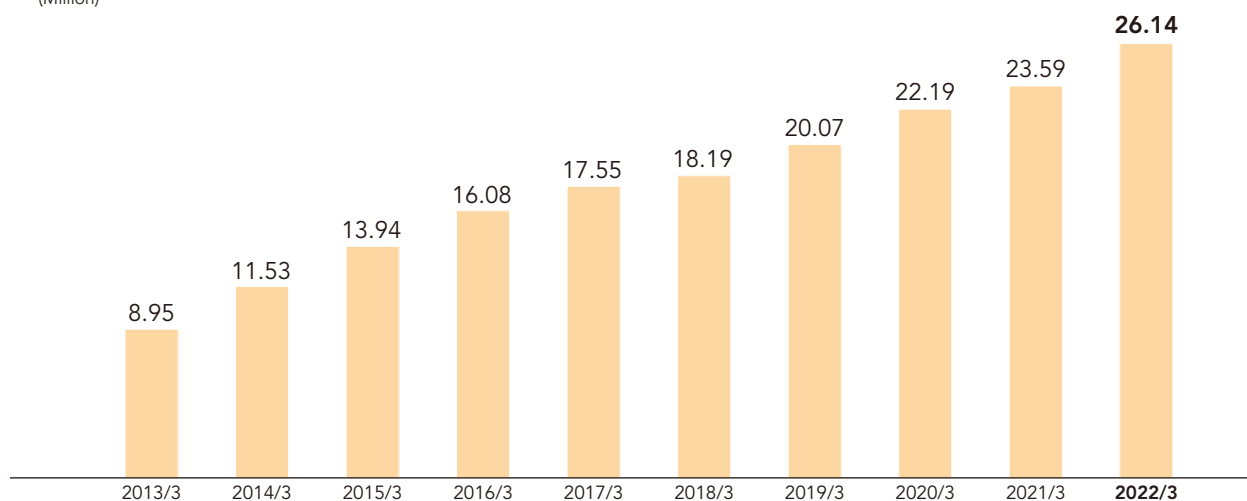
on behalf of customers.

Recently, the need to avoid in-person contact has increased in the wake of COVID-19. For example, in the case of hospitals, convenience store payments can be used for after-the-fact billing, such as for hospitalization charges, bed-changing fees, emergency outpatient visits at nighttime or on holidays, etc. and in-person payment can thus be avoided.

Currently, there are more than 10,000 companies that have enrolled in our collection agency service, which is used across various industries. In this way, we contribute to billing and collection operation efficiency for companies with receivables.

Number of transactions in collection agency services

(Million)



Message from the General Manager of the Business Strategy Division

Real-world business that also handles finance

Growth strategy guided by a corporate culture that
continues to embrace challenges

Here we lay out the present and future growth strategies of the Ricoh Leasing Group, which aims to create virtuous environmental, social, and economic cycles and become a bridge to an abundant future.

The vendor leasing business model is in our DNA

The strength of the Ricoh Leasing Group is its people. Over the years, we have worked diligently with our customers and vendors to build a vendor leasing business model. Our strength comes not only from our financial knowledge, but also from having worked with vendors to structure the sales process itself as a problem-solving mechanism for small- and medium-sized business customers. Our approach of supporting vendor sales as a routine part of business allows us to take a unique stance that banks and major leasing companies cannot. The solid and serious corporate culture that is in our DNA is the backbone for our activities. By passing down it and the passion behind it from employee to employee, this stance is one that will continue to endure.

A further strength of our vendor leasing business is its adaptability for use as a business model in various fields.

Our Investment Business is a classic example of business development based on “amoeba management.” We started by financing home loans and solar power generation equipment, and from there we gradually expanded our scope. We have many down-to-earth employees who are also willing to take on

challenges, and our culture encourages employees to freely venture into many adjacent fields and engage in new endeavors. A repeated cycle of such small-scale initiatives has led to the creation of new businesses.

From a leasing and finance company to a real-world business that also handles finance

The Investment Business embodies our medium- to long-term vision of becoming a Circulation-Creating Company, and symbolizes our growth from a leasing and finance company to a real-world business that also handles finance.

In our housing rental and real estate business, our ultimate goal from the beginning was to resolve the various social issues that arise when a population ages. To begin with, we found it essential that we ourselves become a real estate developer in order to resolve the current difficulties that elderly people have renting a home. In dealing with investment properties, we started by renovating older properties. Collecting data on locations, competing properties, and rental prices helped deepen our knowledge. As a result, we are able to make agile property development investments.

As with vendor leasing, our business direction and focus is on relatively

small-scale homes and on local revitalization. Early on, this policy led us to renovate housing complexes together with JS Corporation. In the social and community domain, we recognize the need for housing that is stress-free to live in for not only the elderly, but also many others, including people living alone and single-parent families. We are currently proceeding on a trial-and-error basis to see how we can integrate this business with other services. For example, a variety of services and facilities can meet a host of needs, such as those relating to security or increased health awareness, and consequently, we think they can also create a stable earnings base by absorbing risks inherent to rental housing, such as rises in interest rates.

The biggest issue that aging societies face is population decline. Japan is already reliant on foreign-national businesspersons and workers. Our medium- to long-term vision is to become a Circulation-Creating Company, and as such, we also recognize the global circulation of people as an important theme. Mainly through Group company Enplus, we are creating safe, secure and comfortable living spaces for foreign residents.

However, in our Investment Business, the housing rental and real estate business and the solar power generation business

comprise a business portfolio that behaves differently to the Leasing & Finance Business, which is subject to volatility given its direct links to economic activity.

While the state of economic activity undoubtedly affects both businesses, housing and solar power are comparatively stable and essential assets needed for everyday life. Therefore, as long as we can maintain steady operation, their performance will fluctuate differently, with fewer ups and downs. In the future, we will further develop our power generation business beyond solar power to also explore environment-related businesses, including other energy sources.

Toward sustainable growth

One could assert that, to date, the Group's growth has been based on vendor leasing, and its business areas have grown based on its regional information network and the capabilities of its employees, who bravely take on challenges. However, in the quest for sustainable growth as a real-world business that also handles finance, we must not forget to pursue lean management, or to increase our risk appetite by expanding our scale to some extent. On the other hand, we also recognize the increasing importance of controlling risks to facilitate more trial and error in an era of rapid change.

In conclusion, we believe that business alliances and capital partnerships are important options for growing in business domains related to ESG and thereby resolving social issues. Partnering with companies that can enhance our platform's functions also saves time for both parties. We therefore hope to expand tie-ups with like-minded partners.



Shinichi Kuroki

Director and
Managing Executive Officer

Progress of Mid-term Management Plan

Performance toward targets

The Ricoh Leasing Group commenced its three-year Mid-term Management Plan ("the Mid-term Plan") in fiscal 2020. The Company has set targets of achieving operating profit of 20 billion yen, ROA of 1.1% or more and ROE of 6.7% or more for fiscal 2022, the final fiscal year of the plan.

In fiscal 2021, the second year of the Mid-term Plan, operating profit, ROA, and ROE exceeded our initial forecast as a result of better asset yields and growth in the rental business. Operating assets fell short of our initial forecast, as sporadic resurgences of COVID-19, semiconductor shortages and the emergence of supply chain risks exacerbated harsh corporate capital investment conditions.

	FY2020 results (Year one of Mid-term Plan)	FY2021 forecast at beginning of year (Year two of Mid-term Plan)	FY2021 results (Year two of Mid-term Plan)	FY2022 forecast (Final year of Mid-term Plan)	FY2022 Mid-term Plan targets
Operating profit	17.4 billion yen	18.5 billion yen	19.2 billion yen	20 billion yen	20 billion yen
ROA (Net profit ÷ Total assets)	1.04%	1.06%	1.15%	1.12%	1.1% or more
ROE (Net profit ÷ Shareholders' equity)	6.4%	6.4%	6.9%	6.5%	6.7% or more
Operating assets balance (Before deduction of securitized lease receivables)	1,039.4 billion yen	1,133 billion yen	1,055.0 billion yen	1,096 billion yen	1,200 billion yen
Payout ratio	25.6%	28.1%	27.4%	30.8%	30.0%

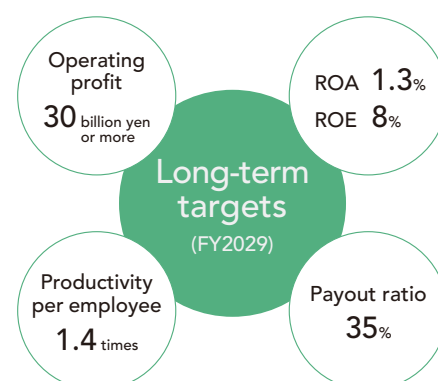
Long-term targets

We will strive to increase our corporate value by setting long-term targets for operating profit, ROA, ROE, productivity per employee and the dividend payout ratio to be achieved by fiscal 2029.

Our goal is to achieve operating profit of 30 billion yen or more by strengthening existing businesses, creating new businesses (especially non-asset businesses), and investing in businesses for inorganic growth.

We will improve ROA and ROE by selling receivables and selling or replacing assets, improving asset quality through better cost of capital management, and implementing our capital policy.

We will not only grow our business, but also increase our productivity by 1.4 times that of fiscal 2019 by continuing our pursuit of higher quality, and more efficient, business processes through growth-investments in human resources, IT, and core systems.



Mid-term Management Plan—Strategies and measures

The Mid-term Plan links our business domains as defined using ESG principles with the business growth strategy.

Domain	E Recirculation for the Environment Contributing to reasonable recirculation for the environment and restoration		S Social & Community Contributing to the creation of safe and secure living environments for diverse customer groups and creating rich and vigorous communities		G Business & Governance Contributing to economic activity—work, commerce and manufacturing—to enable society to achieve sustainable growth	
Subdomain	Energy (energy generation and conservation)	3R (reduce, reuse, recycle)	Healthcare & Wellness	Residence & Life Support	Work & Commerce	Industry & Infrastructure
Business growth strategy	(3) Contributing to the realization of a clean global environment rooted in recirculation	(5) Reconstruction of the rental business	(2) Creation of safe, secure and pleasant living environments		(1) Continuing evolution of vendor leasing and enhancement of the value provided to customers	
		(4) Pioneering new business areas and creating business models				
		(6) Business expansion not dependent on assets				
Strategy for enhancing organizational strength		(7) Business expansion in an alliance with Mizuho Leasing				
		(1) Development of a mission-critical system and operation structure to pursue high quality and high efficiency				
		(2) Human resource management linking employee happiness to the expansion of the Company				
		(3) Reinforcement of governance				

In business domains symbolized by E, S and G, we will carry out a seven-pillared business growth strategy and a three-pillared strategy for the enhancement of organizational strength with a view toward achieving the targets for fiscal 2022, the final year of the Mid-term Plan, and helping to realize the continuing development of the environment, society and the economy.

Business Growth Strategy		Related SDG Goals	Measures
1	Continuing evolution of vendor leasing and enhancement of the value provided to customers	   	• Further enhancement of vendor support function • Development of portal for customers and enhancement of value provided • Deployment of measures to further upgrade assets
2	Creation of safe, secure and pleasant housing and living environments	     	• Contribution to revitalization of local communities by the housing rental business + peripheral services • Provision of diverse loans in line with the external environment • Reinforcement of sales of solutions in the fields of healthcare and wellness
3	Contributing to the realization of a clean global environment rooted in recirculation	    	• Provision of finance services in the renewable energy field and investment in the power generation business • Reinforcement of 3R contributing to environmental circulation and reduction of environmental load
4	Pioneering new business areas and creating business models	   	• Pioneering new fields through diversification of financing methods • Creation of new businesses through collaboration with investees and alliance partners • Business investment focused on ESG • Taking on challenges into overseas markets
5	Reconstruction of the rental business	    	• Expansion of the rental business through collaboration with Ricoh Group companies • Expansion of initiatives in the ICT field • Deployment of new rental services
6	Business expansion not dependent on assets	  	• Reinforcement of new field pioneering by existing products • Development of services that meet expectations and needs of society and customers
7	Business expansion in an alliance with Mizuho Leasing		• Reinforcement of existing businesses and creation of new business opportunities
Strategy for Enhancing Organizational Strength		Related SDG Goals	Measures
1	Development of a mission-critical system and operation structure to pursue high quality and high efficiency		• Development of a new mission-critical system • Promotion of business efficiency and improvement of quality through standardization and automation • Examination and credit function reforms (mechanisms and use of AI)
2	Human resource management linking employee happiness to the expansion of the Company	    	• Deployment of measures to increase the happiness of employees • Continued promotion of diversity & inclusion • Acquisition and training of personnel to realize growth
3	Reinforcement of governance		• Deployment of measures to increase corporate value • Enhancement of internal controls and internal audits

Financial Strategy

Our goal is to enhance our ability to generate earnings and maximize corporate value by improving profitability and accumulating assets.

Hiroshi Osawa

Executive Officer
General Manager of Corporate Management Division



Performance in year two of the Mid-term Management Plan

In fiscal 2021, the second year of the Mid-term Management Plan, fifth and sixth waves of the COVID-19 pandemic in Japan caused overall economic activity to stagnate. Moreover, there was persistent supply chain disruption triggered by shortages of semiconductors and other products. As a result, the Group continued to face an extremely severe business environment.

According to finalized data from the Japan Leasing Association, transaction volumes in the leasing industry decreased in fiscal 2021 by 8.1% YoY to 4,218.6 billion yen. Under these circumstances, the Group experienced a 6.9% decline in net sales from the previous fiscal year. However, asset yields in our core Leases & Finance Business improved as we maintained and strengthened our policy emphasizing profit. Additionally, our rental business and collection agency services business performed solidly, capturing new demand arising under COVID-19.

Moreover, in pursuit of our medium- to long-term vision of becoming a Circulation-Creating Company, we invested in a new

core system and in human resources, and sought to strengthen our management foundation through initiatives that include curbing selling, general and administrative expenses. We faced a series of tough calls, but the result of our efforts was a second consecutive year of record operating profits in fiscal 2021.

Growing a stock of high-quality operating assets

Operating assets stood at 1,055.0 billion yen at the end of March 2022, an increase of 15.5 billion yen from the previous fiscal year. In the Leases & Finance Business, while leases and installment sales struggled, loans were a growth driver, as condominium loans to individuals, loans to condominium management associations, and corporate lending (mainly for residential and logistics facilities) grew. Meanwhile, we succeeded in growing operating assets such that profitability increased overall, backed by ongoing efforts to improve yields on new leases, Techno Rent's rental business, and steady performance in re-leasing.

In the new businesses that make up our Investment Business,

Consolidated results

(Billion yen)

	2021/3	2022/3	
	Full-year results	Full-year results	Growth rate
Net sales	326.2	303.8	(6.9%)
Gross profit	37.7	40.0	6.2%
Selling, general and administrative expenses	20.2	20.7	2.6%
Operating profit	17.4	19.2	10.4%
Ordinary profit	17.5	19.5	11.5%
Profit attributable to owners of parent	12.0	13.4	12.2%
YoY change			
Dividend per share (yen)	100.00	120.00	20.00
Return on assets (ROA)	1.04%	1.15%	0.11%
Return on equity (ROE)	6.4%	6.9%	0.4%

Operating assets

(Billion yen)

	2021/3	2022/3	2023/3	
	Actual	Actual	Forecast	YoY change
Finance leases	599.7	582.2	591.0	8.7
Operating leases	30.4	29.5	30.0	0.4
Installment sales	161.6	160.8	163.0	2.1
Loans	200.6	221.9	232.0	10.0
Total of Leases & Finance Business	992.5	994.5	1,016.0	21.4
Solar power generation	16.6	19.0	—	—
Housing rental and real estate	30.2	41.4	—	—
Total Investment Business	46.9	60.4	80.0	19.5
Total operating assets	1,039.4	1,055.0	1,096.0	40.9

Note: The balance of operating assets includes securitized lease receivables.

alongside secondary market solar power plant projects, we were able to steadily accumulate assets by responding to the shift from power generation to self-consumption models based on the FIT system, and by starting on-site PPA initiatives. In our housing rental and real estate business, amid soaring real estate prices, we steadily accumulated operating assets by diversifying financing methods, including through the careful selection of assets and contract terms for equity investments and held short-term trust beneficiary interests.

These efforts have enabled us to grow our operating assets in a more robust manner, and we have attained the Mid-term Plan's final-year ROA target of 1.1% or more one year ahead of schedule. Although total operating assets will fall short of the Mid-term Plan's final year target of 1,200 billion yen as of March 31, 2023, our profitability continues to improve, and we therefore forecast an increase of 40.9 billion yen (versus the previous fiscal year-end) to 1,096.0 billion yen.

At the same time, we intend to strengthen investment in our focus areas by pushing ahead with the use of our ESG investment framework to start new businesses. In addition to accumulating high-quality operating assets that will be the source of future earnings, we will strive to improve the quality of, and rebalance, our operating assets, while assessing a variety of different opportunities and risks in each business area.

Continuing to diversify funding

We aim to diversify risk by diversifying our funding methods, including the use of corporate bonds, borrowings from financial institutions and commercial paper. The Group also promotes sustainability management, and a variety of funding programs based on ESG trends have emerged in this field. For example, we take a proactive stance toward funding programs that enable us to conduct our core business while also

providing benefits in terms of funding, as characterized by the emerging phenomenon of "greenium".¹ In fiscal 2021, we carried out ESG financing through Sustainability Linked Loans (SLL),² which link the achievement status of sustainability performance targets (SPTs) with loan terms. We plan to do further research and implement a variety of funding methods in the future.

As a precaution against rising interest rates, we set our tolerance ranges in advance and then monitor market conditions. We work to stay apprised of and manage interest rate risk by monitoring structural factors including our fixed liability ratio, which shows the percentage of our total liabilities that carry a fixed interest rate, and the balance between our short- and long-term liabilities, while also considering our assets on the investment side. While there are mounting concerns about higher interest rates given the backdrop of global inflation, we will continue to strengthen our risk management system and work to control costs.

1. "Greenium" or "green premium" refers to the phenomenon that investors are prepared to accept lower yields (or higher prices) for environmental bonds than ordinary bonds with the same terms/conditions.
2. Loans in which targeted matching ESG strategies are set and incentives are generated in accordance with the achievement of the targets.

Forecast to achieve a 30% dividend payout ratio

In April 2017, we set a dividend payout ratio of 25% as our medium- to long-term target, and have strived for stable shareholder returns since then. Currently, we have set a target of raising the ratio to 30% in the fiscal year ending March 31, 2023, the final year of the Mid-term Plan, and we expect to achieve it. To continue providing greater shareholder returns, we have set a long-term target of 35%. We will continue to implement a variety of shareholder return policies going forward, while seeking growth in our business, a sound financial position, and balancing these with our overall capital policy.

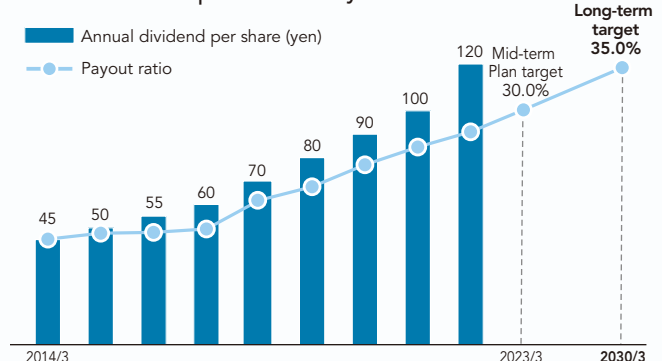
KPIs and SPTs of Sustainability Linked Loans

KPIs	SPTs		
CO ₂ emission volumes (Scope 1 and 2)	FY2021	FY2022	FY2023
	814.5	773.8	728.4
CDP climate change score	FY2024	FY2025	FY2026
	683.0	637.6	592.2
	Maintain leadership level (A or A-)		

Notes: CO₂ emissions unit: t-CO₂

The annual setting for CO₂ emissions varies depending on the financial institution.

Annual dividend per share / Payout ratio



Strategy by Segment



Leases & Finance Business

Data

Business description	Leasing/rental/installment sales/credit for office/information-related equipment, medical equipment, industrial machine tools, etc. Corporate loans, industry-specific loans, condominium loans, etc.
Main companies	Ricoh Leasing Company, Ltd., Techno Rent Co., Ltd., Tokyo Business Rent Co., Ltd.

Strengths

- Track record of transactions with approximately 400,000 companies, mainly small- and medium-sized businesses
- A business model supporting the sales of around 6,000 vendors through established business relationships
- High quality and efficiency of the operation system
- Nationwide sales network
- Flexibility to respond to wide-ranging needs

Opportunities

- Expansion of collaboration founded on a solid customer base
- Expansion of collaboration to address needs for automation amid an aging population and declining birthrate
- New demand for subscription, sharing and other services
- Technological innovation such as electric vehicles spurring the evolution of the field of mobility
- Contribution to the achievement of the SDGs through sales operations responding to social issues
- Diversification of work styles during the COVID-19 pandemic and amid the trend toward digitalization

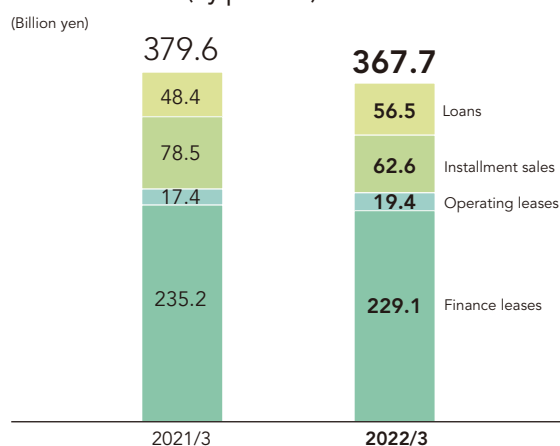
Threats

- Intensifying competition due to businesses from other sectors entering the vendor leasing market
- Contraction of markets outside of urban concentrations due to an aging population and lower birthrate

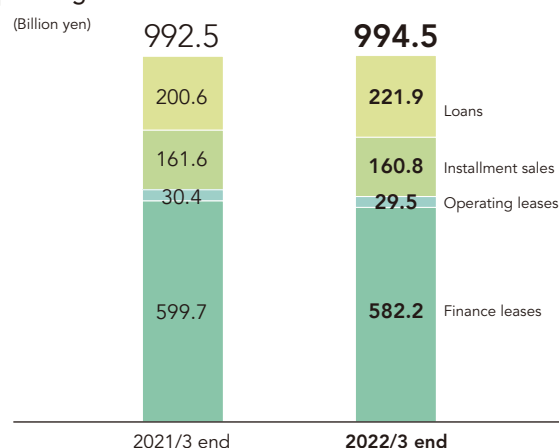
FY2021 results

	FY2020 results	FY2021 results	Growth rate
Net sales	318.1 billion yen	293.2 billion yen	(7.8%)
Segment profit	16.8 billion yen	18.7 billion yen	11.5%

Transaction volume (by product)



Operating assets



Note: The balance of operating assets includes securitized lease receivables.



Business strategy

Business growth strategies and major achievements under the Mid-term Management Plan

Creation of safe, secure and pleasant housing and living environments

Loans to condominium management associations

Solid growth performance based on continuous sales activities

Structured loans

Growth in project finance for residences and logistics facilities

Reconstruction of the rental business

ICT equipment

Increased sales by capturing short-term needs for ICT equipment such as PCs during the COVID-19 pandemic

Collaboration within Ricoh Group

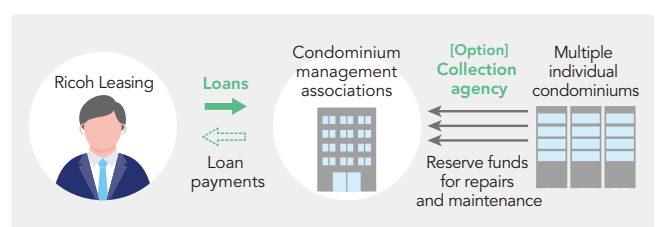
Strengthen Group collaboration in products such as MFPs including refurbished machines, BCP rental packs, and projectors

FY2021 results

In the Leases & Finance Business, the yield on new contracts continued to improve based on our policy of emphasizing profitability. Although operating assets in leases and installment sales declined due to lower transaction volumes stemming from COVID-19 effects and semiconductor shortages, loans grew thanks to our focus on condominium loans and structured loans, leading to an increase in overall operating assets. Moreover, improved yields and growth in the rental business boosted gross profits, which allowed higher selling, general and administrative expenses to be absorbed, and segment profit increased.

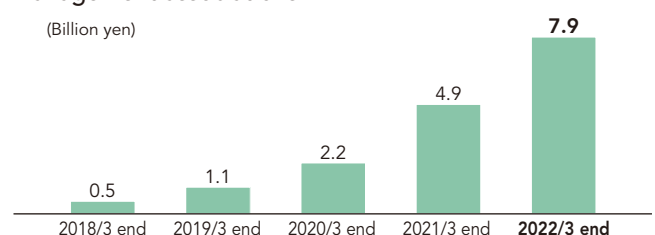
TOPICS Increase in loans to condominium management associations

Since 2016, Ricoh Leasing has been working to sell loans to condominium management associations that need loans for large-scale repairs due to a shortage of reserve funds for repairs and maintenance. In recent years, construction costs, such as material prices and labor costs, have soared, and an increasing number of associations have found themselves lacking such funds. In order to meet these needs, we are working to strengthen sales to management associations in the Tokyo metropolitan area. Such efforts have contributed to growth in assets and profits in the loan business.



Balance of loan assets to condominium management associations

(Billion yen)



Strategy by Segment



Services Business

Data

Business description	Agency services such as invoice issuance and accounts receivable collection, factoring services for healthcare and nursing-care facilities Relocation management business, serviced apartment planning, operation, introduction business, etc.
Main companies	Ricoh Leasing Company, Ltd., Enplus Inc.

Strengths

- Infrastructure for providing services throughout Japan capable of accommodating any customer size and transaction volume
- Sales networks utilizing channels and so forth
- Personnel with expertise and knowledge in healthcare and nursing care

Opportunities

- Expansion of collaboration that leverages the customer base
- Demand for diversified payment methods due to need to avoid face-to-face contact
- Demand for BPO business after changes in the structure of industry
- Increasing need for healthcare and nursing care in an aging society
- Growing need for business streamlining and DX

Threats

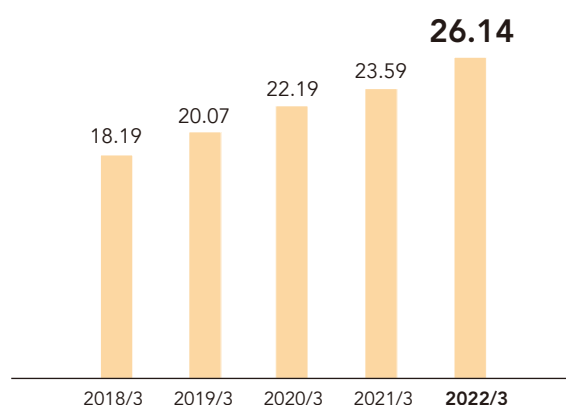
- Emergence of competitors in fintech and other businesses
- Information security risks due to the digitalization of financial services

FY2021 results

	FY2020 results	FY2021 results	Growth rate
Net sales	5.5 billion yen	6.5 billion yen	18.9%
Segment profit	1.5 billion yen	1.3 billion yen	(10.6%)

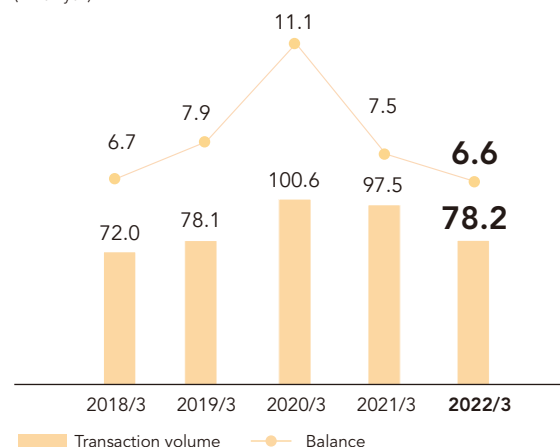
Number of transactions in collection agency services

(Million)



Transaction volume in factoring services for healthcare and nursing-care facilities

(Billion yen)





Business strategy

Business growth strategies and major achievements under the Mid-term Management Plan

Pioneering new business areas and creating business models

Captured Olympics demand

Growth in serviced apartment business for tournament competitors visiting Japan

ESG investment in AP67 Co., Ltd.

Contribute to the promotion of DX in the dental industry, invested with the aim of building new services

Business expansion not dependent on assets

Collection agency services

Increased handling for real estate rental agencies and home-visitation businesses that support healthcare and nursing-care

Cooperation with Net Protections Holdings, Inc.

Released a new function that delivers earlier payments in NP Kake Barai, a deferred business-to-business accounts receivables payment service

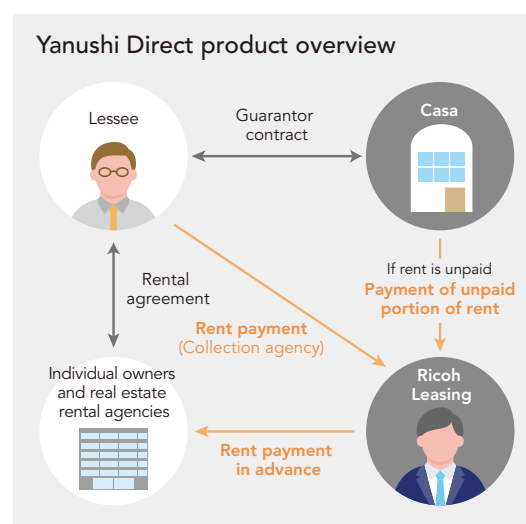
FY2021 results

In collection agency services, the number of billings for rent, medical expenses, etc. continued to increase given the need for contactless transactions and avoiding in-person handling amid the COVID-19 pandemic, resulting in a steady increase in the number of bills handled overall. In factoring services for healthcare and nursing-care facilities, cancellation requests arose due to increased support from public funds. In addition, the earnings of Enplus Inc., which was made a consolidated subsidiary in fiscal 2020, have been reflected in our consolidated results. As a result, although sales increased, segment profit decreased.

TOPICS Development of Yanushi Direct rent guarantee and collection agency service for landlords

Since May 2016, we have been selling Yanushi Direct with Casa Inc., a company that offers rent guarantees for rental housing. In Japan, the rapid progression of a declining birthrate and aging has changed the rental housing landscape. The ownership of an estimated six million apartments and condominiums in Japan is accounted for by individuals. Among them is demand for a service that can meet their diverse needs. By packaging Ricoh Leasing's collection agency services and Casa's rent guarantees, our service improves the efficiency of rent collection for individual owners and real estate rental agencies. Furthermore, by enabling them to outsource rent collection and payment reminders, it eliminates default risks and supports stable rental property management.

In addition, the automatic inclusion of insurance for landlord costs and profit protection, which compensate for rent losses and restoration costs, ensure they are covered in rare incidents such as the unattended death of a tenant.



Strategy by Segment



Investment Business

Data

Business description	Solar power generation, housing rental and real estate
Main companies	Ricoh Leasing Company, Ltd.

Strengths

- A flexible business investing stance unique among financial businesses
- Business development centered on environmental financing of small- to medium-sized businesses
- Human resources with specialized knowledge and know-how in various business fields

Opportunities

- Shift to self-consumption solar power generation systems
- Demand for investment in environmental facilities based on the Japanese government's 2030 target for CO₂ reduction
- Increase in need for new housing due to demographic changes
- Growing need for the construction of logistics facilities due to increasing logistics demand
- Increasing need for real estate with the recovery of inbound demand

Threats

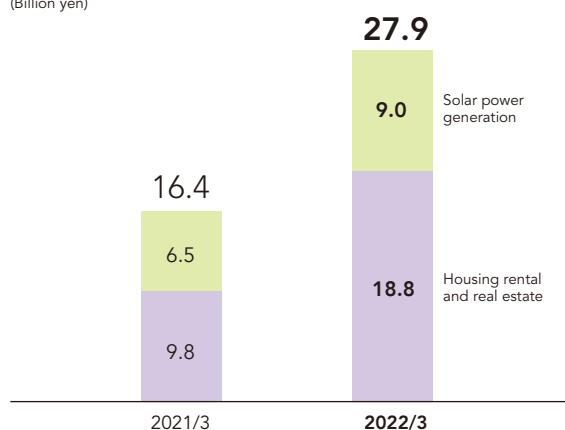
- Damage to assets owned and change in power output due to increasingly frequent natural disasters
- The entry of businesses from other sectors into the environmental business market amid increasing interest in ESG investing
- Decreased real estate value and revenue due to the reduction in rental demand

FY2021 results

	FY2020 results	FY2021 results	Growth rate
Net sales	2.5 billion yen	4.0 billion yen	57.4%
Segment profit	0.6 billion yen	0.8 billion yen	31.9%

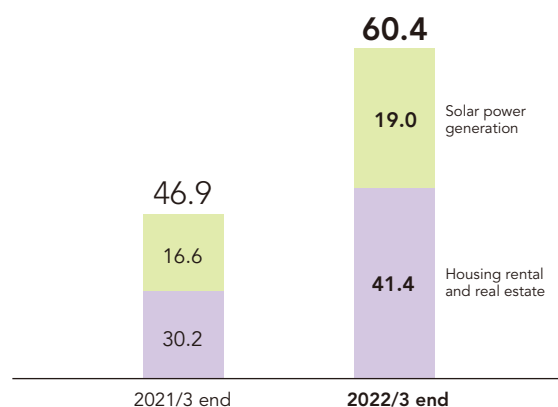
Investment amount

(Billion yen)



Operating assets

(Billion yen)





Business strategy

Business growth strategies and major achievements under the Mid-term Management Plan

Contributing to the realization of a clean global environment rooted in recirculation

Onsite PPA scheme

Start of solar power generation through on-site PPA scheme at Ricoh Group sites

Launch of Solar Assist

Established a website to support operations for solar power plant owners and launched power generation analysis and income/expenditure analysis.

Pioneering new business areas and creating business models

Equity investment

Invest in real estate-related properties such as residences, nursing homes, and commercial facilities

Trust beneficiary interest investments

Expand investment in land and buildings by strengthening partnerships with asset management companies

FY2021 results

In the Investment Business, our solar power generation steadily accumulated operating assets through investments in secondary market projects and self-consumption models. In housing rental and real estate, we steadily increased operating assets by carefully selecting assets and terms, and by diversifying financing methods, while maintaining a cautious stance in light of market conditions. As a result, both sales and segment profit increased.

TOPICS Increased efforts in trust beneficiary interests

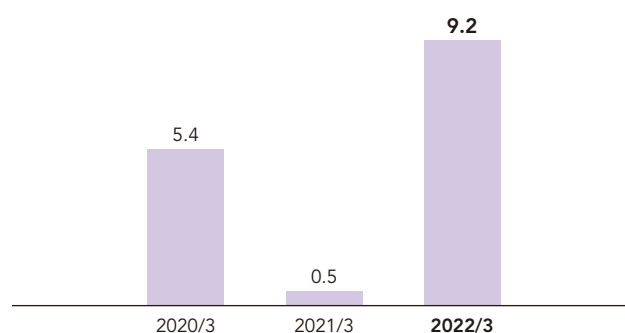
We have grown our initiatives in the real estate field through short-term holdings of trust beneficiary interests. Trust beneficiary interests represent the right to receive the economic profits, such as rent payments, generated by a real estate asset that has been put into a trust vehicle. When a real estate developer builds a property, Ricoh Leasing will hold the property for a short period of time in the form of a trust beneficiary interest, until it is incorporated into a real estate investment trust (REIT).

In the future, we hope to increase building and equipment leases with tenants who move into buildings we hold for a short period, and also plan to consider installing solar power equipment at real estate properties and leasing Net Zero Energy Buildings (ZEB).

Through these initiatives, our goal is to contribute to a sustainable, virtuous economic cycle through real estate securitization, and to further build our track record, while realizing synergies with related areas such as leasing and the environment.

Business Investments

(Billion yen)



Message from the Officer in Charge of Sustainability

Initiatives for a Stronger Corporate Platform and Greater Sustainability

—Becoming a Circulation-Creating Company—



As a Circulation-Creating Company that is building a sustainable society, the Ricoh Leasing Group's initiatives utilize the knowledge and experience of diverse personnel from both within and outside the Company to practice sustainability management.

Developing the six forms of capital to become a Circulation-Creating Company

As we enter the final year of our Mid-term Management Plan, we are implementing a seven-pillared business growth strategy and three-pillared strategy for enhancing organizational strength in business domains as defined using ESG principles. From its foundation in the vendor leasing business, the Ricoh Leasing Group has been transforming into a real-world business that also handles finance. Going forward, we are seeking to grow our Services Business and Investment Business to bring forth new circulation creation.

To this end, we are working to develop the six forms of capital specified under the International Integrated Reporting Framework: financial, manufactured, intellectual, human, social and relationship, and natural. Doing so will serve as a foundation for circulation creation and contribute to enhanced corporate value.

As a prerequisite, it is essential that we enhance our financial capital (in other words, ensure the growth of each business).

We will continue to manage our business while carefully managing the cost of capital and boost our ability to generate earnings, which will serve as the basis for strengthening our corporate platform and provide a source of cash for human resource investment, IT investment, improving the working environment, strengthening governance and contributing to society.

In addition to human capital, which is described in greater detail below, we aim to enhance our non-financial capital, including social and relationship capital (such as our network of 400,000 customers, 6,000 vendors and various business partners), manufactured capital (such as systems and expertise that support small-amount and large-volume transactions), and intellectual capital (such as transaction data and business models).

Effective use of intellectual capital through IT

Transaction data includes that relating to credit, billing and collection, property age and forecasts of end-of-lease terminal asset values. Effective use of this data enables us to avoid rate competition for new leases, and to provide appropriate estimates that anticipate lifetime profitability. It also facilitates the Group's ability to manage cost of capital with high precision.

For those reasons, making effective use of IT is essential. Based on our track record in developing the vendor leasing business, we have begun expanding laterally into other fields. Grasping the issues that arise within the business processes and providing structured, standardized and systemized solutions will bring about DX that contributes to customers' businesses. We will strengthen our IT governance, including our approach to security issues, continue to develop and invest in IT personnel, and collaborate with external parties.

Strengthening human resource development

In providing "intangible" financial services, the key for corporate growth is to develop human resources with flexibility and expertise. To grow over the longer term, we must plot a non-conventional growth trajectory. For that reason, we believe that emphasizing diversity is a must. We will implement a human resources strategy based on our approach of creating a virtuous cycle with society by achieving both employee happiness and company growth. However, there is a limit to what one company can do. Developing personnel capable of championing sustainability also requires that we create new value by leveraging our DNA in conjunction with human resources who possess outside knowledge and experience. When making ESG-related investments, we select investment targets based on whether they align with our corporate philosophy and whether we can anticipate synergies that will enable us to grow our businesses together.

Another of Ricoh Leasing's strengths is its operational capabilities. Women account for about half of our employees, and the active role that they play is a driving force behind the Company's growth. To that end, we intend to raise the ratio of female managers from the current 20.7% to 30%. In addition, with an eye on the future, we will work with the Human Resources Division to optimize our age distribution. We will envision what kind of company we seek to be and stay mindful of issues such as what kind of personnel we need to succeed, and what kind of investments are necessary.

TCFD initiatives and business and human rights initiatives

In 2020, we established the Sustainability Committee. We have also identified four material issues and have been promoting the Mid-term Sustainable Management Plan. In particular, in terms of mitigation and adaptation to climate change, we are carrying out initiatives in the fields of renewable energy and CO₂ emission reduction. In fiscal 2021, we conducted a quantitative analysis of risks and opportunities under a 1.5°C scenario with transition risks and under a 4°C scenario with increasing physical risks. We are also considering the introduction of internal carbon pricing.

In recent years, businesses are being required to assess and disclose information relating to their dependence and impact on nature. Furthermore, the appropriate use of natural capital, respect for human rights and conservation of biodiversity are becoming essential prerequisites for economic activities. Ricoh Leasing, as a company listed on the Prime Market of the Tokyo Stock Exchange, recognizes the importance of relevant reporting frameworks and will respond accordingly.

The Group will also work with customers and business partners to develop processes and action plans for addressing human rights issues in the supply chain. Diversity and inclusion will be vital perspectives when tackling human rights issues. We will build a shared awareness of this and put sustainable management into practice.

Hirozumi Sano

Director and Managing Executive Officer

Promotion of Sustainable Management

The Ricoh Leasing Group will increase its actions to protect the environment, aid society and ensure appropriate corporate governance with a view toward the creation of value to be shared with society and the establishment of a sustainable society through sincere corporate activities that aim to realize the Group's corporate philosophy.

Material Issues



In light of the increasing significance of environment, social and corporate governance (ESG) issues and the SGDs, the Ricoh Leasing Group has identified four material issues, which are areas in which it aims increase its contributions to the resolution of social issues through its businesses and accelerate sustainability management.

Sustainability promotion system

The Ricoh Leasing Group has established a Sustainability Committee to help realize a sustainable society and ensure the Group's sustainable growth through the resolution of social issues. The committee will continue to push the Group's sustainability management forward.

The Sustainability Committee is an advisory body to the President and CEO. It is composed of the managing executive officers and others who also serve as the heads of divisions related to sustainability. It formulates basic policies and plans regarding sustainability management and deliberates on management policies and business activities from the perspective of sustainability.

Matters that should be discussed by this committee are then submitted for discussion and decision-making by the Management Meeting. The Management Meeting determines the matters to be shared with the Board of Directors, which provides its general consensus as advice.

Overview of Sustainability Committee

Chairperson	Officer in Charge of Sustainability
Members	General Manager Business Strategy Division, General Manager of Area Sales Division, General Manager of SI Division, General Manager of Business Development Division, General Manager of Asset Management Division, General Manager of Human Resources Division, General Manager of Corporate Management Division, President of Techno Rent
Meeting frequency	Once quarterly



Mid-term Sustainable Management Plan

Action objective	Mid-term Sustainable Management Plan	Measures	Indicators for checking achievement and progress
Contribute to a clean global environment			
1 Mitigate and adapt to climate change	Contributing to a clean global environment rooted in recirculation for the environment	- Working in the field of renewable energy - Achieving the medium- and long-term CO₂ emissions targets	- Target for cumulative total investment by fiscal 2022: 287.8 billion yen - Cumulative total investment in the solar power generation business, power generation capacity and output - Reduction of CO₂ emissions from business activities
2 Resource circulation		- Initiatives that contribute to environmental circulation and reduction of environmental load - Strengthen the rental business	- Lease equipment collection rate: 100% in 2030 - Established Ricoh Leasing ecosystem: 2025 - Percentage of PCs returned that were resold - Sales of short-term rentals (industry field)
Enhance quality of life			
3 Creating communities to live in (and continue to live in)	Create safe, secure and comfortable housing and living environments	- Contribute to society through circulation in the areas of medical, jobs and housing, in an aging society with a declining birthrate - Medical: Medical care and nursing care - Jobs: Workplaces and offices - Housing: Residences	- Number of transactions in collection agency services - Factoring services transaction volume - Number of rental housing units owned
4 Enhance life base	Create services that are indispensable to daily life	Develop non-asset services that fulfill society's expectations	
5 Collaborate with communities		Proactive participation in social contribution activities	
Develop a virtuous cycle for a sustainable economy			
6 Create shared value through our business	- Continuing evolution of vendor leasing and enhancement of the value provided to customers - Pioneering new business areas and creating business models - Expand businesses not dependent on assets	- Development of portal for customers and enhancement of value provided - Deployment of measures to further upgrade assets - Pioneering new fields through diversification of financing methods - Invest in equity through establishment of an ESG fund and other programs - Expand into new fields through new products and services in all domains - Strengthen our efforts in new fields through existing products	- Increased vendor support tool usage ratio - Online credit system usage ratio: Target of 20% by fiscal 2025 - Output of lease contracts - System utilization rate: Target of 30% by fiscal 2025
7 Strengthen partnerships with Group companies and business partners	- Continuing evolution of vendor leasing and enhancement of the value provided to customers - Pioneering new business areas and creating business models - Reconstruction of the rental business - Business expansion in an alliance with Mizuho Leasing	- Further enhancement of vendor support function - Increase the value provided by constructing a portal - Collaborate and develop business with investees and alliance partners - Expand rental business through collaboration with the Ricoh Group - Strengthen existing businesses - Create new business opportunities	- Reserves for ESG investing: 20 billion yen - Transaction volume in the three priority fields
Create a happiness company and society			
8 Diversity & inclusion	Human resource management linking employee happiness to the expansion of the Company	- Develop personnel measures to improve employees' happiness value - Strengthen career development (support measures) and capacity development	- Female director ratio: 30% - Ratio of female managers: 30% - Target disability employment ratio: 2.6% by 2023 - Engagement score: 70
9 Human resource development		- Nurture a corporate culture of pride in working - Practice strategic health management	- Number of times when employees are encouraged to obtain qualifications and skill certifications - Average expenses and time spent training one employee
10 Realize work style reform based on health management	An active and work-friendly workplace environment	- Promote work-friendly workplace environments - Systematize, standardize and automate - Enhance internal control and audits	- Uptake rate of regular health check-ups: 100% - Smoking rate

Material issue

Contribute to a Clean Global Environment

Action objective

1 Mitigate and adapt to climate change



FY2021 results and achievements

Cumulative investment through March 2022*	Cumulative total investment in the solar power generation business	Total power generation capacity	Volume of power generated in FY2021	CO ₂ emissions reduction from business activities
244.4 billion yen	24.1 billion yen	102 MW	99,773 MWh	344 t-CO ₂ (from fiscal 2015)

* Cumulative total of leases and installment sales contracts in the field of renewable energy, as well as the total result of investments in the solar power generation business and equity

Policy

Japan has declared its intent to become carbon neutral by 2050. Nationwide initiatives to respond to climate change and realize a decarbonized society are therefore important issues. The Ricoh Leasing Group aims to achieve net zero greenhouse gas (GHG) emissions through aggressive energy conservation, while promoting initiatives, such as spreading the

use of renewable energy and expanding the use of eco-friendly products, through our businesses and thereby to contribute to the realization of a carbon-free society. We will monitor and evaluate the impact of climate change on our businesses in terms of both the risks and the opportunities and strive to properly act and disclose relevant information.

Initiatives in renewable energy

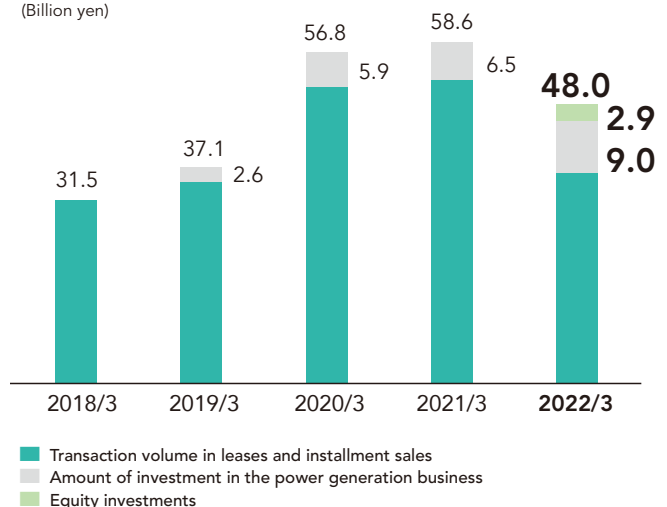
Underpinned by the FIT system, which aims to spread renewable energy, the Group has provided financing to power generation companies since 2012 for power generation facilities such as solar power, small-scale hydropower, small-scale wind power, and woody biomass. Since 2018, we have developed a solar power generation business to grow our business profit and make a greater environmental contribution. We have broadened the scope of our actions from terrestrial solar power systems to rooftop systems and floating systems on reservoirs. We are diversifying our approach to include equity investment to expand our businesses in environmental fields.

In fiscal 2021, in terms of sales performance in the environmental field, transaction volumes in leasing and installment sales decreased as a result of a reactionary decline after a last-minute surge in demand for FIT-certified not-yet-operational projects prior to expiry of the FIT certification system for non-operational projects. Meanwhile, results in the environment sector decreased 18% YoY to 48 billion yen, due to an increase in in-house power generation and equity investment amounts, mainly in secondary market projects. In fiscal 2021, the

cumulative results of our solar power generation business reached 390 sites in operation, 19 billion yen in operating assets, and 102 MW of power generation capacity.

Results in the environmental field

(Billion yen)



Future strategy in renewable energy

The Group has expanded its business in the renewable energy field, underpinned by the government-promoted FIT system, but in recent years electricity purchase prices under the FIT system have fallen. We are therefore working on a new business model as a strategy to decouple from the FIT system.

In particular, in response to surging fuel prices and associated soaring electricity prices, we are focused on the self-consumption model (supply and demand integrated model), where the electricity from solar power (and other) plants is consumed directly by the power producer. Since this electricity usage model does not require a renewable energy levy or a wheeling fee (for on-site installations), it has high economic benefits, and it is likely to spread further in the future.

On the other hand, the FIP system was started in April 2022 to replace the FIT system. Unlike the FIT system, which purchases electricity at a fixed price, the FIP system promotes the adoption of renewable energy by subsidizing a given premium on the amount of electricity sold by power generation

companies. The FIP system has its issues, such as pricing and the balance of supply and demand, but the Group intends to contribute to the Japanese government's declaration of carbon neutrality by 2050 by tackling this challenge, with the goal of realizing a carbon-free society.

Overview of solar power generation business

	Unit	2020/3	2021/3	2022/3
Power plants in operation	Number of sites	84	296	390
Operating assets balance	Billion yen	8.3	16.6	19.0
Total power generation capacity	MW	34.1	67.7	102.3
Annual power output	MWh	16,727	56,164	99,773

Future strategies

1

Move forward with the refinancing, in-house projects and equity investments in renewable energy power plants that have been operating under the FIT system

2

As a strategy to break free from FIT, promote the self-consumption solar power generation model, including PPA¹ schemes and utilization of the FIP system

1. PPA: Power Purchase Agreement model. A contractual form where power consumers purchase renewable power directly from the power generators.

Logiport Kawasaki Bay on-site PPA initiative

From July 2022, we deployed a PPA scheme at Logiport Kawasaki Bay, one of the largest logistics facilities in eastern Japan (as of July 2022) using subsidies from the Ministry of the Environment.² Implementation of the on-site PPA scheme has contributed to a significant reduction in CO₂ emissions, and has lowered electricity costs at Logiport Kawasaki Bay by replacing a portion of the demand for grid-supplied electricity during normal hours.

Compared to off-site PPAs, which receive power from remote power plants via power transmission and distribution systems, on-site PPAs can reduce transmission losses and transmission/distribution costs, making them quite environmentally friendly and economically viable. Moreover, since Ricoh Leasing is the PPA operator and owns the solar power generation system,

customers can make use of renewable energy without the initial investment burden.

2. Utilizes the Ministry of the Environment's "Subsidy for business expenses that reduce carbon dioxide emissions (project to promote lower prices for solar power generation equipment to achieve storage parity)"



Solar Assist helping power plants improve performance

We launched Solar Assist in April 2022, to support the owners of solar power plants. This initiative aims to help maximize power plant performance by using the knowledge we have gained as a solar power plant operator. Its main targets are small- to medium-size investors who struggle with making comprehensive daily maintenance inspections and measurements.

Our experience in the power generation business has made us aware of the need to be apprised of discrepancies between predicted versus achieved power generation amounts. Solar Assist can be used for power generation analysis, making it

possible to determine if the power plant is operating properly by comparing predicted power generation amounts with actual amounts generated. It also analyzes income and expenditures to maximize asset efficiency, and makes various suggestions based on customer specifics, such as power plant asset appraisals or purchases, refinancing, or the introduction of our maintenance company partners, etc. In addition to our own solar power generation business, we will contribute further to the realization of a decarbonized society by assisting customers with their power plant operations.



Maiko Aisaka
Operation Management Section
New Business Development
Division

Since the launch of Solar Assist, we have received numerous inquiries and requests for advice, and have been reminded of how wide the range of asset management operations is in the solar power generation business. The market environment surrounding solar power generation is constantly evolving, and power generation companies themselves need to be alert, stay on top of information and make nimble decisions. In the future, in collaboration with operation and maintenance firms, we hope to enable the long-term, stable management of solar power plants by proactively working to improve profits and by maintaining and boosting asset values in the solar power generation business.

Medium- and long-term CO₂ reduction targets

The increase of carbon dioxide (CO₂) and other greenhouse gases in the atmosphere brings damage to the natural environment and impacts people's lives around the world. In light of the seriousness of the situation, people have begun referring to climate change using the term "climate crisis." In 2015, the Paris Agreement was reached with the goal of slowing climate change, and the entire international community must take measures to achieve this. Businesses also must work to reduce the greenhouse gases that are emitted from their activities. The Group set medium- and long-term CO₂ reduction targets in 2017 and has since been working to achieve them. However, the Science Based Targets initiative (SBTi),* an integrational framework seeking to establish

targets for greenhouse gas emissions reductions that conform to scientific knowledge, has changed its target of limiting the global temperature rise to well below 2°C to the stricter target of 1.5°C. In response, we have set our new target of achieving zero GHG emissions from our entire value chain by 2050. To meet this new long-term target, we are identifying the risks and opportunities faced by the Group and contributing to a clean global environment, which we have identified as one of the Group's material issues, to help address the issues faced by society.

* SBTi (Science Based Targets initiative): A joint initiative that encourages businesses to set science-based reduction targets with a view toward curbing the rise of the global average temperature to 1.5°C above pre-industrial levels

Initiatives to reduce the environmental impact of our business activities

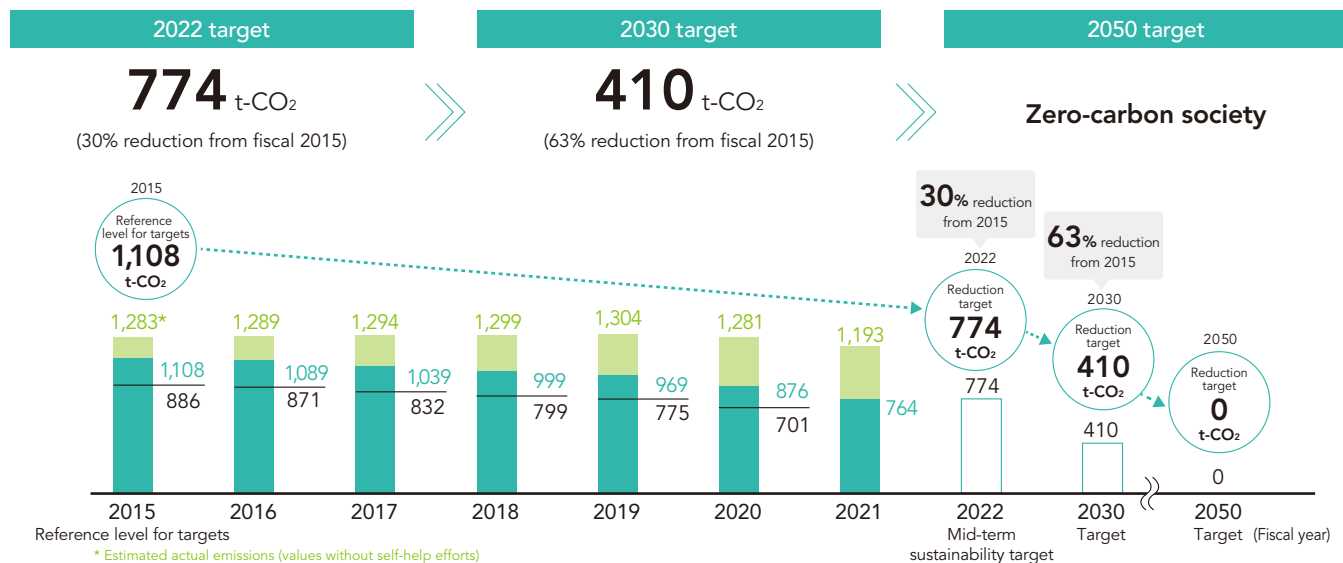
In fiscal 2021, our consumption of gasoline and electric power increased as a result of increased sales activities and the factory relocation of Techno Rent.

On the other hand, we made progress switching Company-owned vehicles into hybrids and EVs, and have now completed the swap-out from gasoline vehicles. Furthermore, we have formulated a set of selection criteria for offices (Office Selection and Environmental Improvement Criteria), which include various

environment and energy-related measures to be used as selection criteria for establishing new offices or relocating offices within the Group.

As a result of these efforts, although our energy consumption increased, we redeemed 191 t-CO₂ of renewable energy credits through emissions-credit trades, leaving CO₂ emissions at 764 t-CO₂.

Medium- and long-term CO₂ reduction targets (Scope 1 and 2) and achievements



Reduction of CO₂ emissions from the entire supply chain through the calculation of Scope 3 emissions

Scope 3 emissions account for 99.9% of the Group's GHG emissions and, by our efforts since fiscal 2013 to calculate and disclose Scope 3 emissions, and by estimating and disclosing CO₂ emissions to customers when they use leased equipment, we have been working jointly with customers toward CO₂ reduction, promoting the spread of environmentally sound equipment.

In fiscal 2021, Category 1 emissions were particularly significant among Scope 3 emissions. We refined the calculation method for purchases of leased goods (Category 1) and use of leased assets by customers (Category 13), and achieved a reduction of approximately 30% compared to the previous fiscal year.

Third-party assurance of CO₂ emissions data

Calculations of CO₂ emissions data in Scope 1, 2 and 3 are assured by a third party, Sustainability Accounting Co., Ltd.



Medium- and long-term CO₂ reduction targets (Scope 3)



FY2021 Scope 3 greenhouse gas emissions by category

Category	Description	CO ₂ emissions (t-CO ₂)	Percentage of total greenhouse gas emissions (%)
Cat 1	Purchased products and services	718,140	74.0
Cat 2	Capital goods	7,888	0.8
Cat 3	Fuel- and energy-related activities not included in Scope 1 or Scope 2	195	0.0
Cat 4	Upstream transportation and distribution	1,253	0.1
Cat 5	Waste generated by operations	273	0.1
Cat 6	Business travel	195	0.0
Cat 7	Employee commuting	320	0.0
Cat 8	Upstream leased assets	1	0.0
Cat 9	Downstream transportation and distribution	(not calculated)	0.0

Category	Description	CO ₂ emissions (t-CO ₂)	Percentage of total greenhouse gas emissions (%)
Cat 10	Processing of sold products	(not calculated)	0.0
Cat 11	Use of sold products	(not calculated)	0.0
Cat 12	End-of-life treatment of sold products	(not calculated)	0.0
Cat 13	Downstream leased assets	242,071	24.9
Cat 14	Franchises	(not calculated)	0.0
Cat 15	Investments	14	0.0
Scope 3 total		970,350	99.9
Scope 1		292.0	
Scope 2		473.0	
Total greenhouse gas emissions		971,115.0	100

Response to the TCFD Recommendations

The Ricoh Leasing Group recognizes that responding to environmental issues, including climate change, is an important management issue. We have designated the creation of a clean global environment as a material matter, and are making efforts with respect to mitigation of and adaptation to climate change, and resource recycling.

In August 2019, the Group announced its support for the Task Force on Climate-related Financial Disclosures (TCFD), and in fiscal 2020 joined the TCFD Consortium, a forum for discussions

among supporting companies and financial institutions. In accordance with the TCFD recommendations, we will analyze the risks and opportunities that the Group will face because of climate change and incorporate our findings into our business strategies and risk management. We will also address the proper disclosure of information.



Governance

The Group's Risk Management Committee has traditionally been responsible for the evaluation of financial risk and the formulation of risk prevention plans, and the Management Meeting has made managerial decisions. In April 2020, we established our Sustainability Committee, which is responsible for issues related to climate change. Chaired by the officer responsible for the promotion of sustainability, this committee consists of the managing executive officers, others in higher positions and the heads of divisions facing sustainability and

ESG issues. It meets quarterly, inviting people with responsibilities in operating divisions suited to the committee's agenda to carry out cross-divisional examinations and discuss sustainability challenges from medium- and long-term perspectives. It reviews climate-related risks and assesses risks and opportunities. The results are incorporated into business strategies and into targets for individual fiscal years in the Mid-term Management Plan.

Details on page 34

Strategy

We anticipate there to be a risk that the transition to a decarbonized society and the increase in extreme weather due to climate change will affect customers' businesses. In light of the frequent occurrence of climate change-driven natural disasters in Japan in recent years, we conducted a qualitative scenario analysis on five categories of our business that pose concerns given the financial impact of climate change. We estimated the financial impact for those items identified as having a significant impact on our business.

Details on page 41

1.5°C scenario^(Note)

Scenario where strict measures are taken to counter climate change and the rise in temperatures is contained to around 1.5°C.

4°C scenario^(Note)

Scenario where steps to counter climate change are not taken and the temperature rises by about 4°C.

- Leased assets (office equipment,¹ automobiles, industrial machinery)
- Solar power generation
- Housing rental

1. Based on close scrutiny of the effectiveness of this analysis, assuming wind and flood damage to leased office equipment assets and taking into account insurance, etc., we determined that the impact of climate change on our business would be small, and thus excluded it from the quantitative analysis.

Note: As a result of a qualitative analysis, we determined that the impact of physical risks (impact from damage due to floods, high tides, temperature rises, etc.) under the 4°C scenario on our business would be small. Based on this determination, quantitative analysis was not conducted.

The parameters used to estimate these impacts were the IEA's *World Energy Outlook 2021*; changes in the number of vehicles owned worldwide and their makeup (below 2°C/2°C/3°C), *Energy Technology Perspectives 2017*, Fig. 5.3, IEA, 2017; "Current Status and Outlook of Energy-Saving Measures for 2030 Energy Mix" (outlines the energy-saving targets in the long-term energy supply-demand outlook), "Energy Supply-Demand Outlook for 2030" (a document related to the *Sixth Energy Basic Plan for Solar Power Generation Costs (1.5°C)*, Agency for Natural Resources and Energy, 2021; and Growing Green Industry [Green Growth Strategy] (1.5°C), *Green Growth Strategy Accompanying Carbon Neutrality in 2050* (Cabinet Office), etc.

Risks and opportunities

The main transition risks and opportunities for Ricoh Leasing associated with climate change are shown in the table below.

	Item	Risk / opportunity items	Timeframe ²	1.5°C scenario impact ³
Transition risks	Industrial machinery	[Opportunities] Growing demand for new decarbonization-related equipment	Short-term	Minor
			Medium-term	Moderate
			Long-term	Major
	Automobiles	[Risks] Reduced leasing demand for gasoline-powered (ICE) cars	Short-term	Moderate
			Medium-term	Major
			Long-term	Minor
		[Opportunities] Increase in leasing demand for BEV ⁴ /FCV ⁵	Short-term	Minor
			Medium-term	Major
			Long-term	Major
		[Risks] Frequent model changes due to higher fuel efficiency standards and shift to BEV/FCV, increase in vehicle procurement costs	Short-term	Minor
			Medium-term	Major
			Long-term	Moderate
	Solar power generation	[Opportunities] Significant growth of the renewable energy market	Short-term	Minor
			Medium-term	Major
			Long-term	Major
Transition risks	Housing rental	[Risks] Increase in asset acquisition costs due to stricter energy-saving standards for newly built buildings and mandatory "near ZEB" ⁶	Short-term	Minor
			Medium-term	Major
			Long-term	Moderate
		[Risks] Near ZEB renovation costs for existing buildings	Short-term	Minor
			Medium-term	Moderate
			Long-term	Major

2. Short-term: present–2025, medium-term: 2026–2030, long-term: 2031–2050.

3. Major: over 3 billion yen; Moderate: 0.1–3 billion yen; Minor: less than 100 million yen.

4. BEV (Battery Electric Vehicle): A type of electric vehicle (EV) that runs on 100% electricity.

5. FCV (Fuel Cell Vehicle): A fuel cell vehicle that uses electrical energy generated by a chemical reaction between hydrogen and oxygen in a fuel cell to drive a motor.

6. Nearly ZEB (Zero Energy Building): Buildings that reduce primary energy consumption by 50% or more from standard primary energy consumption, excluding renewable energy (ZEB Ready); and, buildings that, by adding renewable energy, reduce primary energy consumption between 75–100% from standard primary energy consumption.

Impact on our business

The results of the scenario analysis, in both the transition (1.5°C) and physical (4°C) scenarios, show generally limited short-term negative impacts from climate change on the Group's business. In addition, analysis results show that, in overall terms, the opportunities are larger than the risks, suggesting that we can

expect an increase in sales and profits under the 1.5°C scenario. Given the results of this analysis, we will work to grow our business opportunities, and to strengthen and promote initiatives that reduce climate change impacts over the medium and long term.

Risk management

The Group evaluates climate risks and natural disaster risks on two axes to understand their serious financial impact. One axis is economic impact, which is a comprehensive evaluation from a financial perspective, and the other is the frequency of occurrence. To address matters that may impact the Group's strategy, the Management Meeting deliberates on measures that control physical risks and other matters. These risks are managed by the Risk Management Committee, while climate change

countermeasures are examined by the Sustainability Committee, and discussed and determined by the Management Meeting. In addition, we are working to expand our use of renewable energy to reduce environmental impact and achieve the growth of our business during the period of the Mid-term Management Plan to create opportunities in line with our mid- to long-term vision of becoming a Circulation-Creating Company.

Metrics and targets

The Ricoh Group enacted and certified a SBTi target of 1.5°C in 2020. Accordingly, the Ricoh Leasing Group set a new long-term target for Scope 1 and 2 emissions of zero by 2050, and reconfigured our medium-term targets for 2022 and 2030.

The Mid-term Sustainable Management Plan will run concurrently to the Mid-term Management Plan, and aims to integrate improving corporate value with resolving environmental issues.

Details on pages 38–39

Contribute to a Clean Global Environment

Action objective

2 Resource circulation



FY2021 results and achievements

Percentage of equipment for which lease contracts have terminated that is recycled

Total	Ricoh products	Non-Ricoh products
90.8%	99.7%	87.8%

Ratio of computers sold to computers returned

98.0%

Collection points increased to increase the percentage of non-leased Ricoh equipment collected

40 sites
(2022/3)

Short-term rental (industry sector) sales

1.3 billion yen
(2022/3)

Policy

Amid concerns over tight supply and demand for resources and energy, efforts to sustainably manage natural resources, use resources efficiently and significantly reduce waste are urgent. The Ricoh Leasing Group promotes the efficient use of

resources and contributes to realizing a circulation-oriented society by promoting the reuse and recycling of facilities and equipment whose lease contracts have expired, and by reduction through their shared use in rentals.

Ricoh Leasing Group's goal of resource circulation

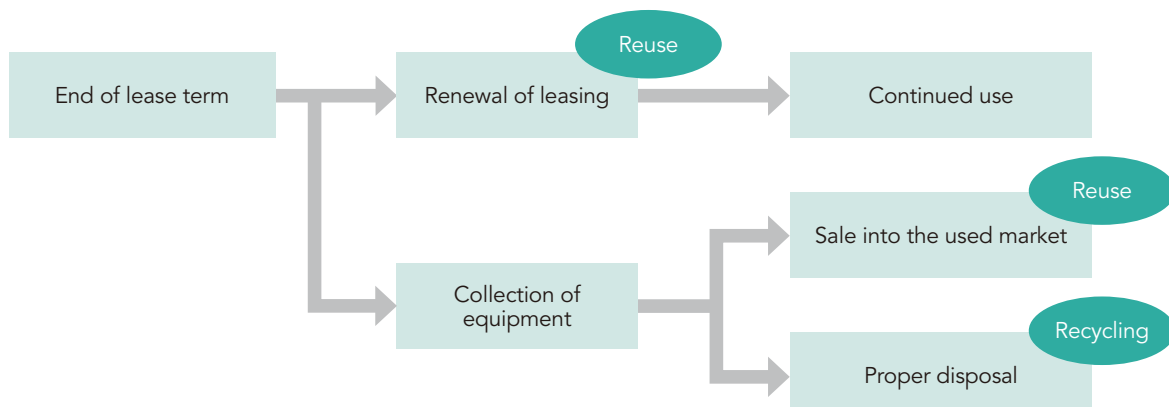
We believe that leasing companies have responsibilities regarding leasing, just as manufacturers have responsibilities regarding manufacturing. The steady recovery and collection of end-of-lease equipment is an important responsibility for leasing companies, and the Group aims to achieve a 100% collection rate for leased equipment.

Also, we promote the 3Rs (Reduce, Reuse, and Recycle) by proper recovery of equipment whose leases have expired. After a lease expires, customers can select either to re-lease the equipment, which allows them to continue using it, or to terminate the contract and return the equipment. Returned equipment is consigned to an appropriate and fair partner company. We select partner companies by confirming through regular on-site examinations that they comprehend the Group's

approach to sustainability, and that their business is appropriate and lawful.

Moreover, we have strengthened our asset management and equipment appraisals, and steadily promote the sale of used equipment, especially computers. In fiscal 2021, we resold 98% of the computers that were returned to us, putting reuse into practice with our sound asset management.

Going forward, we will continue to build systems that enable safe and reliable reuse and recycling, support customers' environmental efforts, and form partnerships within the industry for resource circulation.



Initiatives to improve collection rate

For Ricoh products, the implementation of Comet Circle, a system to reduce the environmental impact of products over their life cycles, has allowed us to maintain a high reuse and recycle rate of 99.7% in leased products, and an overall rate of 90.8% in fiscal 2021.

We now actively collect non-Ricoh products whose leases have ended. We have also increased the number of collection sites for leased equipment (currently 40) and have changed our collection methods to make it easier for customers to return equipment.

In fiscal 2021, the collection rate improved to 70.1% as a result of stronger cooperation with sales departments (upstream of lease contracts) and changes in environmental perceptions around the world.

Recycling rate of equipment after end of leasing contract (unit basis)

	Recycling rate (%)	Recycling rate breakdown (%)	
		Reuse	Reuse of components and recycling
2019	86.2	96.0	4.0
2020	89.3	97.6	2.4
2021	90.8	97.4	2.6

* "Reprocessed" refers to the reuse of parts and materials from collected equipment that has been recycled through Ricoh's recycling process.

Strengthening the rental business



Akito Takagi
Representative Director, President
and Chief Executive Officer
Techno Rent Co., Ltd.

From its vast expertise built up over many years in rental systems, and its reliable quality, Techno Rent provides the rental of IT equipment; office equipment; event equipment; general-purpose, communication, environmental and industrial measuring instruments; and medical-related equipment and devices. It also handles sales of inventory, as well as consignment and outsourcing of technical services such as measurement, calibration and equipment inspections. Based on the extensive network and comprehensive strength of the Ricoh Leasing Group, Techno Rent offers more than equipment rental; its strength lies in its ability to provide a one-stop-shop, with high-value-added services that meet the needs of customers via the Group's strengths in providing various financial services and office equipment.

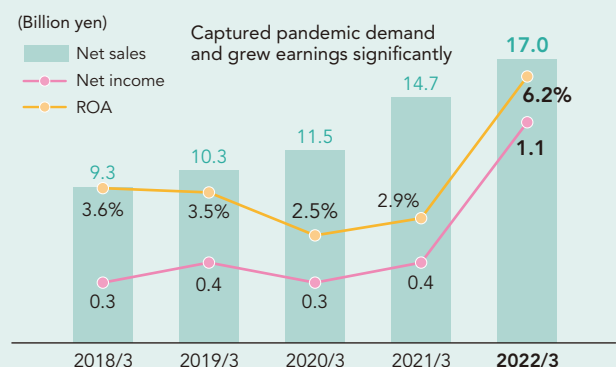
In fiscal 2021, short-term rentals of computers and multifunction copiers were favorable, and new initiatives in the healthcare field were also successful. As a result, net sales increased 15.9% YoY to 17 billion yen.

In the future, we will focus on Device as a Service (DaaS), a service that provides a subscription model for monthly billing

for PCs and associated lifecycle management. The backdrop to this has been significant changes in the work environment due to changing work-style trends and the pandemic, and it is not uncommon for one individual to have multiple devices such as tablets and smartphones in addition to a PC. The number of devices companies must manage is increasing, and Techno Rent provides services using our collective Group strength that respond to needs for reduced procurement and management workloads. In addition, our goal is to grow our rental business by providing Techno Rent's unique services that add vibration and noise measurements in the railway sector, and by investing in new markets such as healthcare, logistics and agriculture.

Companies are required to make efforts toward resolving social issues such as climate change and the global environment. By strengthening Techno Rent's rental business, we will work to further promote the 3Rs and help realize a circulation-oriented society.

Techno Rent business performance



Material issue

Enhance Quality of Life

Action objectives

- 3 Create a community to live in (and continue to live in)
- 4 Enhance life base



FY2021 results and achievements

Number of transactions in collection agency services

26.14 million

Factoring services transaction volume

78.2 billion yen

Number of rental housing units owned

818 units

Policy

The Ricoh Leasing Group is promoting strategies to add value and differentiate itself in its three areas of strength: healthcare, jobs and housing.

In healthcare, we will contribute to extending healthy life expectancies by growing financial solutions in the healthcare and nursing-care fields, such as medical equipment leasing and installment sales, and doctor support loans.

In jobs, we will seek to create financial services that help small- and medium-sized companies improve productivity, especially in BPO,¹ such as collection agency services.

In housing, our goal is to develop businesses that provide new security, safety, and comfort in housing and enhance the wellbeing of residents, alongside our housing-related lending and housing rental businesses.

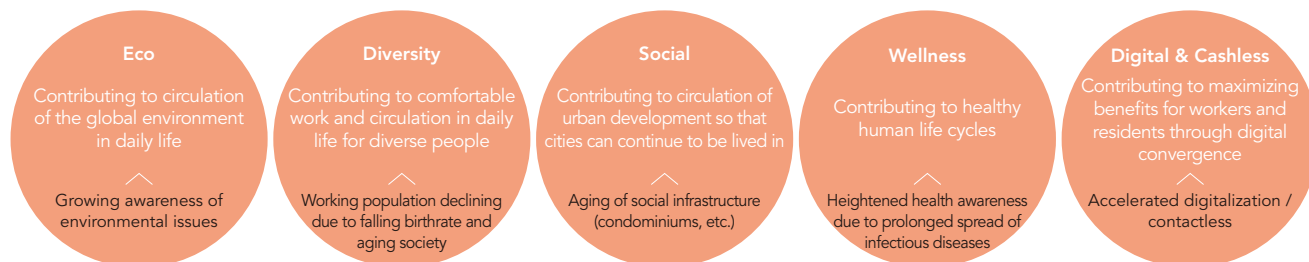
We aim to create businesses and services that resolve issues in five social areas: "eco," "diversity," "social," "wellness," and "digital & cashless."

1. Business Process Outsourcing: Subcontracting certain business processes to a specialized company.

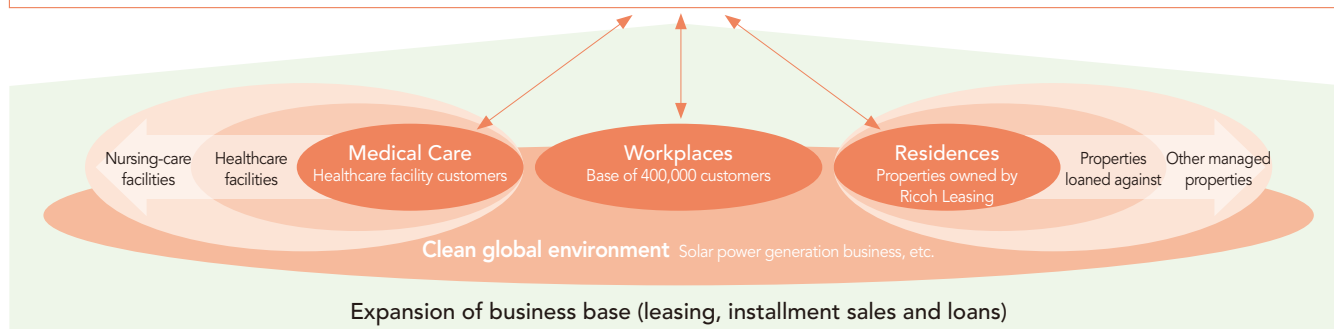
Corporate Philosophy

We will be a bridge to an abundant future with our independent financial services.

Trends in Five Social Issues to Create a Richer Life



New businesses and services



Development of a housing rental business unique to Ricoh Leasing

We operate in the housing rental business using the real estate financing and payment services knowledge that we have cultivated. We aim to operate a business that helps resolve social issues by accumulating expertise through our own business and constructing a new industrial network.

For tenants, we will focus on creating services unique to Ricoh

■ Offering health management promotion services through food in the housing rental business

We have partnered with asken Co., Ltd., which operates the AI meal management application "Asuken," and Nosh Co., Ltd., which provides convenient and healthy lunch boxes under the brand "nosh" that eliminate the need for shopping, cooking, and dishwashing, to provide health management promotion services through food in response to increasing health awareness resulting from COVID-19.

From December 2021, for residents of rental apartments owned by Ricoh Leasing, we have been providing "Asuken Premium Service," which includes an AI nutritionist's advice on

Leasing such as billing and subscriptions, and provide new value to residents. In the future, we will work to launch an online portal about the provision of value, such as greater operational efficiency and increased quality of life for occupants to address issues in the rental housing industry.

each meal, along with "nosh" tenant benefits, and have begun installing the Stealth Health Meter,² a floor-embedded body composition monitor.

We aim to raise residents' interest in food and provide services that contribute to improving quality of life, proposing new value in condominiums and realizing diverse lifestyles for residents.

2. Floor material incorporating a body composition meter using Toppan Printing Co., Ltd.'s building material manufacturing technology

■ Providing rental housing for foreign nationals with Enplus and Tokyu Housing Lease



Kana Kumoshita
Representative Director and President
Enplus Inc.

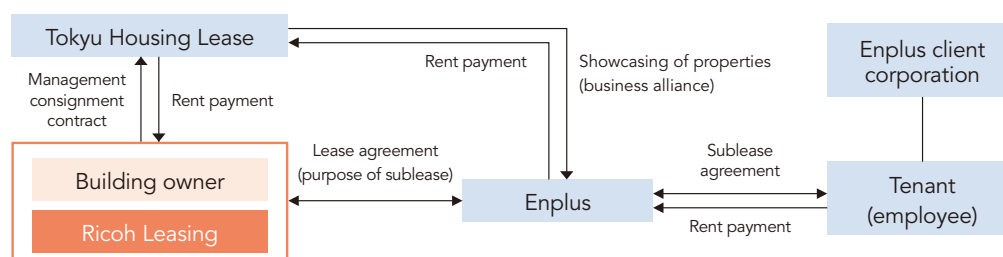
Group company Enplus Inc. has formed a business alliance with Tokyu Housing Lease Co., Ltd. and launched a new type of rental housing contract scheme for foreign residents.

Enplus has been providing total support services for over 8,000 companies, including postings to and transfers between countries outside Japan, and foreign nationals coming to Japan. Tokyu Housing Lease manages approximately

117,000 rental housing units,³ mainly in the Tokyo metropolitan area, and provides property value improvement proposals to owners and highly convenient services to tenants. Under this contract scheme, which utilizes the know-how and strengths of both companies, Enplus leases properties managed by Tokyu Housing Lease, subleases them to tenants, and then Enplus acts as the point of contact, thereby providing foreign nationals with an easy way to live in rental housing.

Enplus has a "More Value, Less Barrier" vision, and aims to eliminate barriers relating to employment of foreign nationals in Japan. We will work with our housing rental business to grow our services.

3. As of June 2022



Note: Starting with properties owned by Ricoh Leasing

Action objective

5 Collaborate with communities

FY2021 results and achievements



Donations

5.03 million yen

Number of collaborating/
cooperating NPOs and NGOs

10 groups

Number of employee social
contribution projects

6 projects 17 persons

Policy

Society is the foundation of business. Businesses have a duty to contribute to economic and social development. The Ricoh Leasing Group aims to realize its corporate philosophy and medium- to long-term vision by conducting and supporting activities that

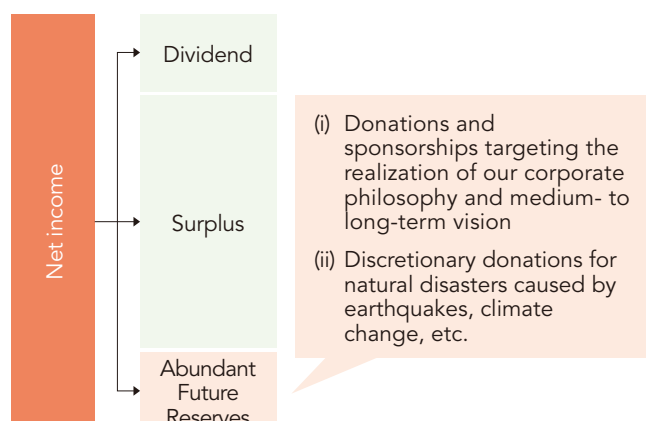
seek to resolve social issues, such as global environmental conservation, social and economic development, next-generation development, cultural improvement and disaster recovery assistance, and thereby working to create an abundant future.

Proactive participation in social contribution activities

■ Introduction of "Abundant Future Reserves" system

Aiming to make an ongoing contribution to the development of a sustainable global society, the Group has launched its "Abundant Future Reserves" system to be used for donations and support.

Launched in June 2022, we will be setting aside the equivalent of 1% of net income less dividends each fiscal year, seeking to realize our corporate philosophy and medium- to long-term Group vision through donations, sponsorships and recovery support for natural disasters caused by earthquakes, climate change, etc. Funds will be set aside, starting with earnings for fiscal 2021, and operation will begin in fiscal 2022. In our first year, we set aside 97 million yen based on earnings from fiscal 2021.



■ Power Generation Class for elementary school students

In November 2021, we held a Power Generation Class at our solar power plant as an opportunity to familiarize elementary school students with renewable energy. This power generation class was held jointly with Looop Co., Ltd., which operates a renewable energy power plant, and was attended by 28 fifth-grade students from Koibuchi Elementary School in Mito City, Ibaraki Prefecture.

The class first explained renewable energy and the SDGs at Koibuchi Elementary School, and then moved to our Koibuchicho No. 1, No. 2 and No. 3 solar power plants, where the students learned about solar panels and power conditioning. Groups toured the site on foot while observing power generation facilities such as solar panels and power conditioners.

Through its renewable energy business, the Group will continue working to realize a clean global environment, one of its sustainable management material issues, and to encourage the use of renewable energy by communicating the significance of its efforts to local residents.



Children at Koibuchi Elementary School in Mito City learn about renewable energy

Material issue

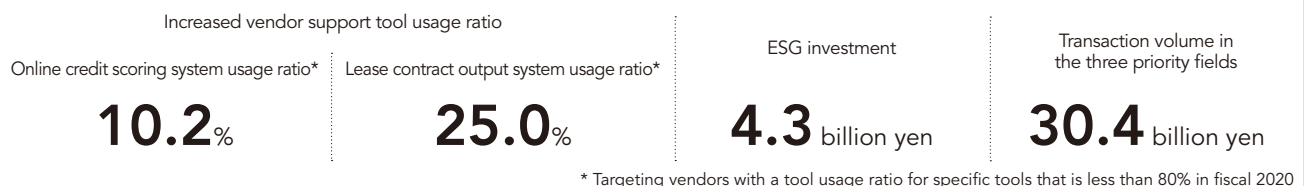
Develop a Virtuous Cycle for a Sustainable Economy

Action objectives

- 6 Create shared value through our business
- 7 Strengthen partnerships with Group companies and business partners



FY2021 results and achievements



Policy

The Ricoh Leasing Group provides some 6,000 vendors with sales support to aid its 400,000 customers with their business activities. To continue to grow and profit, the Group must create new social value beyond leasing that it can provide to accurately respond to changes in society, the markets and its customers, beyond the operation of a conventional leasing business. We also believe that by supporting

Japan's many small- to medium-sized companies we can support the local economy.

We aim to resolve social issues in each region and create a virtuous cycle for the local economy by providing fine-tuned services to customers and vendors based on our strong network of bases nationwide, from Hokkaido to Okinawa, and the economic circumstances of each region.

Approaches

Create shared value through our business

- Increase the value provided by constructing an online portal for customers
- Develop measures to improve assets
- Pioneer new fields through the diversification of financing methods
- Invest in equity through establishment of an ESG fund and other programs
- Expand into new fields through new products and services in all domains
- Strengthen our efforts in new fields through existing products

Strengthen partnerships with group companies and business partners

- Enhance vendor support functions
- Increase the value provided by constructing an online portal
- Collaborate and develop business with investees and alliance partners
- Expand rental business through collaboration with the Ricoh Group
- Strengthen existing businesses
- Create new business opportunities

Contribution to the resolution of regional social issues and economic revitalization

In fiscal 2020, we renewed our sales structure around the two axes of "inside sales" and "field sales," a move through which we aim to create a virtuous cycle for the local economy through financial services. For inside sales, we market our services as one-stop solutions through in-house sales representatives in each region to vendors we have existing relationships with. In field sales, we provide face-to-face services to customers and work to resolve social issues through financial services in priority fields

such as agriculture, vehicles and construction machinery.

Moreover, as a new initiative from fiscal 2021, we have stepped up our cooperation with regional financial institutions. Some local financial institutions, such as regional banks and credit unions, do not offer leasing services. Collaboration with the Ricoh Leasing Group enables them to provide comprehensive financial services to customers in each region. Through this kind of partnership, we can help revitalize local economies.

Providing sales support function through inside sales

■ Inside sales initiatives



Keiko Nagano
Kanagawa Branch
Tokyo Metropolitan Area
Second Branch

Amid restrictions on sales activities due to the COVID-19 pandemic, we have been working to increase interaction with vendors, and the amount of information we provide them, through efficient contactless sales activities, such as telephone sales to “dormant” vendors with whom transactions have been discontinued, and participation in vendor sales meetings using web tools. Being always at my desk, and thus being able to respond quickly, has often led to appreciation from vendors, such as, “I was at a customer’s site and had a question about leasing, but your immediate response really helped.” It is not a passive form of sales, as I am always actively working, trying to notice any new financing needs in my conversations, and collaborating with field sales.

■ Priority fields and roles in field sales

Demographic change diversifies the issues faced by regional communities, such as the contraction of catchment areas and labor shortages. We have defined three priority fields: agriculture, vehicles and construction machinery. Leveraging the Group’s strength in vendor partnerships, we will work to resolve these social issues in specific regions. In fiscal 2021, we strengthened our ties with sales partners in the construction machinery industry, such as manufacturers, distributors and specialized trading companies, especially in the excavator and

crane markets, by taking advantage of our nationwide base network—one of the Ricoh Leasing Group’s strengths—to develop our business. In the vehicles industry, we increased transactions with manufacturer-direct dealers of heavy-duty trucks and with leading regional dealers. By redoubling our efforts in these priority fields, the fiscal 2021 transaction volume in our three priority fields was 30.4 billion yen, representing significant YoY growth of 23%, despite sluggish overall transaction volumes in leasing and installment sales.

■ Efforts to boost usage rates of vendor support tools

The Group manages transactions and contracts with 6,000 vendors thanks to a first-class and highly efficient operations system. With expertise and a track record built up over many years, we provide strong support for vendors’ sales activities from our sales offices across the country.

In the credit screening process, we use our own score screening and AI technology. When vendors apply for credit through our web-based credit scoring system, we are able to make credit decisions and respond more quickly than for applications handled by email or phone. In contractual work, our lease contract output system is linked to the vendor’s quotation and credit data, which reduces the workload involved in preparing contracts, compared to handwritten contracts, and leads to fewer input errors. By offering this type of web-based credit system and lease contract output system as a package,

the vendor can concentrate on sales activities, while we benefit from better credit accuracy and standardized operations.

In fiscal 2021, inside sales became our focus, and we sought first to get vendors’ sales staff to use each of the support tools so they could appreciate their convenience. As a result of these sustained efforts, usage of the web credit scoring system rose 2.5% from the previous year to 10.2%, while the utilization rate for the lease-contract output system increased 8.5% to 25.0%. Going forward, we will continue promoting the widespread adoption of our vendor support tools, and provide ways for vendors to experience the convenience offered, which should lead to the expansion of the regions we serve and growth of our customer base.

Online credit system	A system for applying for credit on a website that uses AI technology to enable rapid decisions and responses
Lease contract output system	A system that works with the online credit scoring system and outputs contracts online

ESG Investment Program

Ricoh Leasing has set an investment quota of 20 billion yen to expand and develop investments in companies and businesses, focusing on startups in the ESG field, with the aim of creating new businesses. As our first step, we made an investment in Integrity Healthcare Co., Ltd., and have also invested in and provided funds to multiple companies. Through these activities, we are working to organically link these investment targets and their business operations with the businesses of the Ricoh Leasing Group, and will facilitate the development of a sustainable circulation-oriented society by creating new value.

Basic Policy on Investment

Investment targets

- Businesses and companies, primarily startups, that are expected to have a positive impact on the environment and society, and the investment funds that invest in them
- Among the above investment targets, priority investments aimed at the creation and expansion of non-asset businesses in particular

Investment quota

20 billion yen

Investment period

Approx. 10 years

Size of investments

Average of several hundred million yen per company

Investments

Companies, businesses

Mode of investment

Shares, receivables

Significance of ESG investing

In light of expectations about future trends in society and the economic environment, and considering the current market assessment, one of our most pressing management tasks is to find new growth drivers and move forward with the transformation of our business. Our stakeholders, which include customers, business partners and the market, are demanding that we change our current business structure to become a company that can plausibly expect to grow over the medium and long term, and we embrace the challenge of creating new businesses.

Our investments in ESG are not made for capital gains. Rather, we invest in areas or companies that can be considered as our

business in the future, or, if we cannot be the main player, where we can envision being involved as a partner and growing together with the target company. Furthermore, we consider investing in areas or companies that we believe can contribute to the growth of our existing businesses. Based on our corporate philosophy of creating independent financial services, we consider it important that we provide value to small- to medium-sized companies, which have been our key focus thus far, and contribute to bringing about a sustainable society through the circulation of goods and money.

Objective of LP investments

Our ESG investments include direct investments in businesses and companies, especially startups, as well as investments in limited partnerships (LPs).^{*} As criteria for investing in LPs, we ask that they have an ESG perspective, be clearly different from other funds, understand our investment goal (creating new businesses) and provide interactive communication and necessary support.

Compared to direct investments, LPs invest in diverse targets, making their risks relatively low, which we believe

contributes to the overall financial stability of the investment quota. They also allow us to outsource investment-related work, such as sourcing and monitoring. Diversified investment targets allow us to obtain information about many companies, including access to some we might not otherwise encounter in the scope of the business we have built thus far, which we believe is an advantage.

^{*} Investments in Limited Partnerships (LPs): Investments in private equity funds such as venture capital funds, buyout funds, etc.

LP investments in FY2021

AP67 Co., Ltd. (core investment: Feed Co., Ltd.)

Purpose

Will contribute to digital transformation (DX) in the dental industry, and build new finance-related services

Business description

Operates an e-commerce website that handles dental materials and supplies for dental clinics and laboratories

Material issue

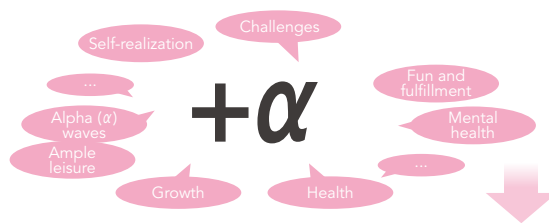
Create a Happiness Company and Society

Human resource management linking employee happiness to the expansion of the Company

To achieve the individual-centered management that the Ricoh Leasing Group advocates in its Mid-term Management Plan, and to facilitate the experience of “rewarding work” and the “happiness” that comes as a result, we are promoting the concept of “Happiness α work” as our HR policy.

We chose the Greek letter α (alpha) to imply “anything you want.” Every individual employee is free to define the things they want, or want to achieve, with “plus alpha (+ α)” and work toward their happiness through their job. “ α ” sets what each

person wants, such as work-life balance, health, personal growth and challenges, and provides an environment in which they can make decisions and act independently in the course of their work. In addition, to achieve “Happiness α work,” we have devised five strategies for implementing personnel measures and introduced engagement surveys to define and visualize employee happiness. We want to create a virtuous cycle with society by achieving both the happiness of every employee and the growth of the Company.

Happiness α work

α
||
anything you want

Five strategies for happiness α work

Positive challenges

- Proactive career building and support for skills development
- Nurturing professional talent
- Implementing Ricoh Leasing Top Talent Program (RLTT)

Fair and impartial treatment

- Introduction and operation of new evaluation system (for absolute evaluations)
- Create a workplace culture that ensures mutual respect and appreciation

D&I

- Enable multidirectional communication
- Encouraging active participation of women
- Employ more workers with disabilities
- Strengthening LGBTQ initiatives

Health management

- Enhancing measures to support good health
- Implementing steps for mental health

Work style innovation

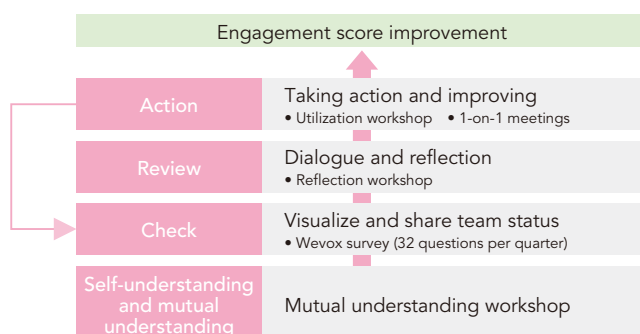
- Building an environment that provides a broad range of work style options
- Enhanced facilities management
- Improve disaster preparedness measures

Engagement survey

Quarterly, we request that employees fill out a 32-question engagement survey on the Internet. It covers all the items we believe reflect the state of the organization. The results are collected, analyzed and made viewable in real time. Each organization's status is shared with the whole company.

This system measures and visualizes how well “Happiness α work” is achieved to highlight the strengths and weaknesses of individual organizations. Doing so enables them to implement an ongoing PDCA cycle with a sense of ownership, working on points where improvement is needed.

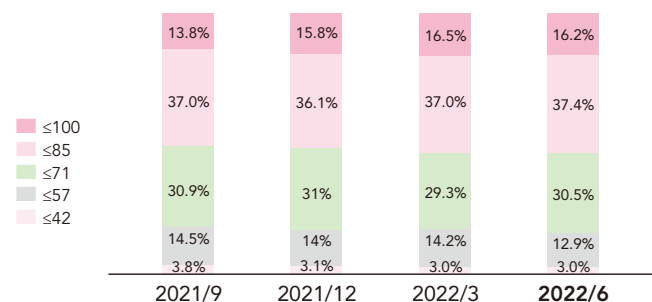
Upward cycle for improving engagement score



The independent actions of individual personnel lead to their happiness, resulting in greater engagement.

Engagement score results are shared with all employees on our internal network bulletin board and, based on the results, each organization discusses strengths and issues, sets action plans and implements the PDCA cycle for setting and improving action plans.

Engagement survey score distribution



Action objective

8 Diversity & inclusion



FY2021 results and achievements

Ratio of female managers

20.7 %

(As of April 1, 2022)

Target percentage of
employees with disabilities**2.42 %**

(As of March 31, 2022)

Engagement score

72 (B-)Leaving to care for a
family member**0**

Policy

The Ricoh Leasing Group's stance on diversity and inclusion (D&I) recognizes and respects individual differences, traits and values, and is built on the idea that all employees should have opportunities to grow through their work, and that diverse personalities play an active role in creating innovation.

The Group views D&I as the foundation of human

resource management, and is working to create a workplace environment where a diverse range of personnel can play an active role in the workplace regardless of gender, age, contract type, status as a graduate or mid-career hire, disability, race, ethnicity, nationality, lifestyle, religion, sexual orientation, gender identity or other characteristics.

Actively promoting diversity

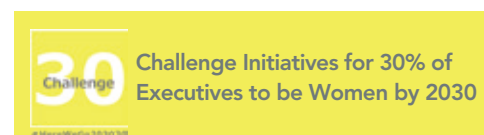
■ Empowering women in the workplace

We believe that the empowerment of women, who account for about half of our employees, will be the driving force for future development, and we are eagerly promoting the active engagement of women. Currently, four of our directors and two of our executive officers are women, and the ratio of women in managerial positions is 20.7%. With regard to the ratio of female managers, we achieved our target of 20% by fiscal 2020, and affirm Keidanren's new target of 30% or more female directors by 2030. In addition to the ratio of female directors, we are also targeting a female manager ratio of 30% as a medium- to long-term goal. At the General Meeting of Shareholders in June 2022, the ratio of female directors was 30.8%, which means we have met our target.

In fiscal 2021, in order to promote more autonomous and efficient work styles, we revised the flextime system and eliminated "core times." Employees with reduced working hours can start their work hours earlier when working from home, and employees with time constraints such as childcare can select their working hours with greater discretion and according to their own convenience, which allows for greater flexibility and autonomy.

In the Diversity and Work-Life Management Awareness Survey that we conduct every year, we found that some female employees are uncertain about their careers and have concerns. Since life events often have a disproportionately greater impact

on women, we provide career training (self-compassion training; becoming who you want to be) that aims to alleviate uncertainties and concerns as well as encourage female employees in realizing their full potential. We have through our continuous efforts expanded upon women's engagement in the workplace, and we will continue to update the program for further expansion.



At the Forbes JAPAN WOMEN AWARD 2021, held for the first time in two years, we won 6th place in the corporate category (companies that employ 300 to 1,000 people) in recognition of our efforts to date for the active engagement of women. We have won awards for three consecutive years since 2018, and were selected as a "Semi-Nadeshiko" brand in 2021.



■ Launched Happiness Training (“Hapi-Train”)

“Hapi-Train” was a measure proposed by the Fiscal 2020 Diversity Council,* and is a training program where the management-class experiences simulated time-constrained work patterns, such as with childcare, nursing care and illness.

A trial was held in fiscal 2021, and participants commented that they were able to identify workplace concerns and issues and gained an awareness of how to create a good workplace environment.

■ Holding the Diversity Forum

We hold the Diversity Forum twice a year based on the Diversity Council's theme for that year. In October 2021, Mr. Toshiro Hirose, former captain of the Japan National Rugby Team and CEO of HiRAKU Co., Ltd., was invited to speak, and gave a talk on diversity and learning in sports. At the event, 130

We are set to begin full-scale implementation in fiscal 2022, based on the results of this trial. We believe that coming to understand diverse positions and work styles through Hapi-Train is extremely important for employees to collectively demonstrate their strengths.

* The Diversity Council is positioned as a consultation and proposal body for conveying employee voices about diversity to upper management. Members are selected through open recruitment every year.

employees and executives (including Ricoh Leasing President Tokuharu Nakamura) participated both at the venue and online.



Support for diverse work styles

■ Training female leadership

We continue to provide leadership training for mid-level female employees who have advanced their careers mainly in front line roles to help them acquire basic knowledge about corporate management and to offer them the opportunity to continuously take on professional development on their own. External instructors, along with Ricoh Leasing President Tokuharu Nakamura, Outside Director Atsumi Harasawa, Executive Officer Emi Matsukami and Group company Enplus President Kana Kumoshita, gave talks on themes such as management strategy and the role of a leader. Efforts to improve the program will continue.

■ Creating a disability-friendly workplace

We are actively working to employ people with disabilities. In fiscal 2020, we introduced a Job Coaching Support Program which, with the help of a coordinator (job coach), provides support not only for the individual but also for the workplace.

We opened Heartful Farm in December 2019. Beginning in July 2022, we welcomed employees seconded from Group company Enplus, making it a workplace where employees from throughout the Ricoh Leasing Group can work.

We aim to increase our disability employment rate to 2.6% or more of our workforce by 2023 by expanding job categories and bolstering support in order to realize inclusion through ensuring that people with disabilities can play an active role in a variety of posts.

■ Supporting more active roles for seniors

Amid the declining birthrate and aging population, we have introduced a system that enables employees to continue working until age 65 and that offers a mechanism for seniors to play active roles as valuable business leaders after retirement at the age of 60. Our new personnel system launched in fiscal 2020 enables more active involvement of re-hired employees by setting compensation in line with their roles and performance. Going forward, we will continue to actively support participation by seniors according to their work style needs and individual skills and abilities.



Kana Kumoshita, CEO of Enplus, visited Heartful Farm, along with Ricoh Leasing Directors Shinichi Kuroki and Hirozumi Sano

Action objective

9 Human resource development



FY2021 results and achievements

Number of times when employees are encouraged to obtain qualifications and skill certifications

244 instances

Training hours per person

11.8 hours

Training costs per person

35,122 yen

Hiring of new graduates

14 persons

Mid-career hires

72 persons

Policy

The individual-centered management advocated in the Ricoh Leasing Group's Mid-term Management Plan requires not only the human resource abilities we have cultivated thus far, but also employees with different skills. Each and every employee must learn to address social

issues and proactively think, make judgments and act to create numerous virtuous cycles so that through the sustainable growth of both employees and the Group, we can achieve our medium- to long-term vision of becoming a Circulation-Creating Company.

RL Academy

We established the RL Academy, a human resource development program, and hope to achieve its goals. RL Academy, which is based on a concept of "our desired form × employees × RL Academy" provides employees with a place to learn for proactive career development, and offers a human

resource development program aimed at producing future managers.

By proposing a "desired form" for personnel at different ranks, and providing a variety of programs, RL Academy serves as a guide to support employees toward achieving their vision.

RL Academy programs

Levels	By rank	RLTT, RL Miraijuku	Career design, SDGs/D&I	Self-development: qualifications, recommended books, etc.	By department/function
CO/RJ	Training for newly appointed directors	RL Miraijuku	Financial thinking Workshop for understanding and absorbing corporate philosophy Workshop for understanding the SDGs Self-compassion training for women Career training for seniors Seminar on returning to work after maternity leave/nursing care Career design workshop	System for acquiring new qualifications (correspondence education/e-learning) Global human resource pool supporting foreign language acquisition (conversation, TOEIC, etc.) GLOBIS Unlimited Learning Recommended books (creating a common language and fostering a reading culture) Sales area training Business area training Credit analysis training: beginning/intermediate/advanced TTY training	Training for mid-career hires (practical handbook)
SM/SS	Training for new general managers				
MG/SP	Training for newly appointed managers and organization heads Communication training (CAO)				
AM2	New AM2 training				
AM1	New AM1 training	Female leader training	Financial thinking Workshop for understanding and absorbing corporate philosophy Workshop for understanding the SDGs Self-compassion training for women Career training for seniors Seminar on returning to work after maternity leave/nursing care Career design workshop	System for acquiring new qualifications (correspondence education/e-learning) Global human resource pool supporting foreign language acquisition (conversation, TOEIC, etc.) GLOBIS Unlimited Learning Recommended books (creating a common language and fostering a reading culture) Sales area training Business area training Credit analysis training: beginning/intermediate/advanced TTY training	Training for mid-career hires (practical handbook)
AS3					
AS2					
AS1	Year-3 training for new graduates Year-2 training for new graduates				
New employees	Follow-up training New employee training				

AS: Associate AM: Assistant Manager MG/SP: Manager SM/SS: Senior Manager CO/RJ: Management class

Nurturing human resources for the next generation of management

We have revamped the operation of the Ricoh Leasing Top Talent Program (RLTT), with the aim of cultivating the next generation of managers. In addition to promoting discussions on management personnel as a succession planning council, opportunities are provided to RLTT members for intentional experience (skill learning, transfer and selection).

One part of this program is the RL Miraijuku, which we conduct to develop next-generation managers. RL Miraijuku is held once a month with President Tokuharu Nakamura as the head. The

program conveys the President and CEO's views and ideas and cultivates the perspectives and viewpoints of management. With lectures and interactive communication from management and outside experts, it broadens the knowledge required by our next-generation leaders.

In fiscal 2021, we held eight seminars, inviting a wide range of external lecturers from numerous fields, such as President Nakamura and Taejun Shin from the microfinance company Gojo & Company, to deepen our understanding of leadership and sustainability.

Action objective

10 Realize work style reform based on health management



FY2021 results and achievements

Total working hours	Overtime working hours	Ratio of employees undergoing health checkups	Cigarette smoking rate
1,791 hours/year	12.3 hours/month	100%	13.2%

Policy

The work styles and overtime working hours among people in Japan are increasingly perceived as issues amid national demographic changes. Businesses are being urged to change their corporate cultures and labor environments, which in some cases have become dependent on long working hours, and to provide systems that pave the way for more flexible ways of working as well as fulfilling workplaces where workers feel no stress. The Ricoh Leasing Group defines work-life management* as an action in line with its basic stance under its corporate philosophy. It will create and enrich support programs tailored to different life stages to allow our employees to keep working with peace of

mind and achieve greater success.

Moreover, for better occupational health and safety, and to improve labor productivity, we regard employee health as one of the most important issues in corporate management. We are therefore promoting health management based on a "Health Declaration," which encourages individual employees to be proactive in maintaining and improving their health with the aim of achieving a safe, healthy and comfortable workplace.

* At Ricoh Leasing Group, we use the term work-life management instead of work-life balance, based on the idea that we should proactively manage both work and life in order for both to be fulfilling.

Promote work-friendly workplace environments

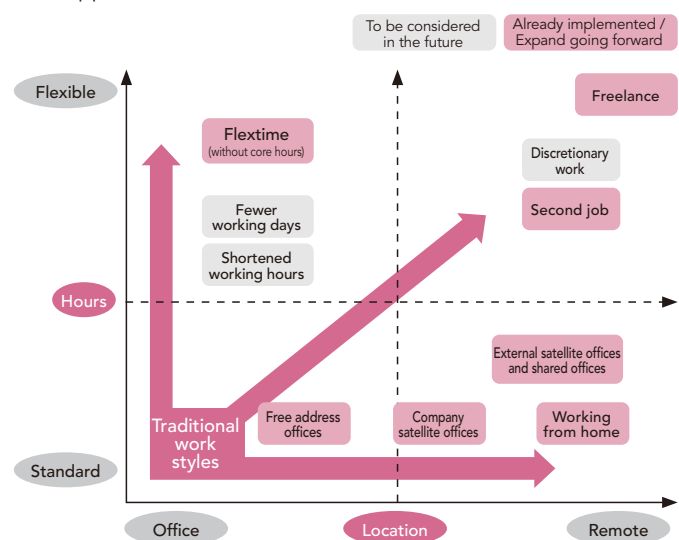
To implement a style of work adapted to the "new normal" amid the COVID-19 pandemic, Ricoh Leasing abolished its conventional time and place restrictions and created an environment that allows for more flexible work styles.

In response to changes in the external environment and employee feedback, we have revised the work-from-home system we launched in 2019, relaxing eligibility requirements, abolishing limits on number of remote work days allowed, and relaxing rules on where it can be done, to allow a more flexible work-from-home system. Through our ongoing promotion of remote work, we are seeking to establish a business continuity system for emergency situations, such as the current pandemic, and to further improve productivity and both quality of work and quality of life.

In fiscal 2018 we introduced a program allowing employees to have a second (side) job, and in fiscal 2021 there were 21 employees who took advantage of this program. This program helps individual employees acquire new skills and enhances the quality of their work. It also allows our employees with professional skills and experience to offer them outside the Company and thereby make a greater social contribution.

Furthermore, we have introduced an in-house freelance (sole proprietor) system in fiscal 2022 to create an environment in

which employees who want to take on new challenges can realize a work style that suits them, without being bound by the framework of regular full-time employees. By thus increasing options for new ways of working, we will strive to achieve "Happiness at work."



■ Proper control of working hours and encouragement of taking annual paid leave

We are enhancing and ensuring proper implementation in the management of working hours through the use of a health management system that works in conjunction with labor management.

To create an environment with a balance between work and life, and to improve performance, we revised the flextime program in fiscal 2021 to eliminate "core times," and introduced a system that sets required time intervals between shifts to ensure employees are able to rest for a certain minimum period after work.

Meanwhile, we have actively been encouraging employees to take annual leave, with both our hourly annual leave system, which allows employees to take annual paid leave in more flexible units of one hour, and through the launch of a new hours-worked management system in September 2021, which allows employees to see how much annual leave they have taken in real time, in an easy-to-understand visual form. Despite the impact of COVID-19, the rate of annual leave taken in fiscal 2021 was 73.9% (average number of days taken was 13.1 days), higher than the previous fiscal year.

■ Implementation of health management

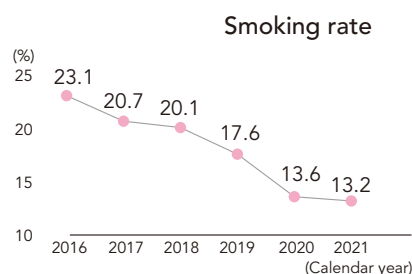
Under the health slogan of "Health First, Work Second," we take many different actions for maintaining and improving employees' health literacy and for improving working conditions at the initiative of the Health Promotion Department and the Health & Safety Committees. The first works to maintain and improve the health of employees. The second comprises Health & Safety Committee members selected at respective workplaces, our occupational health physician and public health nurses.

We kept the ratios of employees undergoing health checkups and those undergoing follow-up examinations at 100%. In addition, as a measure against infectious diseases, we offered the third COVID-19 vaccine at workplaces and subsidized 500 yen per person for the influenza vaccine.

As a result of these efforts, we were selected under the 2022 Health & Productivity Stock Selection for the fifth consecutive year, and under the 2022 Certified Health & Productivity Management Outstanding Organizations Recognition Program (White 500) for the sixth consecutive year. In addition, we were awarded the highest rating under the DBJ Employees' Health Management Rated Loan Program.

■ Anti-smoking measures

For the purpose of preventing health hazards from smoking and to improve health, we have added rules on smoking and penalty provisions to our work rules. Accordingly, smoking is strictly prohibited both during working hours and on our premises at all times. Since 2019, we have been publishing a non-smoking policy on our recruitment web page. In accordance with this policy, job opportunities are open solely to non-smokers. Other actions include the distribution of a non-smoking message from the management



team to employees, offering and encouraging participation in a smoking cessation support program and the distribution of information on COVID-19 and on smoking from our occupational health physician. As a result of bolstering these efforts, the ratio of smoking employees has decreased each year. For fiscal 2021, it stood at 13.2%, which is considerably lower than the previous fiscal year.

In addition, we have made being a non-smoker a condition for promotion to executive positions, and aim to maintain a zero smoking rate among executives, and to reduce the employee smoking rate further.



Promoting World No Tobacco Day (May 31)

■ Stepping up actions to maintain and improve health

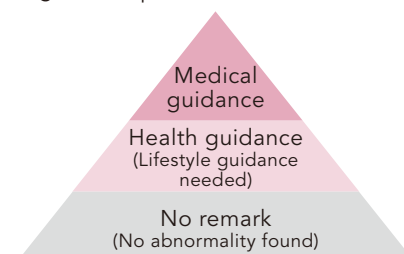
For keeping employees healthy both physically and mentally, we carry out stress checks and wellness checks (lifestyle checks) as well as follow-ups by medical staff, such as interviews with the occupational health physician, depending on the health check results. As measures to prevent employees from developing mental health conditions, we conduct mental health training for new employees, offer e-learning that enables them to assess the status of their mental health at any time, and make effective use of a mental health self-care tool.

To prevent severe lifestyle-related diseases, we classify employees into several groups by health risks discovered through the health checkups and visualize their health statuses. We then implement measures among high-risk Group employees who need health guidance, with a focus on preventing issues such as hypertension and diabetes from developing into serious diseases.

In addition, we carry out actions including support by specialists from institutions that specialize in hypertension and diabetes. As a result, the number of employees with poor physical or mental health is declining.

Amid the COVID-19 pandemic, we implemented health measures suited to working from home, including an online seminar on lifestyles, diet and physical exercise for encouraging employees to undertake voluntary health efforts. Many employees took part in the seminar.

Starting in fiscal 2021, we created opportunities for an industrial physician to attend our Management meeting and report on the status of our health indicators and health issues, and to offer advice on health management implementation.



Preventing lifestyle diseases from worsening by analyzing health indicators for classifying risks according to the health pyramid

Health pyramid	Occupational health staff	Health promotion team	Improving health literacy
Medical guidance	○	*	* Collaborate with occupational health staff as necessary
Requiring health guidance	○	○	Analysis of lifestyle risk factors
			Promotion of specific health guidance
			Steps to improve lifestyle habits

Special
Roundtable

Business and Human Rights



Full consideration was given to the prevention of COVID-19 infection during the photo shoot. In addition, the facilitator participated online.

Given the increasing importance of corporate initiatives to ensure respect for human rights, we invited Mr. Koji Hyodo and Ms. Yumiko Horie from Save the Children Japan to a special roundtable, with Mr. Kazuo Tase from SDG Partners as the facilitator. The discussion covered their views on the Ricoh Leasing Group's approach and initiatives in relation to business and human rights.

Tase

UN Guiding Principles are clear on corporate responsibility

Thank you for joining us for this roundtable discussion on the theme of business and human rights, specifically from the perspective of children's rights. The Guiding Principles on Business and Human Rights (UNGPR), endorsed by the United Nations in 2011, clarify not only the duty of states to protect human rights but also corporate responsibility to respect human rights, and they have become the global norm over the last decade. In recent years, human rights violations and child labor in corporate supply chains have come into focus, and the importance of these issues in relation to ESG investment has also risen. In Japan, too, human rights due diligence and other initiatives are being carried out in accordance with the UNGPR, with large companies taking the lead. Given this trend, President Nakamura, could you first tell us about Ricoh Leasing's thinking on this topic?

Nakamura

Doing the "right" thing for an abundant future

I was appointed President and CEO in 2020, the year in which the COVID-19 pandemic took hold. While working from home, I heard the voices of children playing outside. I thought, "we have to create an abundant future for these children." Since then, I have been very mindful of human rights issues and the need to factor them into Ricoh Leasing's activities. Our corporate philosophy is to "be a bridge to an abundant future with our independent financial services." But what does an abundant future look like? The future belongs not only to adults but also to children, and this link must not be severed. To that end, we believe that it is necessary for us, as a leasing company, to demonstrate our stance of doing what is "right" in consideration of human rights to the world, and to refuse to do what might be considered "wrong."

Hyodo

The future is bright for companies that care about children

Hearing President Nakamura's current thoughts, I feel that the future of Ricoh Leasing is bright. Even if a company's sustainability and CSR departments understand human rights issues, corporate management does not always share that understanding. In Japan's corporate world, an increasing number of companies are tackling human rights issues in the

1

Kazuo TaseFacilitator
Representative Director and CEO
SDG Partners Co., Ltd.

Visiting Fellow, New York University School of Law. Joined the Ministry of Foreign Affairs in 1992. He has held positions at the United Nations Policy Division, Human Rights and Refugees Division, Africa Division II, UN Administration Division, and as First Secretary of the Permanent Mission of Japan to the United Nations. Left the Ministry in 2014. Established SDG Partners in 2017 after working as Executive Officer at Deloitte Tohmatsu Consulting.

2

Koji HyodoGeneral Manager
Partner Relations Division
Save the Children Japan

He has been in charge of media, sales and marketing departments at advertising agencies and business companies for approximately 20 years. Joined Save the Children in 2009. Head of marketing, corporate collaboration and fundraising. In charge of corporate collaboration promotion at Save the Children International and is an advisor to the Japan NGO Center for International Cooperation.

3

Yumiko HorieGeneral Manager
Advocacy Division
Save the Children Japan

After working for Kyodo News and studying development assistance at a graduate school in the U.K., she was stationed in Cambodia on an NGO project. Joined Save the Children Japan in 2002. Since 2010, she has been in charge of policy proposals such as development assistance policy and the SDGs. Currently leads policy proposals to realize children's rights in Japan and overseas.

4

Tokuharu NakamuraRepresentative Director, President
and Chief Executive Officer
Ricoh Leasing Company, Ltd.

5

Hirozumi SanoDirector and Managing
Executive Officer
Officer in Charge of Sustainability
Ricoh Leasing Company, Ltd.

6

Yuichi ArakiExecutive Officer and
General Manager of Human
Resources Division
Ricoh Leasing Company, Ltd.

context of the SDGs, and some companies leading the way are trying to resolve these issues not only for themselves, but for their entire industry. In Europe and the United States, where there is a high level of concern about human rights issues, if a business partner is implicated in child labor, instead of cutting ties, it is common to have them correct the issue and then continue doing business with them. This is to ensure stable local employment and prevent economic stagnation.

Horie

**Business principles from
a children's rights perspective**

Today, given the threat of conflicts and environmental issues such as climate change and natural disasters, an increasing number of companies, including the Ricoh Leasing Group, do business responsibly, seeing it as an investment in future generations. However, the UNGP did not contain a perspective on children's rights, so in 2012 Save the Children jointly drafted ten principles—the Children's Rights and Business Principles (CRBP)—with the United Nations Global Compact and UNICEF. The Japanese version was published in 2014.

Tase

**Ricoh Leasing's initiatives
on human rights issues**

Thank you. Next, Mr. Araki, could you please tell us about Ricoh Leasing's initiatives in terms of personnel policies and

employee human rights, and Mr. Sano, please talk more about those from the perspective of sustainability management.

Araki

**Creating a workplace that considers
each individual's circumstances**

In terms of human resources, Ricoh Leasing has been striving to create a better working environment by considering work methods and processes in accordance with the basic stance of its corporate philosophy, which is to create an environment where everyone can respect each other and work happily and enthusiastically. The past notion of pursuing only productivity and efficiency has changed. We have recently enhanced our support system for balancing childcare and nursing-care, and when employees leave the Company, almost none do so because of marriage, childbirth or childcare. In order to encourage men to participate equally in housework and childcare, which is a social issue, we started the "Ikumen☆Challenge Leave System," which has also gained traction. I feel that the Company has been reenergized by creating an environment where employees can independently establish when and where they work.

Horie

**The pandemic reminded companies to value
employees first and foremost as human beings**

As work styles have become more diversified, such as with remote work during the COVID-19 pandemic, companies



have been reminded of the fact that their employees are human beings first and foremost. Working parents want a child-friendly workplace that ensures well-being, with, for example, a lactation room. Today's world recognizes the ability of such corporate initiatives to increase employee motivation and productivity and make companies more attractive, leading to sustainable management.

Sano

NAP-compliant corporate action plans are needed

Growing up in Japan, even though I helped out at home, it was hard for me to imagine what forced labor or child labor might look like. The rule of law is strong in Japan, so such problems are rare, but they can occur within global supply chains. It is important for Ricoh Leasing to establish policies and action plans that genuinely tackle human rights issues in accordance with the National Action Plan on Business and Human Rights (NAP) formulated by the Japanese government in 2020.



Tase

Human rights and education are closely related

I admire your forward-thinking efforts. Regarding child labor in the supply chain, the International Labor Organization has put forward the Decent Work Agenda and in ESG investment there is often talk about "wellbeing." At the same time, when considering how the working styles of Japanese parents affect their children's rights, there is still a lot left unsaid. Human rights and education are closely related, so what can companies do in this regard?

Horie

Education is an investment in the future and a basic human right

NGOs such as ours also worked on the NAP, and the protection and promotion of children's rights and CRBP were included as cross-sectional issues. I would like the government to spread awareness of this issue and encourage companies to take concrete action. I feel that Ricoh Leasing has the power to change corporate behavior globally, by incorporating a child human rights perspective into its investment criteria and its selection criteria for lease customers. More people may be working from home as a result of the COVID-19 pandemic. Nevertheless, women continue to take on a greater proportion of housework and childcare responsibilities. In addition, due to various stress factors, the number of domestic discord, domestic violence, and child abuse incidents has increased. In Japan,



following the banning of corporal punishment in 2020 through revisions to the Child Welfare Act and the Act Concerning the Prevention of Child Abuse, support and education by the government and companies has been and will continue to be important. Education is both an investment in future generations and a basic human right. While our organization is working to make education free, we also expect companies to provide support for children who want an education but lack access, as well as mental health support for parents and children.

Nakamura

Fostering values that respect children's individuality

We are currently encouraging employees to form working relationships that are inclusive of diversity through in-house training and the creation of an environment in which all employees are strongly aware of human rights. It is important for parents to treat their children as individuals and not as property. Value systems where whatever parents or people in positions of power say is final are outdated. We will therefore cultivate new values suitable for the 2020s and beyond, and communicate them outside the Company.

Araki

Opportunities for colleagues to discuss and improve their knowledge

Our human resources departments are advocating the concept "Happiness at work." Each person becomes happier by doing more of the things they want to do. The prerequisite to happiness at work is mutual respect. To that end, we have been holding training for management about our corporate philosophy



manner with small- and medium-sized customers, so that they can also work on human rights issues. We would also like to create future supporters of the Company by letting children know about our initiatives. Even after growing up, people often continue to admire their childhood heroes. We believe such a perspective is important in sustainability management.

Horie

Achieving the future through dialogue between multiple sectors

That is wonderful. To bring about a sustainable society, ongoing dialogue is important not only between governments, companies and NGOs, but also across different sectors. Through such dialogue, we can uncover common goals and forge a path forward. As an NGO, we can help with in-house training, so please feel free to contact us.

Hyodo

Ricoh Leasing as a model leading change in society

My impression from today's discussion is that Ricoh Leasing knows what needs to be done and is deeply determined to do it. I would like people around the world to recognize that children have rights, in the same way that President Nakamura talked about acknowledging diverse individuals. In addition, given the need for small- and medium-sized companies to implement action plans, I feel that Ricoh Leasing taking the lead in reaching out to business partners will strengthen ties with customers and create opportunities for social change.

Sano

Raising children as future fans

At many companies, new employees in their early 20s and people nearing retirement in their 60s work side-by-side, so the values of each age group must be incorporated into corporate action plans. We will share the UNGP in an easy-to-understand

Nakamura

Our goal is to achieve a healthy society

While companies have a variety of roles, some of which are profit-oriented, doing our work "right" is important, as I touched on initially. We should work together to achieve a society where everyone can work and live fairly in a healthy world.

Corporate Governance

Basic approach to corporate governance

The Ricoh Leasing Group is committed to good corporate governance, with the dual objectives of ensuring management transparency in accordance with business ethics and the spirit of compliance, and strengthening the Group's competitiveness. We are also striving for sustainable growth and enhancement of our corporate value by building trust with our stakeholders, who

we define as our customers, business partners, employees and society.

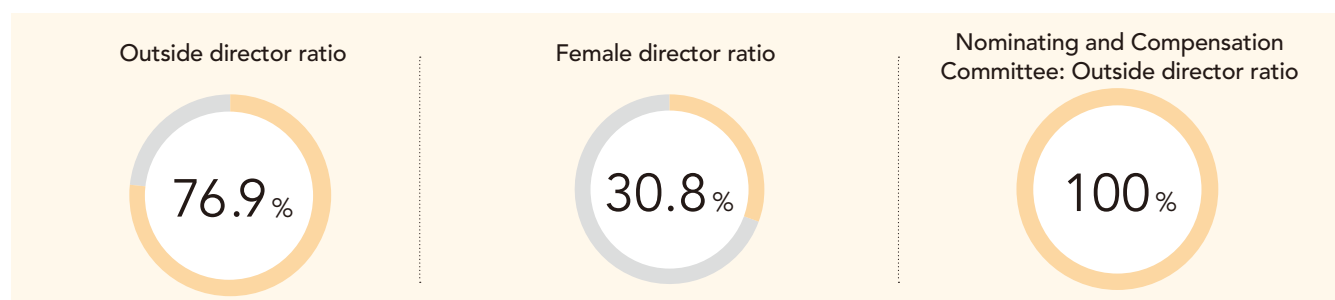
Our policy is to continue working to further strengthen and improve corporate governance by constantly reconsidering the framework according to social, environmental and legislative changes.

Outline of corporate governance (As of June 27, 2022)

Organizational form	Company with an audit and supervisory committee Note: 1-year term of office (2-year terms for directors who are Audit & Supervisory Committee members)
Executive officer system	Yes
Chairperson of Board of Directors	President
Directors	13 persons (including 10 outside directors and 8 independent outside directors) 10 directors who are not members of the Audit & Supervisory Committee (including 7 outside directors and 5 independent outside directors) 3 directors who are members of the Audit & Supervisory Committee (all are independent outside directors)
Board of Directors meetings and attendance ¹	14 meetings / Average attendance rate of directors: 100%
Advisory body to the Board of Directors	Nominating and Compensation Committee comprising 5 members (all of whom are independent outside directors; however, excludes directors who are Audit & Supervisory Committee members)
Audit & Supervisory Committee meetings and attendance ¹	22 meetings / Average attendance rate of Audit & Supervisory Committee members: 100%
Provision of incentives to directors	Bonus linked to single-year earnings (short-term incentives) Stock-based remuneration ² (long-term incentives)

1. FY2021 results

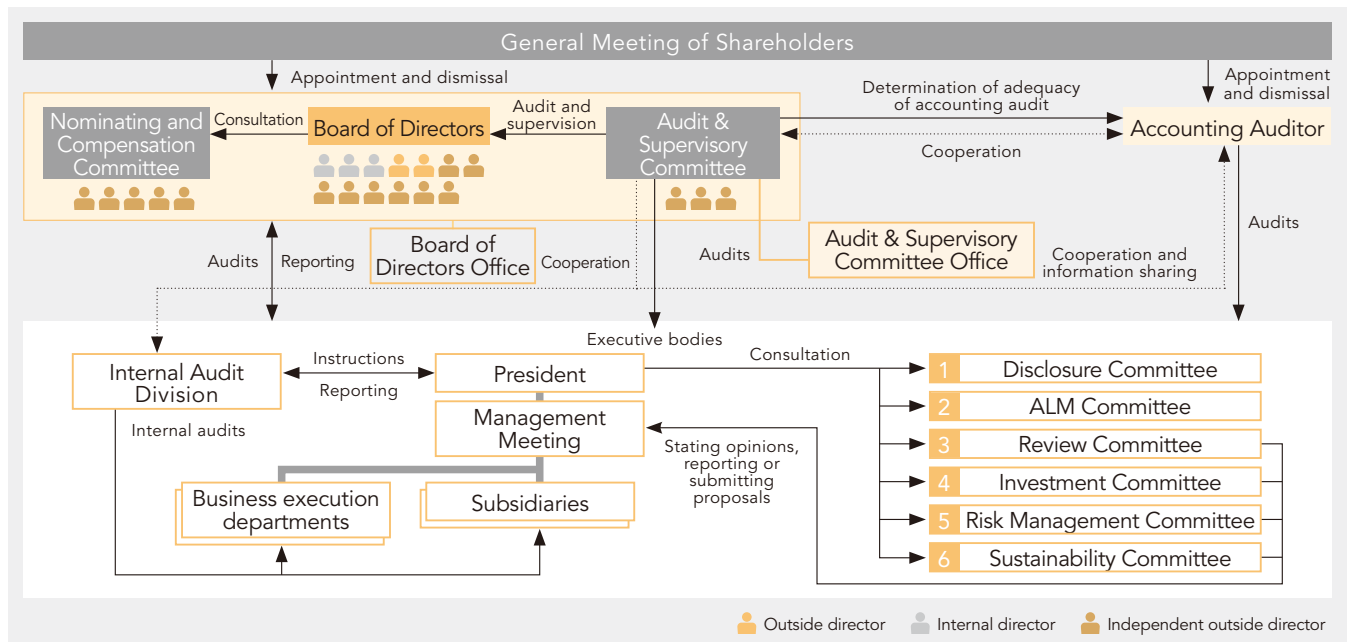
2. Equity trust method



Record of initiatives for enhancement and reform of governance

2015	- Initiated submission of Corporate Governance Report - Established Nominating and Compensation Committee - Appointed first outside director (female outside director)
2016	- Began Board of Directors' effectiveness assessment - Appointed second outside director
2017	Revised director remuneration system (performance-linked pay increased to 50% of total remuneration)
2018	Appointed third outside director
2019	- Shortened directors' term of office (from 2 years to 1 year) - Introduced stock-based remuneration system - Appointed third female outside director
2020	- Transitioned to company with an audit and supervisory committee - Outside director ratio reaches 64.2% - Entire Nominating and Compensation Committee composed of independent outside directors
2021	- Disclosed policy for determining details of individual director remuneration - Outside director ratio reaches 69.2% - Female director ratio reaches 23.1% - Disclosed compliance status regarding all 83 principles of Japan's Corporate Governance Code

Diagram of corporate governance system (As of June 27, 2022)



Board of Directors

In addition to supervising each executive officer as they fulfill their duties, the Board of Directors has instructed the President and CEO to establish an internal control system, requests regular reports on policies for its maintenance and operation and on the results of its efforts and is continuously working to strengthen the internal control system.

The Company has adopted the structure of a company with an audit and supervisory committee, and based on the provisions of the Articles of Incorporation, a considerable portion of key business decisions are delegated to the President and CEO and executive directors, which enables prompt and flexible decision making.

Voluntary advisory committee

As an advisory body to the Board of Directors, Ricoh Leasing has established a Nominating and Compensation Committee consisting entirely of independent outside directors (excluding directors who concurrently serve as Audit & Supervisory Committee members) for the purpose of ensuring the objectivity, transparency and adequacy in

the appointment of director candidates, the appointment and dismissal of management team members, the formulation and administration of succession plans for the CEO and the determination of directors' remuneration. The Company has also established the following committees as advisory bodies to the President and CEO.

1	Disclosure Committee	For the purpose of effectively and efficiently disclosing corporate information regarding the Ricoh Leasing Group
2	ALM Committee	For the purpose of properly managing assets and liabilities to properly manage risks and maximize profit
3	Review Committee	For the purpose of deliberating and determining review-related matters and reporting on review-related matters
4	Investment Committee	For the purpose of deliberating investments in entities and monitoring and reporting on investees, etc.
5	Risk Management Committee	For the purpose of effectively and efficiently developing and promoting risk management in the Ricoh Leasing Group
6	Sustainability Committee	For the purpose of more effectively supporting sustainability management across the Ricoh Leasing Group

Audit & Supervisory Committee

The Audit & Supervisory Committee of the Company audits and supervises the Board of Directors' decision-making process and the execution of duties by the management team, through activities such as exercising voting rights at meetings of the Board of Directors and exercising the right to state opinions on personnel matters and

remuneration of directors (excluding directors who concurrently serve as Audit & Supervisory Committee members) at the General Meeting of Shareholders, attending meetings of the Board of Directors, the Management Meeting, and other important meetings, looking over key documents and examining the status of business operation and assets.

Assessment of Board of Directors' effectiveness (FY2021)

To continuously enhance and improve the effectiveness of the Board of Directors, the Company assessed the effectiveness of the Board of Directors by conducting a survey, targeting all

directors and corporate auditors (including Audit & Supervisory Committee members) regarding deliberations on the Board's responsibilities and the status of its operation.

Procedure

Evaluation method

- (1) At the Board of Directors meeting held on February 4, 2022, it was explained to all 13 directors that a questionnaire regarding the effectiveness of the Board of Directors (hereinafter referred to as the "FY2021 Questionnaire") would be conducted, and their responses were requested.
- (2) An overview of the FY2021 Questionnaire results was reported at the Board of Directors meeting held on March 29, 2022.
- (3) A report analyzing the FY2021 Questionnaire data was made at the Board of Directors meeting held on June 27, 2022, and future initiatives based on the evaluation results were explained.

Questionnaire items

The key items in the 2021 questionnaire were as follows. Each question was assessed on a 4-point scale, with an additional column allowing comments to be made freely on each item.

- I. The status of discussions at Board of Directors meetings
- II. The size and composition of the Board of Directors
- III. Management of the Board of Directors
- IV. The support system for outside directors (for outside directors only)
- V. Operational status of committees (for Audit & Supervisory Committee members and Nominating and Compensation Committee members only; excluding certain members)
- VI. Overall assessment

Issues identified in previous survey and initiatives in response

More thorough information on competitors and industry trends needed	Provided information about other leasing companies and leasing industry by email on regular basis
More extensive discussion regarding Mid-term Management Plan needed	Session was held exclusively to discuss Mid-term Plan
Interaction with executives should be increased	Retreat held in July 2022 to formulate the next mid-term plan, providing a chance to interact with executives
Additional time for deliberation needs to be ensured	Some reports made in writing and time allocations reviewed, to be further implemented in future as appropriate
Discussion process of Nominating and Compensation Committee should be disclosed to Board of Directors	• More detailed explanations of matters discussed by Nominating and Compensation Committee, such as selection of directors, provided to Board of Directors • Audit & Supervisory Committee members who are directors given the opportunity to view meeting minutes of Nominating and Compensation Committee

Issues identified in this year's survey

Assessment results for fiscal 2021 confirmed that the Board of Directors was functioning effectively, and showed shared awareness regarding time allocation for deliberation, discussion of the Mid-term Management Plan, communication with the Audit & Supervisory Committee, and further deepening the shared awareness of issues between outside directors and executives.

Going forward, we will continue to make ongoing improvements, including the review of management methods, proposals and reporting standards.

Policy for selection of directors

Policies and procedures to nominate director candidates and appoint and dismiss management team members

- (1) We will appoint personnel who are capable of appropriately and strictly executing the role and responsibilities which directors are required to fulfil.
- (2) On the appointment of directors, we will nominate personnel with (i) excellent character, (ii) diverse, extensive experience, and (iii) specialist expertise. Outside directors in particular must meet the additional requirement of being "personnel who can make judgments from the perspectives of shareholders and society," and we will establish independent criteria and appoint personnel who satisfy such criteria.
- (3) On the appointment of candidates for directors who are not members of the Audit & Supervisory Committee, the Board of Directors will determine the candidate proposal after deliberation at the Nominating and Compensation Committee.
- (4) Regarding the selection of candidates for directors who will concurrently serve as Audit & Supervisory Committee members, the Board of Directors prepares proposals for candidates at a meeting of the Board after obtaining approval of the Audit & Supervisory Committee.
- (5) As executives and senior managers, we will appoint personnel with the ability to execute business based on their strong leadership and excellent character in order to achieve the management strategies of the Company and the Group and the strategies of each business.
- (6) Decisions on the appointment of executives and senior managers will be made by resolution of the Board of Directors after deliberation at the Nominating and Compensation Committee.
- (7) The dismissal of executives and senior managers is determined by the Board of Directors after deliberation at the Nominating and Compensation Committee, taking the following dismissal criteria into consideration.
 1. If they are judged incapable of executing the role and responsibilities they are required to fulfill.
 2. If they have committed an illegal act or fraud in the execution of their duties.
 3. If they have brought discredit to the Company through their words or actions.
 4. If they are judged incapable of properly executing their duties due to their health or for other reasons.
 5. If they are otherwise judged incapable of executing their duties as officers for reasons attributable to themselves.

Directors' skill matrix

		Position	Audit & Supervisory Committee member	Nominating and Compensation Committee member	Term of office	Gender	Directors' areas of expertise expected by the Ricoh Leasing Group									
							Corporate management	ESG and sustainability	Finance and accounting	Sales and marketing	Financial services	Real estate	International business	Law	Risk management	IT and technology
1	Tokuharu Nakamura	Representative Director			3 yrs	Male	●	●		●	●	●				
2	Hirozumi Sano	Director			3 yrs	Male		●	●	●						
3	Shinichi Kuroki	Director			1 yr	Male				●	●	●				
4	Masaya Futamiya	Outside Director		●	4 yrs	Male	●	●					●			
5	Masako Arakawa	Outside Director		●	3 yrs	Female		●			●	●	●			
6	Mari Ebisui	Outside Director		●	2 yrs	Female			●				●		●	
7	Atsumi Harasawa	Outside Director		●	2 yrs	Female		●						●	●	
8	Keiichiro Uesugi	Outside Director			1 yr	Male			●	●	●		●			
9	Takashi Ichinose	Outside Director		●	—	Male	●						●			●
10	Nobuhisa Zama	Outside Director			—	Male					●		●		●	
11	Tokio Kawashima	Audit & Supervisory Committee Member, Outside Director	●		2 yrs	Male					●		●		●	
12	Hiroimi Nakazawa	Audit & Supervisory Committee Member, Outside Director	●		—	Female			●		●		●	●	●	
13	Toru Miyama	Audit & Supervisory Committee Member, Outside Director	●		—	Male								●	●	

Evaluation system for directors' remuneration revised to include ROA and ESG indicators

At a meeting of the Board of Directors held on June 27, 2022, revisions were made to the "policy for determining the details of individual director remuneration, and the details of remuneration, etc. actually determined." We also confirmed that the recommendations regarding the revised decision-making policy and so forth received through consultation with the Nominating and Compensation Committee were respected.

Based on the above, from fiscal 2022, we have added ROA, which is a capital efficiency indicator, to the bonus calculation formula (in addition to the existing assessment indicators). Additionally, in order to create further corporate value through achieving our targets, the non-financial "employee happiness score" indicator has also been added to the bonus calculation

formula. Similarly, we have added an ESG evaluation, another non-financial indicator and an ESG initiative indicator, into the calculation formula for stock-based remuneration.

Also, in regard to the evaluation of the President and CEO's performance in executing his/her duties, the Nominating and Compensation Committee holds interviews with the President and CEO about target setting and evaluation, and we will implement the process determined by the Nominating and Compensation Committee. Note that, as in the past, the President and CEO will consult with the Nominating and Compensation Committee regarding evaluation of each director's performance in executing his/her duties, and will decide based on the report from the Nominating and Compensation Committee.

(Directors whose position is independent from business execution)

Fixed remuneration

Audit & Supervisory Committee members,
outside directors

Basic remuneration

(Executive directors)

Fixed remuneration

Performance linked remuneration

Representative director

Basic remuneration (50%)

Performance linked
remuneration (35%)

(15%)

Directors

Basic remuneration (50%)

Performance linked
remuneration (37%)

(13%)

Notes: 1. We set the ratio between basic remuneration and performance-linked + non-monetary remuneration at 1:1. (When KPI is 100% achieved)

2. From the perspective of independence and appropriately performing a supervisory role, basic remuneration is only paid to directors who are Audit & Supervisory Committee members and outside directors.

Stock-based
remuneration

Establishment of "Policy on Social and Environmental Considerations in Investment and Lending"

The Ricoh Leasing Group aims to contribute to resolving social and environmental issues through the conduct of its business and takes an active role in building a sustainable society. Accordingly, we have established a policy to prohibit or restrict investment, etc. in businesses and companies that have a major negative impact on society.

The Group will not invest in businesses and companies that are in violation of public orders and morals or that are anti-social forces, that use funds for speculative purposes or that

manufacture cluster munitions or handle commercial products directly related thereto if the Group recognizes a material risk or negative impact on society and the environment.

Moreover, the Group has identified coal-fired power generation, arms production, deforestation and palm oil production as transactions that require attention and has established a policy on not investing in such transactions if it recognizes that there is a negative impact.

Policy on cross shareholding

The Company has established a basic policy of holding shares of a trading partner's stock in order to maintain and strengthen stable trading relationships with said trading partner if it is necessary for the enhancement of the Company's corporate value over the medium to long term. The status of the Company's

business with such business partner and the significance of the cross shareholding are validated periodically and results are reported to the Board of Directors. A cross shareholding is reduced if the necessity of the cross shareholding is diminished.

Succession planning

We implement a training program called RL Miraijuku for staff we consider to be potential future candidates for the CEO position. This program conveys the President and CEO's views and ideas, and cultivates the perspectives and viewpoints of management. With management team members (including outside directors who are members of the Nominating and Compensation Committee) and outside specialists as speakers,

it includes lectures and interactive communications to broaden the knowledge required by next-generation leaders. Participating in these lectures offers outside directors who are members of the Nominating and Compensation Committee the opportunity to evaluate candidates for CEO and other top positions, through questions and opinion sharing.

Introduction of newly appointed directors



Takashi Ichinose
Outside Director

Thus far I have worked in the electronics industry and will now be taking on important responsibilities in a different field, nevertheless I recognize that there are common issues that companies should address from the viewpoint of inclusion that transcend borders between industries, such as deepening governance from an ESG perspective and utilizing leading-edge technologies that include AI and IoT. Utilizing the knowledge and experience I have accumulated up to now, I hope to support Ricoh Leasing's goal of creating a sustainable circulation-oriented society and contribute to the sustainable improvement of its corporate value.



Nobuhisa Zama
Outside Director

How Ricoh Leasing conducts its corporate activities and contributes to the realization of a sustainable circulation-oriented society is a matter of great interest to its stakeholders. As an outside director, while supervising management from an objective standpoint, I will provide sincere support to increase governance transparency and actively promote a sound risk appetite in order to improve corporate value over the medium and long term. I will do my best to contribute to the further growth of Ricoh Leasing, which aims to become a Circulation-Creating Company that connects to the future, by making use of my domestic and overseas business experience at financial institutions and my varied knowledge of credit, risk and compliance.



Hiromi Nakazawa
Outside Director
(Audit & Supervisory
Committee Member)

In my many years as a certified public accountant, I have been involved in corporate practices such as accounting audits and internal audits under a motto of "improving the quality of management through the power of accounting." Recently, I was involved in managing a consumer products business for women at a cosmetics manufacturer. With increasing emphasis now being placed on tackling sustainability-related issues, we are witnessing the advent of an era in which the ability to discern intangible potential beyond financial information and engage in dialogue is essential. Daily lifestyles have changed dramatically due to the effects of infectious diseases that have spread worldwide, and that has had a major impact on corporate management. I intend to do my best so that Ricoh Leasing can face global trends and environmental changes, improve profitability and social impact, and boost its corporate value.



Toru Miyama
Outside Director
(Audit & Supervisory
Committee Member)

Companies are required both to possess the ability to generate earnings and to contribute to society and, in order to operate in compliance with laws and social norms while aiming for operational efficiency, it is necessary to continuously monitor whether an environment that ensures a highly transparent decision-making process and smooth communication is in place and is functioning effectively. From this perspective, I hope to fulfill my role as an outside director concurrently serving as an Audit & Supervisory Committee member, and that the Ricoh Leasing Group will grow and develop soundly as a rewarding company that helps create a circulation-oriented society.

Message from an Outside Director



Recognition of sincere efforts toward realizing the Ricoh Leasing Group's vision

Four years have passed since I was appointed as an outside director in 2018. As a member of the Ricoh Group, which has been very proactive in addressing environmental issues from its early days, my impression of the Ricoh Leasing Group is that of a serious and diligent group that recognizes the importance of respect for people, altruism and diversity, and that these are deeply rooted in its corporate culture.

In the current Mid-term Management Plan, the Ricoh Leasing Group's medium- to long-term vision is to become a Circulation-Creating Company, and the Group is working very positively to create new value and initiate change. In 2026, four years from now, the Company will celebrate the 50th anniversary of its founding, and thus recognizes that it is time to clearly define its uniqueness and identity under the leadership of President Tokuharu Nakamura, the first president to have spent his entire career with the Company. As the corporate environment changes dramatically, clarifying what it should be doing, closing the gaps between its current state and its ideals, and making changes are essential actions for the ongoing viability of any company. Ricoh Leasing is recognized as a company that understands and implements this well.

I also believe that my role as an outside director is to utilize my experience and knowledge in corporate management to think together with the Company toward realizing its vision, and to provide the necessary checks and encouragement. While initiatives related to human rights, the SDGs, and ESG are extremely important, one should be wary that sometimes the means becomes the end. It is important to always remember what the original objective is, to return to it and to work toward it.

Becoming a company with moonshot dreams

At meetings of the Board of Directors, members with diverse backgrounds engage in open and lively discussions. During the process of formulating the Mid-term Management Plan, in-house directors and outside directors held repeated discussions and deepened their understanding of what "circulation-creation" means. I believe that there is a common understanding of the management vision among executives and employees in terms of matters such as the meaning of "individual-centered" and "circulation." With respect to the results of the annual evaluation of the Board of Directors, I feel that the Company has taken solid improvement measures and that the governance system has been strengthened year by year.

The Group's stance of aiming for sustained growth is important in today's rapidly changing environment. Another important aspect of this stance is the innovation that comes from having a vision for the future, as when pursuing a moonshot.* Going forward, I would like the Group to cultivate the meaning of "working with a dream" and put effort into becoming a company that continues taking on challenges.

The "Moonshot Goals" set by Japan's Cabinet Office also target human wellbeing. One interpretation of wellbeing is "acting for the sake of others' wellbeing will improve one's own," which I find highly compelling. We believe that the SDGs and ESG are fundamentally human-centric. It is important for the Group to create opportunities for dialogue with stakeholders without forgetting this foundation.

* Moonshot: A grand plan or challenge that is unexplored and extremely difficult, but will have a big impact if it can be achieved, and will give birth to innovation. The word comes from the original dream of sending a rocket to the moon.

Compliance

Compliance approach and promotion system

The Ricoh Leasing Group considers thorough compliance to be a basic management principle for realizing its corporate philosophy. All officers and employees strictly comply with all laws and regulations, and carry out honest and fair corporate activities by acting without hesitation regarding social conventions and corporate ethics.

Specifically, we take compliance to mean responding appropriately to the demands and expectations of society and based on the Group's Code of Conduct, which must be observed, we implement a compliance program that includes the establishment of regulations, the creation of procedural manuals, an internal whistle-blowing system and the enhancement of employee education. The management team, including directors

and executive officers, takes the lead in setting an example, and in order to ensure thorough compliance throughout the Company, we appoint a Compliance Officer (officer in charge of compliance promotion section) as head of the Compliance Office to facilitate compliance education and understanding.

In order to verify the effectiveness of compliance, its status is deliberated at the Management Meeting and reported to the Board of Directors. In fiscal 2021, there were no major compliance violations requiring disclosure. Going forward, we will continue to enhance our activities to promote thorough compliance and strive to ensure even greater compliance by strengthening our systems.

Strengthening and full implementation of compliance

The Ricoh Leasing Group has incorporated the objectives and content of its Code of Conduct as specific provisions in internal rules and operational rules and puts them into practice in leasing, finance and all other business activities.

Moreover, e-learning is provided to all employees on an annual basis to ensure that they learn the enforcement and revisions of laws and regulations from related topics and case examples. At the end of an e-learning course, participants sign a pledge to the effect that they understand and adhere to the Code of Conduct.

Furthermore, "Grievance handling and five basic rules in grievance handling," which describes our basic approach to and basic actions regarding grievances and claims is posted on the intranet, in order to enable appropriate decisions and responses to customers' complaints.

In fiscal 2021, we conducted education on the Code of Conduct with the aim of creating a culture in which executives and employees can act with common values.

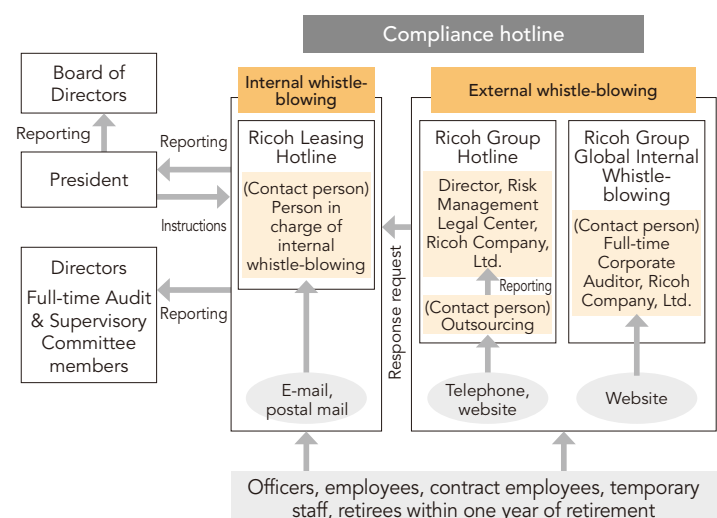
FY2021
Compliance
e-learning
participation rate
100%

FY2021
Compliance e-learning
participation rate: 100%

Internal whistle-blowing

The Company has established hotlines in and outside the Company as points of contact for all employees (including officers, employees, part-time workers, contract employees and personnel dispatched from staffing companies) to whistle-blow and consult about violations of laws and regulations and internal rules, bribery and other acts of corruption, harassment, human rights infringement and other acts in violation of the Ricoh Group Code of Conduct, and has made the hotlines known to all employees.

The hotlines accept email and sealed letters, and the external contact point has a designated telephone number and a web-based contact point for external contacts. In order to protect whistle-blowers, details of any whistle-blowing are kept confidential, and retaliation against whistle-blowers is prohibited. In fiscal 2021, no whistle-blowing was made regarding fraud.



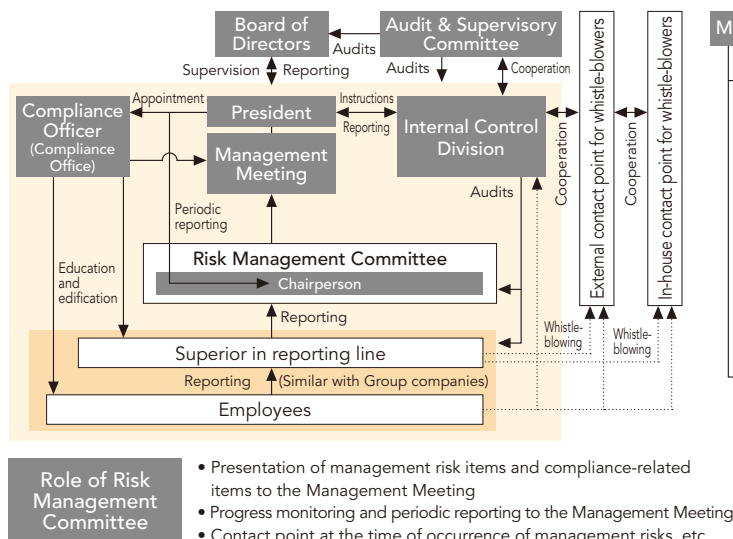
Risk Management

Our approach to risk management

Amidst growing uncertainty, companies are required to establish a framework for dealing with risks that significantly affect business activities. Based on its awareness of the importance of its social responsibilities, the Ricoh Leasing Group has established a Risk Management Committee to comprehensively and exhaustively manage the risks of loss.

Moreover, to prevent losses, Risk Management Rules that prescribe procedures have been established for an initial response to minimize damages (losses) in the event that incidents do occur.

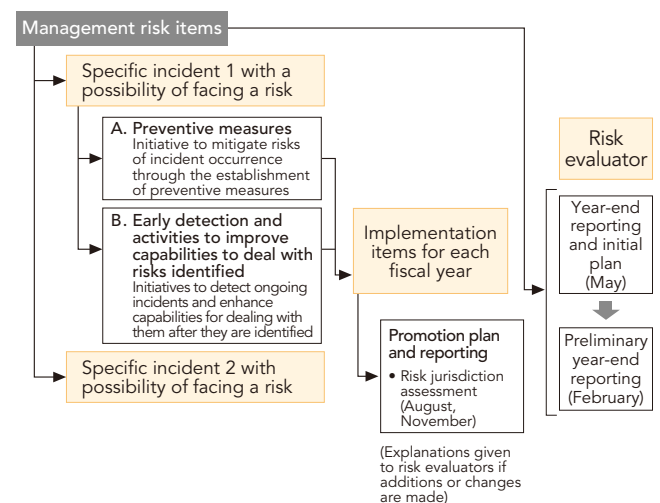
Diagram of risk management and compliance promotion structure



Strengthening of risk management structure

The Risk Management Committee has established procedures for the prevention of material risks caused by earthquakes and other natural disasters, harassment and other human rights issues, environmental effects and information security and for the initial response in the event that risk events do occur. It is also improving the system and promoting measures for the prevention of incidents.

Moreover, in accordance with internal rules, a Review Committee and ALM Committee have been established as advisory bodies to the President and CEO in order to comprehensively analyze and examine risks inherent to the nature of the Company's business and ensure thorough risk management.



Review of management risk

In the modern world, where there are various risks associated with the changing times, Ricoh Leasing implements risk management for business continuity and the achievement of managerial targets. In fiscal 2021, we conducted a new risk map analysis in terms of the severity of management impact when a risk materializes, and the likelihood of occurrence (urgency). As a result, we identified risks that should be prioritized for countermeasures as those that "could have a significant or relatively significant impact on management and could occur at any time," and "those issues with a degree of urgency requiring attention within five years or more than five years in the future, but that could have a significant impact on management if they occur." A committee was assigned to each risk item, and if a committee determines that collaboration regarding the response to other risks is required, the Risk Management Committee will discuss the matter. In addition to devising risk countermeasures, we have systematized processes for continuous improvement activities, such as evaluating progress

and revising plans as necessary. Furthermore, risk management progress reports from Group companies Techno Rent and Enplus are shared with the Risk Management Committee.

Committees, etc. that deliberate on identified management risk items and responses

Risk item	Committee	Risk jurisdiction
Credit risk	Review Committee	Examination Division
Business investment risk	Investment Committee (Launch Meeting)	Business Strategy Division
Market risk (interest rate risk, liquidity risk)	ALM Committee	Finance Department
Climate change and human rights risk	Sustainability Committee	Corporate Planning Department
Employment management risk	Risk Management Committee	Human Resources Division
Natural disaster risk	Risk Management Committee	General Affairs Department, Corporate Planning Department
Information risk	Risk Management Committee	BPT Division
Compliance (misconduct) risk	Risk Management Committee	Legal Department

Business continuity planning (BCP) and disaster control

Drawing on lessons from the Great East Japan Earthquake, the Company has developed an action manual to ensure that each employee can respond appropriately to disasters. In addition to conducting annual disaster drills in each region, we also participate in disaster response drills jointly conducted by the Ricoh Group. In this training, we divide activities into initial responses in the event of a disaster (on-site activities) and BCP (headquarters activities) so that we can respond smoothly when an actual disaster occurs. In addition, we have reviewed our basic action guidelines for responding to disasters such as typhoons, heavy rain and heavy snow, and we are trying to send action guidance in advance as much as possible even for localized disasters such as wind and flood damage. When making decisions in the event of a disaster, we emphasize the judgment of the individuals on-site at the time of the disaster, and respect the fact that individuals take the actions that they consider most appropriate based on various weather reports and information from local governments. With an increasing number of people working from home during the COVID-19

pandemic, the preparedness of each household is important. In these ways and others, we will consider how to respond flexibly to the real-world situation, including by providing information on stockpiles and disaster countermeasures.

Fiscal year	Major initiatives
2017	• Ricoh Group disaster prevention training • Conducted disaster response training at Ricoh Leasing sites • Ricoh Group joint disaster response training (A Nankai Trough earthquake was assumed: basic training)
2018	• Ricoh Group disaster prevention training • Conducted disaster response training at Ricoh Leasing sites • Ricoh Group joint disaster response training (A Nankai Trough earthquake was assumed: application training)
2019	• Ricoh Group disaster prevention training • Conducted disaster response training at Ricoh Leasing sites • Ricoh Group Message Board was upgraded
2020	• Ricoh Group disaster prevention training • Conducted disaster response training at Ricoh Leasing sites • Overall review of the disaster prevention manual for teleworking • Introduction of disaster prevention bags for business vehicles
2021	• Ricoh Group disaster prevention training • Conducted disaster response training at Ricoh Leasing sites • Creation of earthquake response manual at business sites (head office and Toyosu) • Introduction of firefighting tutorials on the intranet • Began sharing information on safety status via online chat tool during disasters • Certified as a model company that promotes staggered returns home

Quality management

The quality of products and services offered to customers and society is an important condition for sustainable growth in a society undergoing constant change. Quality issues may lead to significant management losses. Quality management is an activity in which all employees, from top management to front-line employees, participate to improve and manage their work methods. In addition to ongoing activities, the Company is bringing forward initiatives to help raise awareness of the fact that

the process needs to be improved in order to enhance quality (attain better results). In this regard, major activities include holding TTY (whaT Then Why) training that aims to identify problems and improve problem-solving abilities. We are working on fundamental problem-solving activities which instill the approach and skills needed to identify problems, visualize facts and pinpoint root causes through factor analysis, and then devise appropriate solutions.

Information management and protection system

In 2003, the Company obtained ISMS certification, becoming the first in the leasing industry to do so. In 2004, it was awarded the Privacy Mark. It has been operating management systems for information security and personal information protection with an integrated approach. Thanks to the ongoing improvement and enhancement of management system operations, there has

been no occurrence of significant incident regarding information security and personal information protection.

The Company will maintain its efforts to enhance information security by pursuing activities in line with the basic policy on information security and the personal information protection policy, with the aim of continuously earning the trust of stakeholders.

Strengthening of information security measures

Information security risks such as the leakage, etc. of personal and customer information have a significant impact on corporate activities. Believing that it is most important to raise the awareness and understanding of each employee regarding information asset management, the Ricoh Leasing Group provides e-learning education to all employees every year. Moreover, the Operations Innovation Office of the Operations Innovation Division leads employees awareness activities

through "Save the security incidents" activities. The Company plans to review information security management and operation in order to respond to the diversifying ways in which people work.

In fiscal 2021, there was no occurrence of a material information security incident.

FY2021
Information security e-learning participation rate
100%

FY2021
Information security e-learning participation rate: 100%

Introduction of Officers



Full consideration was given to the prevention of COVID-19 infection during the photo shoot.

Directors (Attendance at Board of Directors meetings is for FY2021. Number of shares held is as of March 31, 2022)

Representative Director, President and Chief Executive Officer

Tokuharu Nakamura ¹

Number of shares of the Company's stock held (of which, number of shares scheduled to be delivered based on the stock-based remuneration system): 6,457 shares (5,937 shares)

Term of office as director: 3 years

Attendance at Board of Directors meetings: 14/14 meetings (100%)

Reason for appointment

Tokuharu Nakamura has had extensive experience in sales, business and management in the Group, gaining wide-ranging knowledge across the board. Currently, he serves as the Company's Representative Director, President and CEO. The Company believes that he will appropriately conduct the Group's business management and continue to contribute to its sustained growth, enhancement of corporate value and strengthening of the effective supervisory function of the Board of Directors by leveraging his extensive experience.

Reappointment

Male

Outside Director

Masaya Futamiya ⁴

Number of shares of the Company's stock held: — shares

Term of office as director: 4 years

Attendance at Board of Directors meetings: 14/14 meetings (100%)

Reason for appointment

Masaya Futamiya has wide-ranging knowledge and impressive insight into corporate management accumulated from his extensive experience as the chief executive of a major insurance company. Moreover, as an Outside Director, he appropriately supervises the execution of business by actively providing opinions and suggestions, and as Chairperson of the Nominating and Compensation Committee, he contributes to nominating directors of the Company, consideration and determination of succession plans, etc. and remuneration of directors of the Company. The Company believes that he will contribute to enhancing the supervisory function of the Board of Directors and realizing fair and highly transparent management through valuable opinions and guidance on the Company's management.

Reappointment

Outside

Independent

Male

Director and Managing Executive Officer

Hirozumi Sano ²

Number of shares of the Company's stock held (of which, number of shares scheduled to be delivered based on the stock-based remuneration system): 4,122 shares (3,192 shares)

Term of office as director: 3 years

Attendance at Board of Directors meetings: 14/14 meetings (100%)

Reason for appointment

Hirozumi Sano has accumulated extensive experience and impressive knowledge over his career working at the Company, holding important positions in the sales division and as a person responsible for business processes to support business models. He currently presides over general business management as Director and Managing Executive Officer. The Company believes that he will continue to contribute to enhancing the corporate value of the Group by leveraging his extensive experience and insight.

Reappointment

Male

Outside Director

Masako Arakawa ⁵

Number of shares of the Company's stock held: — shares

Term of office as director: 3 years

Attendance at Board of Directors meetings: 14/14 meetings (100%)

Reason for appointment

Masako Arakawa has extensive experience and a high degree of expertise gained in her long career in the real estate business, as well as experience as an Outside Director at a listed company and impressive knowledge of corporate governance from her activities at the Institute of Corporate Governance, Japan. Moreover, as an Outside Director, she appropriately supervises the execution of business by actively providing opinions and suggestions, and as a member of the Nominating and Compensation Committee, she contributes to nominating directors of the Company, consideration and determination of succession plans, etc. and remuneration of directors of the Company. The Company believes that she will contribute to enhancing the supervisory function of the Board of Directors and realizing fair and highly transparent management through valuable opinions and guidance on the Company's management.

Reappointment

Outside

Independent

Female

Director and Managing Executive Officer

Shinichi Kuroki ³

Number of shares of the Company's stock held (of which, number of shares scheduled to be delivered based on the stock-based remuneration system): 2,687 shares (2,222 shares)

Term of office as director: 1 year

Attendance at Board of Directors meetings: 12/12 meetings (100%)

Reason for appointment

Shinichi Kuroki has accumulated extensive experience and a high level of insight over his career working at the Company, holding important positions in the financial services division, a division which strives to resolve social issues. He currently serves as Director and Managing Executive Officer and takes a leading role in formulating a new business strategy for medium- to long-term growth. The Company believes that he will contribute to enhancing the corporate value of the Group through the business growth strategy by leveraging his extensive experience and insight.

Reappointment

Male

Outside Director

Mari Ebisui ⁶

Number of shares of the Company's stock held: — shares

Term of office as director: 2 years

Attendance at Board of Directors meetings: 14/14 meetings (100%)

Reason for appointment

Mari Ebisui has cultivated extensive experience and impressive knowledge in accounting based on a global perspective as a Certified Public Accountant in the United States and also has insight on corporate internal control and business ethics as a Certified Fraud Examiner. Moreover, as an Outside Director, she appropriately supervises the execution of business by actively providing opinions and suggestions, and as a member of the Nominating and Compensation Committee, she contributes to nominating directors of the Company, consideration and determination of succession plans, etc. and remuneration of directors of the Company. The Company believes that she will contribute to enhancing the supervisory function of the Board of Directors and realizing fair and highly transparent management through valuable opinions and guidance on the Company's management.

Reappointment

Outside

Independent

Female

Outside Director

Keiichiro Uesugi ⁷

Number of shares of the Company's stock held: — shares

Term of office as director: 1 year

Attendance at Board of Directors meetings: 12/12 meetings (100%)

Reason for appointment

Keiichiro Uesugi has experience and knowledge in management strategy at a major office equipment and precision machinery manufacturer. The Company believes that he will contribute to enhancing the supervisory function of the Board of Directors and realizing fair and highly transparent management through valuable opinions and guidance on the Company's management based on the above.

Reappointment Outside Male

Outside Director

Atsumi Harasawa ⁹

Number of shares of the Company's stock held: — shares

Term of office as director: 2 years

Attendance at Board of Directors meetings: 14/14 meetings (100%)

Reason for appointment

Atsumi Harasawa has professional experience and knowledge accumulated as a lawyer, and experience and insight as an outside officer of listed companies. Moreover, as an Outside Director, she appropriately supervises the execution of business by actively providing opinions and suggestions, and as a member of the Nominating and Compensation Committee, she contributes to nominating directors of the Company, consideration and determination of succession plans, etc., and remuneration of directors of the Company. The Company believes that she will contribute to enhancing the supervisory function of the Board of Directors and realizing fair and highly transparent management through valuable opinions and guidance on the Company's management.

Reappointment Outside Independent Female

Outside Director

Takashi Ichinose ⁸

Number of shares of the Company's stock held: — shares

Term of office as director: — years

Attendance at Board of Directors meetings: —

Reason for appointment

Takashi Ichinose has extensive experience as a manager with affiliated companies of major electronics manufacturers. Based on this, he has a wide range of knowledge and a high level of insight related to corporate management. The Company believes that he will contribute to enhancing the supervisory function of the Board of Directors and realizing fair and highly transparent management through valuable opinions and guidance on the Company's management based on the above.

New appointment Outside Independent Male

Outside Director

Nobuhisa Zama ¹⁰

Number of shares of the Company's stock held: — shares

Term of office as director: — years

Attendance at Board of Directors meetings: —

Reason for appointment

Nobuhisa Zama has a wealth of experience and strong track record as a manager in a major banking group, and a wide range of knowledge and a high level of insight into the financial industry. The Company believes that he will contribute to enhancing the supervisory function of the Board of Directors and realizing fair and highly transparent management through valuable opinions and guidance on the Company's management based on the above.

New appointment Outside Male

Directors concurrently serving as Audit & Supervisory Committee Members

(Attendance at Audit & Supervisory Committee meetings indicates actual results in FY2021. Number of shares held is as of March 31, 2022)

Outside Director

(Audit & Supervisory Committee Member)

Tokio Kawashima ¹¹

Number of shares of the Company's stock held: — shares

Term of office as director: 1 year

Attendance at Board of Directors meetings:
14/14 meetings (100%)Term of office as Audit & Supervisory Committee member:
2 yearsAttendance at Audit & Supervisory Committee meetings:
22/22 meetings (100%)

Reason for appointment

Tokio Kawashima has many years of experience working at a large financial institution, and extensive experience and insight into finance and accounting. The Company believes that he will contribute to enhancing the supervisory function of the Board of Directors and realizing fair and highly transparent management based on the above.

Reappointment Outside Independent Male

Outside Director

(Audit & Supervisory Committee Member)

Hiromi Nakazawa ¹²

Number of shares of the Company's stock held: — shares

Term of office as director: — years

Attendance at Board of Directors meetings: —

Term of office as Audit & Supervisory Committee member:
— years

Attendance at Audit & Supervisory Committee meetings: —

Reason for appointment

As a certified public accountant, Hiromi Nakazawa has specialized finance and accounting knowledge, as well as extensive experience and deep insight as an executive officer and corporate auditor of a listed company. The Company believes that she will contribute to enhancing the supervisory function of the Board of Directors and realizing fair and highly transparent management through valuable opinions and guidance on the Company's management based on the above.

New appointment Outside Independent Female

Outside Director

(Audit & Supervisory Committee Member)

Toru Miyama ¹³

Number of shares of the Company's stock held: — shares

Term of office as director: — years

Attendance at Board of Directors meetings: —

Term of office as Audit & Supervisory Committee member:
— years

Attendance at Audit & Supervisory Committee meetings: —

Reason for appointment

Toru Miyama has experience cultivated as a lawyer and a particularly high level of knowledge in corporate legal affairs, as well as experience and insight as an outside director of a listed company. The Company believes that he will contribute to enhancing the supervisory function of the Board of Directors and realizing fair and highly transparent management through valuable opinions and guidance on the Company's management based on the above.

New appointment Outside Independent Male

Executive Officers

President

Tokuharu NakamuraChairperson of the Board
of DirectorsManaging Executive
Officer**Hirozumi Sano**

In charge of head office

Managing Executive
Officer**Shinichi Kuroki**In charge of sales / General Manager
of Business Strategy DivisionManaging Executive
Officer**Akito Takagi**President and Chief Executive Officer,
Techno Rent Co., Ltd.

Executive Officer

Kenji KurokawaGeneral Manager of
Area Sales Division

Executive Officer

Emi MatsukamiGeneral Manager of Internal
Control Division

Executive Officer

Kazuya AbeGeneral Manager of
Examination Division

Executive Officer

Yuichi ArakiGeneral Manager of Human
Resources Division / Board of
Directors Office Head

Executive Officer

Shoichi InoGeneral Manager of
Social Innovation Division

Executive Officer

Hidenori HosoiGeneral Manager of
Asset Management Division

Executive Officer

Hisanao IkeuchiDeputy General Manager of
Business Strategy Division

Executive Officer

Mitsuru KonoGeneral Manager of Business
Development Division

Executive Officer

Mari SasakiGeneral Manager of Sales
Relations Division

Executive Officer

Tatsuo YamamotoGeneral Manager of
Operation Management Division

Executive Officer

Hiroshi OsawaGeneral Manager of Corporate
Management Division

Executive Officer

Ryoji NagaiDeputy General Manager of
Social Innovation Division

Executive Officer

Ako NagataGeneral Manager of Corporate
Planning Department, Corporate
Management Division

Major Financial Data

Summary of consolidated financial results	2011/3	2012/3	2013/3	2014/3	2015/3
Net sales	229,736	230,636	234,009	245,904	258,733
Cost of sales	199,791	200,782	205,423	217,309	228,917
Gross profit	29,945	29,854	28,586	28,595	29,815
Selling, general and administrative expenses	17,696	13,022	11,555	12,536	13,308
of which provision of allowance for doubtful accounts	5,659	431	(1,036)	419	915
Operating profit	12,248	16,831	17,030	16,059	16,507
Ordinary profit	12,190	16,839	16,921	15,884	16,447
Profit attributable to owners of parent	7,021	9,419	10,215	9,550	10,136
Per share (yen)					
Dividend amount	39.00	41.00	43.00	45.00	50.00
Net income	224.92	301.73	327.26	305.94	324.71
Net assets amount	3,256.18	3,517.17	3,807.05	4,060.90	4,344.43
Payout ratio	17.3%	13.6%	13.1%	14.7%	15.4%
Total assets	617,109	640,907	700,504	784,969	828,618
Net assets	101,882	110,069	119,186	127,179	136,117
Equity ratio	16.5%	17.1%	17.0%	16.1%	16.4%
Return on assets (ROA)	1.13%	1.50%	1.52%	1.29%	1.26%
Return on equity (ROE)	7.1%	8.9%	8.9%	7.8%	7.7%
Operating assets, etc.	2011/3	2012/3	2013/3	2014/3	2015/3
Finance leases	418,089	428,716	444,268	489,671	508,074
Operating leases	8,485	9,383	9,740	12,320	15,874
Total in leases	426,574	438,099	454,008	501,992	523,948
Installment sales	41,262	43,695	50,806	61,270	72,537
Total of leases and installment sales	467,837	481,795	504,815	563,262	596,486
Loans	77,667	92,594	103,994	109,947	114,289
Total of Leases & Finance Business	545,504	574,389	608,809	673,210	710,775
Solar power generation	—	—	—	—	—
Housing rental and real estate	—	—	—	—	—
Total of Investment Business	—	—	—	—	—
Total operating assets	545,504	574,389	608,809	673,210	710,775

Notes: 1. Amounts less than one million yen are rounded down.

2. Operating assets indicate balance after securitization of receivables, etc.

3. Reporting segment categorization changed in the fiscal year ended March 31, 2021

(Million yen)

2016/3	2017/3	2018/3	2019/3	2020/3	2021/3	2022/3
275,879	291,116	304,341	313,957	332,256	326,266	303,853
245,507	259,957	273,081	281,013	297,073	288,564	263,812
30,371	31,158	31,260	32,943	35,182	37,701	40,040
13,420	13,825	14,708	15,667	18,164	20,229	20,759
797	1,105	1,550	1,632	2,879	3,747	2,615
16,951	17,333	16,552	17,276	17,018	17,471	19,280
16,843	17,180	16,415	17,383	17,087	17,510	19,522
11,049	11,772	11,306	11,943	11,827	12,019	13,481
55.00	60.00	70.00	80.00	90.00	100.00	120.00
353.96	377.12	362.19	382.60	382.80	389.93	437.34
4,644.38	4,975.38	5,288.85	5,588.38	5,893.78	6,207.07	6,536.27
15.5%	15.9%	19.3%	20.9%	23.5%	25.6%	27.4%
878,526	918,864	968,950	1,040,678	1,150,734	1,160,706	1,177,723
145,562	155,998	165,890	174,449	181,675	191,333	201,480
16.5%	16.9%	17.0%	16.8%	15.8%	16.5%	17.1%
1.29%	1.31%	1.20%	1.19%	1.08%	1.04%	1.15%
7.9%	7.8%	7.1%	7.0%	6.6%	6.4%	6.9%
2016/3	2017/3	2018/3	2019/3	2020/3	2021/3	2022/3
526,990	538,028	551,398	565,113	597,534	528,929	511,493
18,759	20,894	23,059	29,058	30,596	30,411	29,505
545,749	558,923	574,457	594,172	628,130	559,341	540,998
83,706	95,814	111,313	133,163	152,926	161,696	160,814
629,456	654,737	685,771	727,335	781,056	721,037	701,812
123,127	129,217	143,787	160,627	181,683	200,661	221,951
752,583	783,955	823,246	881,652	962,740	921,699	923,764
—	—	—	2,659	8,313	16,678	19,089
—	—	2,087	6,588	23,404	30,283	41,400
—	—	2,087	9,247	31,717	46,962	60,490
752,583	783,955	831,645	897,210	994,458	968,661	984,254

ESG Data



Environment

Environmental policy

Under its medium- to long-term vision, “Become a Circulation-Creating Company,” the Ricoh Leasing Group is pursuing initiatives to reduce the environmental burden it generates through its own business activities, contributes to the realization of a decarbonized society and a recycling-oriented society through its corporate activities and aims at building a sustainable society.

- Through the development and offering of environmentally friendly products and services, the Group will contribute to the realization of a decarbonized society.
- The Group will also contribute to the realization of a recycling-oriented society by appropriately managing equipment handled by the Group and promoting the 3Rs (Reduce, Reuse and Recycle).
- The Group will take steps to reduce its environmental footprint through the conservation of energy and resources in its business activities, control and prevention of contamination, green procurement, etc.
- The Group will comply with environment-related laws, regulations, etc. and link SDGs and other social requirements with corporate activities.
- To advance its environmental initiatives, the Group will endeavor to continuously improve its management system and activities.
- The Group will ensure that all stakeholders know of, and are informed about, its environmental policy and will proactively disclose its environmental initiatives.

Revised in December 2020 Ricoh Leasing Company, Ltd.

Environmental management

The Ricoh Leasing Group has built and operates an environmental management system (EMS) in accordance with the International Standard (ISO 14001), seeking to promote environmental management based on its corporate philosophy and environmental

policy as well as the environmental strategy of the Ricoh Group. The ISO 14001 certification was acquired by the Company in 2001, and the Ricoh Group acquired integrated certification in 2014.

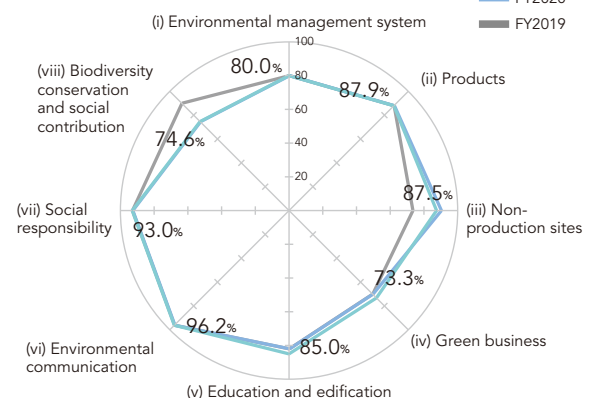
Environmental management evaluation system

The Company inspects its own environmental management from various aspects using a unique environmental management evaluation system. The system is used as a tool to ascertain the Company's position in relation to its environmental contribution and burden with respect to its business activities and develop medium- to long-term environmental targets and fiscal year policies. Evaluation results for fiscal 2021 are as shown below.

For (iii) non-production sites, although our efforts did reduce CO₂ emissions, sales activity during the pandemic was brisk, which led to an increase in energy consumption, driving the score down 2.5 points. Meanwhile, in (v) education and edification, the launch of our in-house “Mirai Award” recognition system produced many examples of environmental business initiatives that were commended, which led to a 3-point improvement. These factors led to an overall score of 84.2%.

In light of these results, we will review activities that can be conducted even amid the COVID-19 pandemic and will strive to contribute to the reduction of the environmental burden generated by our business, aiming to improve (viii) biodiversity conservation and social contribution in fiscal 2022 (continuing from last year).

FY2021 environmental management evaluation results



$$\text{Percentage of marks} = \frac{\text{Mark}}{\text{Full marks}} \times 100\%$$

Full marks: 1,000 marks

Each of the numbers surrounding the radar chart indicate percentage of marks for FY2021.

Overall percentage score

84.2%

	Total percentage of marks	Level
2021	84.2	AAA-
2020	83.7	AAA-
2019	83.7	AAA-

Level	Total percentage of marks	Level	Total percentage of marks
AAA	+ ≥90%	B	+ ≥30%
	- ≥80%		- ≥20%
AA	+ ≥70%	C	+ ≥10%
	- ≥60%		- ≤9.9%
A	+ ≥50%		
	- ≥40%		

Environmental targets and actual results in FY2021

We achieved our CO₂ emission reduction target for fiscal 2021 (738 t-CO₂) based on sales activity restrictions due to the COVID-19 pandemic and the introduction of eco-friendly vehicles, which improved fuel efficiency. Meanwhile, electricity use increased compared to the previous year due to the strict enforcement of staggered commuting. Paper purchased was significantly reduced, reflecting the limited use of paper due to employees working from home. Regarding the leased property collection rate, which is one of the 3R promotions, we have steadily strengthened our collection activity over the years, and the resulting improvement in the collection rate allowed us to attain the target.

Environmental purpose	Environmental target	KPI	Target value	FY2021 results
Environmental burden reduction in business activities	Promotion of energy conservation	CO ₂ emissions	738 t-CO ₂	719 t-CO ₂
		Electricity use	No more than 650,000 kWh	661,808 kWh
		Hours of use of air conditioning	Daytime: 77,478 hours Night hours and holidays: 8,896 hours	Daytime: 75,658 hours Night hours and holidays: 1,015 hours
		Use of gasoline	No more than 129 kℓ	122.6 kℓ
		Fuel consumption improvement	18.81 km/ℓ	19.42 km/ℓ
	Resources conservation	Emissions	No more than 38 t	32 t
		Reduction in paper purchases	No more than 4.20 million sheets	3.88 million sheets
		Rate of reduction	No less than 20.0%	19.7%
Promotion of 3Rs	Appropriate collection of leased assets	Lease equipment collection rate	No less than 70%	70.1%

		Unit	FY2018	FY2019	FY2020	FY2021	Remarks (coverage, data tabulation period, tabulation method)
Violation of environment-related laws and regulations		Cases	0	0	0	0	
CO ₂ emissions	Total	t-CO ₂	1,524,969	1,689,371	1,432,690	971,115	
	Scope 1	t-CO ₂	405	379	277	292	
	Scope 2	t-CO ₂	594	590	599	473	
	Scope 3	t-CO ₂	1,523,970	1,688,402	1,431,814	970,350	
CO ₂ emissions: Intensity	Scope 1+ Scope 2		3.18	2.92	2.68	2.52	Per 1 billion yen of sales
	Scope 3		4.85	5.08	4.39	3.19	Per 1 million yen of sales
Waste output		t	319.2	488.2	348.8	359.0	RL Group
Waste output: Intensity			1.02	1.47	1.07	1.18	Per 1 billion yen of sales
Waste recycling rate		%	98.5	98.2	95	93.7	Non-consolidated basis (RL)
Water use		m ³	7,051	6,671	7,067	5,340	16 business sites of RL Group
Water use: Consumption rate			22.45	20.78	21.66	17.57	Per 1 billion yen of sales
Paper use		Thousand sheets	7,214	7,718	6,645	5,253	RL Group
CO ₂ emissions Emissions for each category under Scope 3	Cat 1	t-CO ₂	1,039,555	1,163,233	906,258	718,140	RL Group
	Cat 13	t-CO ₂	471,607	499,420	490,424	242,071	RL Group
Recycling rate of Ricoh products upon termination of lease contracts		%	99.7	99.8	99.8	99.7	
Recycling rate of products other than Ricoh products upon termination of lease contracts		%	83.5	83.3	85.9	87.8	
Actual results of products introduced that comply with the Green Purchasing Act	Copy machines	%	99.9	99.8	98.7	99.5	
Handling volume in environment-related field/business investment		Billion yen	37.1	56.8	58.6	48.0	

Environmental accounting

The Ricoh Leasing Group calculates environmental accounting items and analyzes the cost-benefit performance of environmental conservation activities, in order to promote environmental management. Results of analysis are used for decision-making, etc. in environmental management. Period covered: April 1, 2021–March 31, 2022 Scope of tabulation: Ricoh Leasing Company, Ltd., Techno Rent Co., Ltd.

1 Environmental conservation cost

(Million yen)

Classification	FY2020		Content of major initiatives	FY2021	
	Environmental investment	Environmental expenses		Environmental investment	Environmental expenses
1. Costs within business premises	9.95	6.46	—	9.95	8.41
(1) Global environment conservation cost	7.84	4.80	Energy conservation (computer replacement, eco-car replacements)	7.84	6.73
(2) Resource recycling cost	2.11	1.66	Resource saving (reduction of paper use, etc.)	2.11	1.68
2. Upstream and downstream cost	0.00	430.82	Expenses for collection, disposal, etc. of equipment upon termination of lease contracts	0.00	446.37
3. Cost for management activities	0.00	56.70	Cost for environmental activities, integrated report production expenses, EMS (Environmental Management System) accreditation expenses, etc.	0.00	57.97
4. Social activities cost	0.00	2.30	The Green Donation, etc.	0.00	2.30
5. Environmental remediation cost	0.00	0.00	—	0.00	0.00
Total	9.95	496.28	—	9.95	515.05

2 Environmental conservation effect

Item	FY2020	FY2021
	Environmental burden reduction	Environmental burden reduction
CO ₂ emissions (t-CO ₂)	93.00	111.90
NO _x emissions (t)	0.36	(0.11)
Final waste disposal (t) (excluding Techno Rent Co., Ltd.)	(0.68)	(0.31)
Reduction in paper use (vs. previous year, thousand sheets)	1,072.9	671.4

3 Economic impact

(Million yen)

Classification	FY2020	FY2021	
	Monetary effect	Content of major initiatives	Environmental investment
1. Costs within business premises	9.17	—	(4.04)
(1) Global environment conservation cost	7.40	Energy conservation (reduction in gasoline, electricity use, etc.)	(5.14)
(2) Resource recycling cost	1.77	Resource saving (reduction of paper use, etc.)	1.10
2. Upstream and downstream cost	2,556.2	Proceeds from sale of equipment upon lease contract termination	5,751.7
3. Cost for management activities	0.00	—	0.00
4. Social activities cost	0.00	—	0.00
5. Environmental remediation cost	0.00	—	0.00
Total	2,565.4	—	5,747.7

4 Environmental burden

Item	FY2020	FY2021
	Total volume	Total volume
CO ₂ emissions (t-CO ₂)	875.9	764.0
NO _x emissions (t)	1.24	1.35
Final waste disposal (t) (excluding Techno Rent Co., Ltd.)	1.71	2.02
Volume of paper use (thousand sheets)	6,645.6	5,974.2
Waste emissions (t)	348.79	358.58
Non-industrial waste (t)	35.19	35.14
Industrial waste (t)	313.60	323.44

5 Environmental management indicators

Indicator	FY2020	FY2021
Ratio of eco profit: $\frac{\text{Economic impact}}{\text{Environmental conservation cost}}$	5.17	11.16

Environmental accounting review

1. Environmental conservation cost

Conservation costs increased 3.7% from the previous fiscal year as costs within the business area rose due to the introduction of eco-cars and higher upstream/downstream end-of-lease collection costs due to enhanced collection efforts.

2. Environmental conservation effect

CO₂ emissions were reduced by 112 t-CO₂ compared with the previous fiscal year, thanks to renewable energy-derived emission credits, which more than offset an increased energy consumption due to higher business activity under the pandemic.

3. Economic impact

Upstream and downstream impact from end-of-lease equipment sales resulted in a significant increase of 3.2 billion yen compared to the previous fiscal year based on 3Rs promotion.

4. Environmental burden

Paper use fell by 670,000 sheets compared to the previous fiscal year as increased remote work led to more online meetings and fewer printed meeting materials.

5. Environmental management indicators

The ratio of eco profit increased by 6 points in fiscal 2021 compared to the previous fiscal year, due to greater economic effects of strengthening 3Rs.



Social

		Unit	FY2018	FY2019	FY2020	FY2021	Remarks (coverage, data tabulation period, tabulation method)
Number of employees	Total	Persons	845	899	963	1,025	
	Male	Persons	450	473	503	538	As of end of fiscal year
	Female	Persons	395	426	460	487	
Number of employees on a consolidated basis	Total	Persons	972	1,042	1,156	1,227	As of end of fiscal year
	Male	Years old	41.2	41	40.7	40.8	
	Female	Years old	43.7	43.3	43	43	As of end of fiscal year
Average age	Total	Years old	41.2	41	40.7	40.8	
	Male	Years old	43.7	43.3	43	43	As of end of fiscal year
	Female	Years old	38.4	38.4	38.3	38.4	
Length of service	Total	Years	14.3	13.8	13.7	13.4	
	Male	Years	16.3	15.6	15.4	14.8	As of end of fiscal year
	Female	Years	11.9	11.8	11.6	11.7	
Average annual salary	Yen		6,794,000	6,935,000	6,805,000	6,931,733	Calculated for the period between April and March for each fiscal year
Number of temporary workers	Persons		36	39	30	43	As of end of fiscal year
Number of foreign workers	Persons		0	0	0	2	As of end of fiscal year
Hiring of new graduates	Total	Persons	15	17	17	14	The column for 2018 indicates new graduates hired in April/October 2019
	Male	Persons	8	9	7	6	
	Female	Persons	7	8	10	8	The column for 2021 indicates new graduates hired in April 2022
Mid-career recruitment	Total	Persons	62	64	72	72	
	Male	Persons	22	29	31	43	As of end of fiscal year
	Female	Persons	40	35	41	29	Limited to full-time employees
Turnover	Total	Persons	15	20	14	22	
	Male	Persons	5	9	3	10	As of end of fiscal year
	Female	Persons	10	11	11	12	Limited to full-time employees
Turnover rate	Total	%	1.8	2.2	1.5	2.1	
Stability of new graduates hired	Total	Persons	5/7	7/9	14/16	13/15	The column for 2018 indicates new graduates hired in April 2016 and those in the Company's employ as of April 2019.
	Male	Persons	3/5	4/4	7/7	7/8	The column for 2019 indicates new graduates hired in April 2017 and those in the Company's employ as of April 2020.
	Female	Persons	2/2	3/5	7/9	6/7	The column for 2020 indicates new graduates hired in April 2018 and those in the Company's employ as of April 2021.
Managers	Total	Persons	211	233	250	271	The column for 2021 indicates new graduates hired in April 2019 and those in the Company's employ as of April 2022.
	Male	Persons	178	190	199	215	
	Female	Persons	33	43	51	56	Each number indicates that as of April 1 of the following fiscal year.
of which General Managers or higher positions	Total	Persons	52	56	55	59	
	Male	Persons	48	52	52	54	Each number indicates that as of April 1 of the following fiscal year.
	Female	Persons	4	4	3	5	
Officers	Total	Persons	28	27	31	30	
	Male	Persons	25	23	25	25	Each number indicates that as of April 1 of the following fiscal year.
	Female	Persons	3	4	6	5	including executive officers and corporate associates
Ratio of female managers	%		15.6	18.5	20.4	20.7	Each number indicates that as of April 1 of the following fiscal year.
Ratio of female leaders (leaders: managerial position + group leader)	%		22.9	24.9	26.4	26.1	Each number indicates that as of April 1 of the following fiscal year.
Ratio of working mothers among all female employees	%		2.9	5.4	6.8	9.6	As of end of fiscal year
Ratio of working mothers who are in managerial positions	%		35.2	35	35.4	34.5	As of end of fiscal year
Employees with disabilities	Persons		11	15	18	20	As of end of fiscal year
Percentage of employees with disabilities	%		2	2.32	2.37	2.42	As of end of fiscal year
Number of employees who took maternity leave	Persons		15	20	19	18	Persons whose maternity leave started during the period between April 1 and March 31 for each fiscal year
Number of employees who took childcare leave	Total	Persons	37	30	30	36	
	Male	Persons	20	11	13	18	Persons whose childcare leave started during the period between April 1 and March 31 for each fiscal year
	Female	Persons	17	19	17	18	
Ratio of employees who returned to work after childcare leave	%		95	97	100	100	Actual number of employees who returned to work after childcare leave ÷ (employees who returned to work after childcare leave for the fiscal year + retirees)
Number of employees who took nursing care leave	Total	Persons	1	0	0	0	
	Male	Persons	1	0	0	0	
	Female	Persons	0	0	0	0	
Number of employees who took volunteer leave and who used the system of leave	Persons		0	0	0	0	
Number of persons who participated in volunteer activities	Persons		209	172	12	17	Total number of persons
Engagement score	-		68	71	72	72	2019 (June 2020), 2020 (July 2021), 2021 (June 2022)
Ratio of employees who took paid leave	%		84.6	81.5	67.8	73.9	Calculated based on the period between January and December (per person average)
Total annual working hours	Hours		1,698	1,711	1,749	1,791	Calculated based on the period between January and December (per person average) Calculated for the period between April and March since 2019
Overtime working hours	Hours		125	151	136	143	Calculated based on the period between January and December (per person average) Calculated for the period between April and March since 2019
Average monthly overtime hours	Hours		10.2	12.6	10.4	12.3	Calculated based on the period between April and March (per person average)
Number of occupational accidents	Cases		3	2	1	2	Including accidents while commuting
Number of employees who took mental health leave	Persons		7	13	9	5	Number of employees who took mental health leave during the period between April and March (number of persons who took mental health leave even for one day)
Regular health check-ups uptake rate	%		100	100	100	100	
Breast cancer screening uptake rate	%		98.7	97.4	99.1	98.2	
Uterine cancer screening uptake rate	%		89.0	95.5	94.4	97.9	
Cigarette smoking rate	%		20.3	17.6	13.6	13.2	
Cost of education per person	Yen		53,606	56,402	29,838	35,122	
Training period per person	Hours		10	8.8	10.1	11.8	
Social contribution activities expenditures	Yen		4,805,000	4,400,000	4,200,000	5,030,000	Donations, support money, etc. based on shareholder special benefit plan



Governance

	Unit	FY2018	FY2019	FY2020	FY2021	
Board of Directors	Number of meetings held	Times	14	14	12	14 Fiscal year (April–March)
	Number of directors	Persons	9	11	13	13 Number of directors after the Ordinary General Meeting of Shareholders
	of which number of independent outside directors	Persons	4	5	7	8
	Average attendance rate of directors	%	97	99	100	100 Directors who were in office during the fiscal year (April–March)
Audit & Supervisory Committee (The Company transitioned to a company with audit and supervisory committee on June 24, 2020. Prior to that, it had a Board of Corporate Auditors)	Number of meetings held	Times	16	19	18	22 Fiscal year (April–March)
	Number of directors who concurrently serve as Audit & Supervisory Committee members	Persons	3	3	3	3 Number of directors who were Audit & Supervisory Committee members after the Ordinary General Meeting of Shareholders. Before June 24, 2020: Corporate auditors
	of which number of independent outside directors	Persons	2	2	2	3 Number of independent outside auditors before June 24, 2020
	Average attendance rate of Audit & Supervisory Committee members	%	100	100	100	100 Audit & Supervisory Committee members who were in office during the fiscal year (April–March). Before June 24, 2020: Corporate auditors
Actual officer remuneration paid	Million yen	195	211	259	228	Including corporate auditors before June 24, 2020
Number of inquiries to the internal whistle-blowing and consultation desk	Cases	8	5	3	2	Fiscal year (April–March)
Rate of participation in e-learning about compliance	%	100	100	100	100	
Rate of participation in e-learning about information security	%	100	100	100	100	

Participation in external initiatives

- Global Compact Network Japan
- Principles for Financial Action for the 21st Century
- TCFD Consortium
- Japan Business and Biodiversity Partnership
- Keidanren Committee on Nature Conservation
- Council for Better Corporate Citizenship

External evaluations of sustainability



FTSE Blossom Japan Index

■ Selected as a constituent stock of the FTSE Blossom Japan Index

Selected by global index firm FTSE Russell as a constituent stock of this index that measures the performance of Japanese companies that demonstrate strong Environmental, Social and Governance (ESG) practices.



■ Received A– rating in CDP Climate Change Report 2021

The Company received a score of leadership level A–, as a company with excellent climate change initiatives and data disclosure, in the Climate Change Report 2021 issued by the global non-profit CDP.



■ Rated 4 stars in Nikkei SDGs Management Survey

The Company received a 4-star rating in the Nikkei SDGs Management Survey for 2021, which evaluates companies in initiatives that contribute to achieving the SDGs.



■ Selected as an environmentally sustainable company at the 3rd ESG Finance Awards Japan

The Company was selected as an environmentally sustainable company at the 3rd ESG Finance Awards Japan, sponsored by the Ministry of the Environment. Award for Excellence received in the report category.



■ Selected as a Health and Productivity Stock 2022

Selected as a Health and Productivity Stock jointly by the Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange for the fifth consecutive year since 2018.



■ Certified under the 2022 Certified Health & Productivity Management Outstanding Organizations Recognition Program (White 500)

We have been certified by the Ministry of Economy, Trade and Industry as a Health and Productivity Management Organization for six consecutive years since 2017.



■ Selected as a Semi-Nadeshiko Brand 2022

Selected as “Semi-Nadeshiko” as part of the Nadeshiko Brands jointly selected by the Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange.



■ Received Silver in the PRIDE Indicator 2021

The Company was granted Silver in the PRIDE Indicator, which the voluntary association “work with Pride” uses to rate initiatives related to LGBT and other sexual and gender minorities. (Received Bronze for three consecutive years from 2018, and Silver in 2021.)

Corporate Information and Stock Information

(As of March 31, 2022)

Corporate overview

Trade name	Ricoh Leasing Company, Ltd.
Share capital	7,896 million yen
Market	Tokyo Stock Exchange Prime Market (Securities Code: 8566)
Number of employees	1,227 (on a consolidated basis)
Founded	December 1976
Business description	Leases & Finance Business Services Business Investment Business

Sales bases

Hokkaido	Sapporo and Asahikawa
Tohoku	Sendai and Morioka
Kanto	Tokyo (head office and Koto-ku), Tachikawa, Yokohama, Chiba, Saitama, Utsunomiya and Mito
Chubu	Nagoya, Shizuoka and Kanazawa
Kansai	Osaka, Kobe and Kyoto
Chugoku and Shikoku	Hiroshima, Okayama, Takamatsu and Matsuyama
Kyushu	Fukuoka, Kumamoto and Naha
Group companies	Techno Rent Co., Ltd. Enplus Inc. Tokyo Business Rent Co., Ltd.

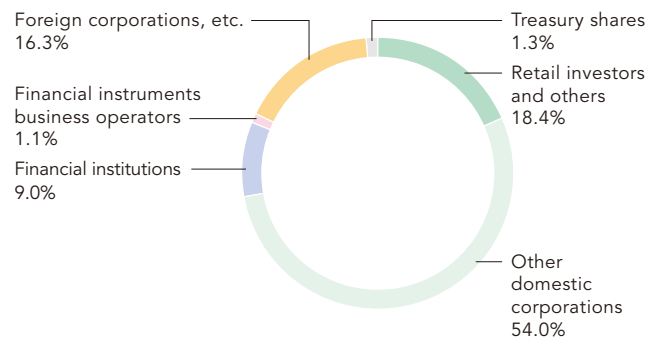
Credit ratings

	Long-term	Short-term
Japan Credit Rating Agency, Ltd. (JCR)	AA- / stable	J-1+
Rating and Investment Information, Inc. (R&I)	A / stable	a-1
S&P Global Ratings Japan Co., Ltd.	BBB+ / negative	A-2

Status of stock

Total number of issuable shares	120,000,000 shares
Total number of issued shares	31,243,223 shares
Number of shareholders	49,098 (shareholders holding full stock units: 42,789)
Number of shares per unit	100 shares

Shares held by shareholder category



Ten largest shareholders

Name of shareholder	Number of shares held (1,000 shares)	Shareholding ratio (%)
Ricoh Company, Ltd.	10,380	33.7
Mizuho Leasing Company, Limited	6,160	20.0
The Master Trust Bank of Japan, Ltd. (Trust account)	1,942	6.3
BBH FOR FIDELITY LOW-PRICED STOCK FUND (PRINCIPAL ALL SECTOR SUBPORTFOLIO)	690	2.2
Custody Bank of Japan, Ltd. (Trust account)	645	2.1
DFA INTL SMALL CAP VALUE PORTFOLIO	375	1.2
BBH FOR FIDELITY PURITAN TR: FIDELITY SR INTRINSIC OPPORTUNITIES FUND	369	1.2
STATE STREET BANK AND TRUST COMPANY 505001	329	1.1
THE BANK OF NEW YORK, TREATY JASDEC ACCOUNT	270	0.9
BNYMSANV AS AGENT / CLIENTS LUX UCITS NON TREATY 1	203	0.7

Notes: 1. Treasury stock held by the Company (418,291 shares) is excluded for the purposes of determining the ten largest shareholders above
 2. The shareholding ratio is calculated by subtracting the number of treasury stock from the total number of issued shares
 3. Treasury stock does not include shares related to stock-based remuneration entrusted with trust banks

Ricoh Leasing Company, Ltd.

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