

RICOH
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Integrated Report
Ricoh Leasing

2023

Ricoh Leasing Company, Ltd.

Corporate Planning Department

New Otani Garden Court 14F,
4-1, Kioi-cho, Chiyoda-ku, Tokyo 102-8563

Tel: +81-50-1702-4203

<https://www.r-lease.co.jp/en/>



CONTENTS



Introduction

- Corporate Philosophy / Basic Stance / Uniqueness2
- Target Vision of Ricoh Leasing4
- Engagement with Society6
- A Look at Ricoh Leasing from the Perspective of Our Uniqueness.....8
- Financial Highlights
- Non-financial Highlights10



Driving Force for Continuous Value Creation

- Message from the CEO 12
- History..... 18
- Value Creation Process..... 20
- Business Model 22



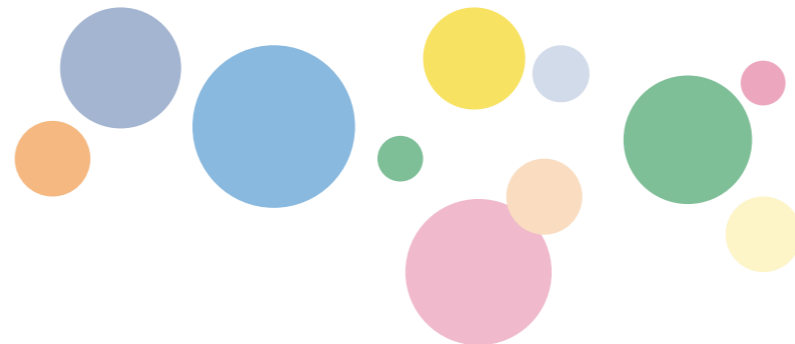
Key Strategies to Promote Value Creation

- Review of the Mid-term Management Plan 24
- Overview of the Mid-term Management Plan..... 26
- Financial Strategy 28
- System Strategy 30
- Human Resources Strategy..... 31
- Overview of Human Resources Strategy 32



Sustainability Strategies

Promotion of Sustainable Management34	Enhance Quality of Life.....48
Non-financial Targets36	Develop a Virtuous Cycle for a Sustainable Economy51
Message from the Officer in Charge of Sustainability38	Create a Happiness Company and Society.....54
Contribute to a Clean Global Environment40	Expert Dialogue Sustainability Management and the Future60



Business Strategies

- Results by Segment 64
- Message from the Officer in Charge of Sales..... 66
- Business Strategies 68
- Strategies by Business Field 70



Corporate Governance

- Corporate Governance72
- Two Outside Directors in Conversation.....78
- Compliance80
- Risk Management82
- List of Officers84



Performance

- Major Financial Data 86
- ESG Data 88
- Corporate Information and Stock Information 93

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.
- Integrated Report 2023 has our corporate story at its core and focuses on the newly formulated new Mid-term Management Plan and our approach to sustainability management, from the perspectives of both financial and non-financial information. We have included in this report messages from individual directors, including President Nakamura, as well as a snapshot of our engagement implementation as described in conversations between outside directors and discussions with experts.
- 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.
- Reporting period: Fiscal 2022 (April 1, 2022 to March 31, 2023; "FY2022")
Note: This report includes some information from outside the reporting period.
- Scope of report: Ricoh Leasing Company, Ltd., Techno Rent Co., Ltd., Enplus Inc., Welfare Suzuran Co., Ltd. and Tokyo Business Rent Co., Ltd. ("the Ricoh Leasing Group")
- Publication: November 2023
- For inquiries regarding this report, please contact: Corporate Planning Department, Ricoh Leasing Company, Ltd. TEL.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.

Information disclosure system

The Group discloses financial and non-financial information through the following resources. Please refer to our website for the latest information.

Financial Information	Non-Financial Information
Integrated Report	
Business Report	
Annual Securities Report	
IR Presentations	
Shareholder and Investor Information Site https://www.r-lease.co.jp/en/ir/	Corporate Governance Report
	Sustainability Site https://www.r-lease.co.jp/en/sustainability/management/

Uniqueness

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 and services that the Group has cultivated over the years.

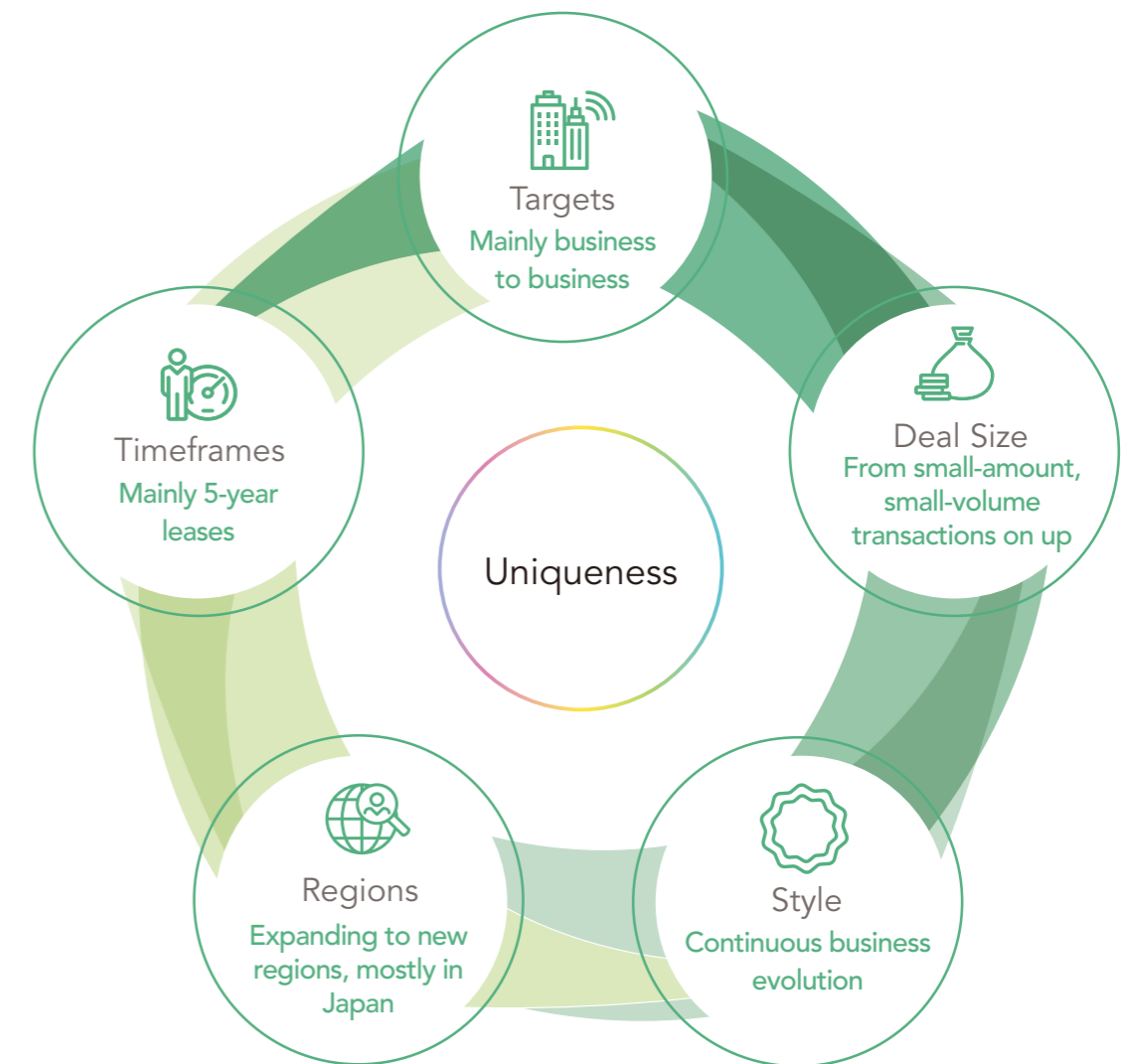
PURPOSE

Corporate Philosophy

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

Basic Stance

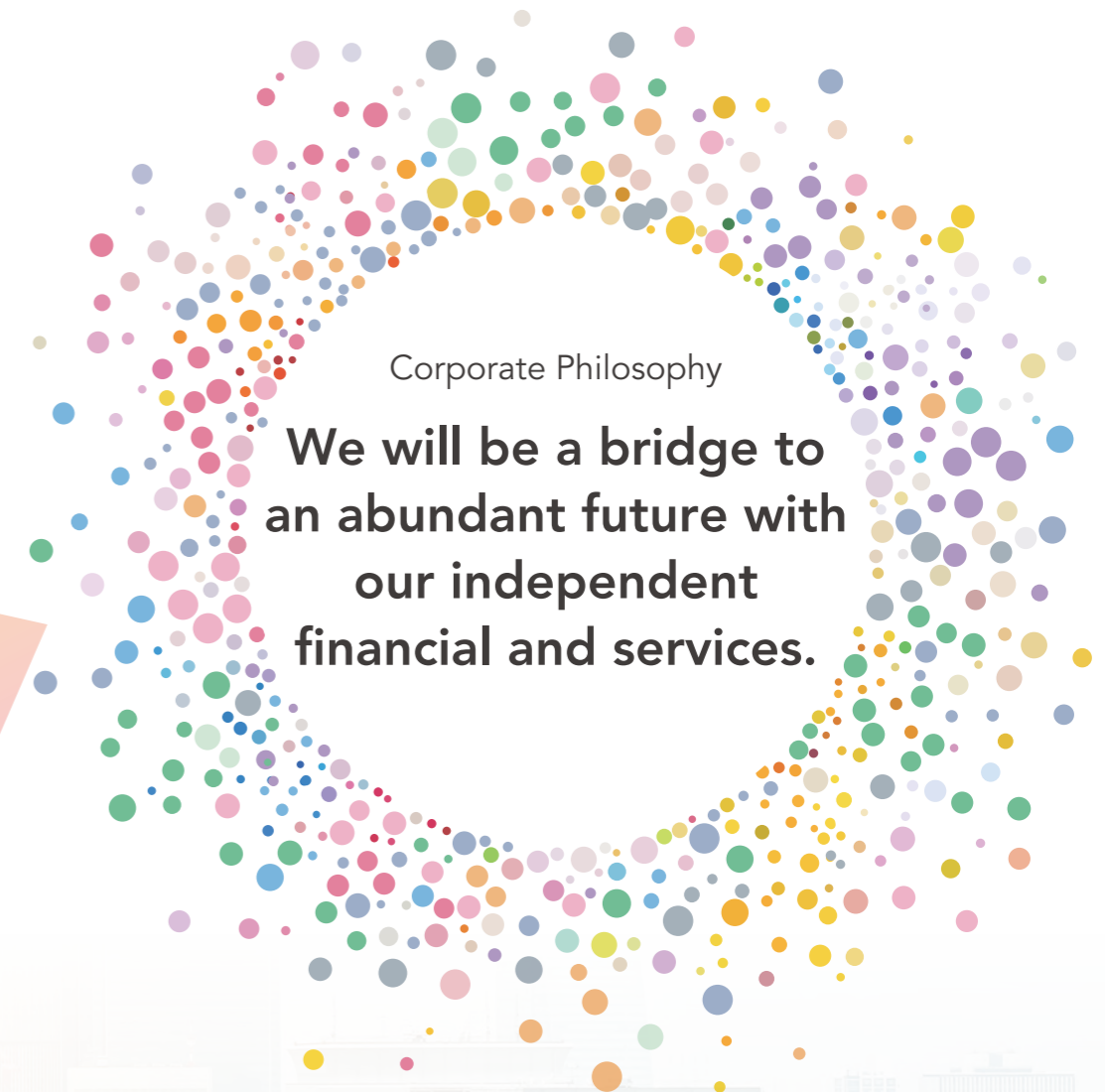
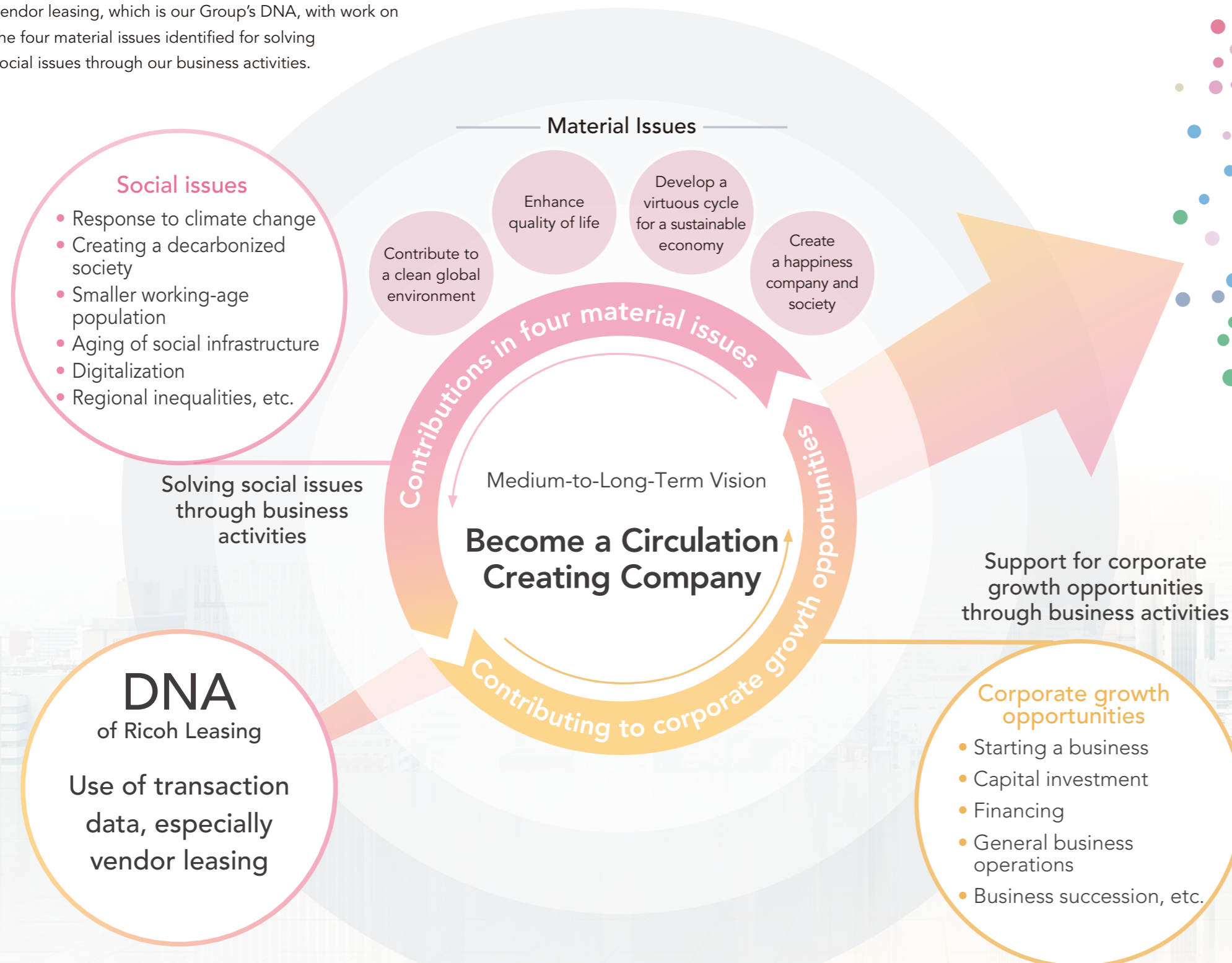
1. We will contribute to the development of a sustainable global society with our integrity and reliable business activities.
2. We will connect our customers to the future and society with services beyond expectations.
3. We will create an enjoyable and active working environment while respecting each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



Our Future

Target Vision of Ricoh Leasing

Ricoh Leasing Group started a new three-year medium-term management plan from April 2023. We will aim to realize the abundant future set forth in our corporate philosophy by focusing on strategic planning that combines contributions toward corporate growth opportunities through the utilization of transaction data centered on vendor leasing, which is our Group's DNA, with work on the four material issues identified for solving social issues through our business activities.



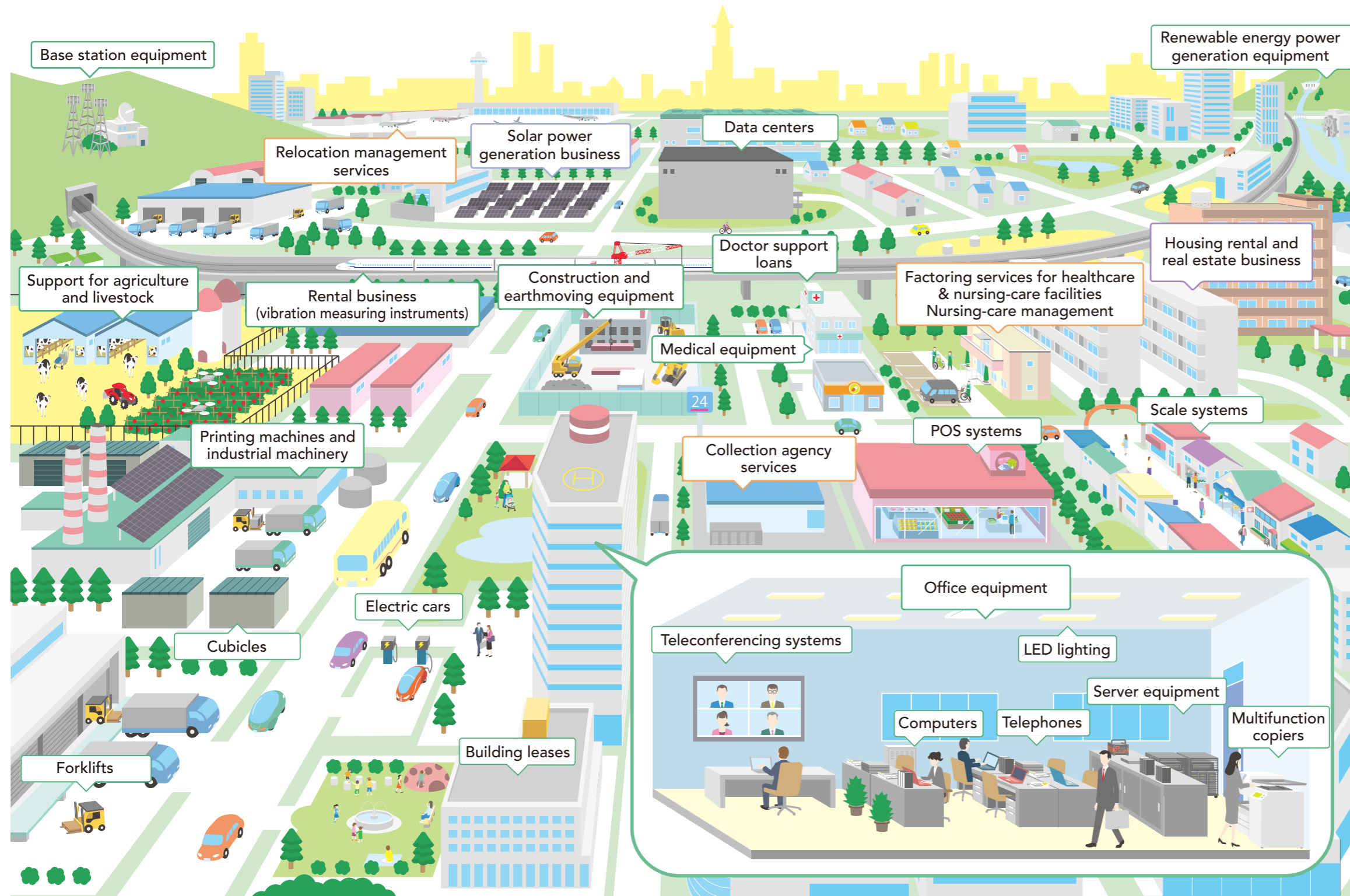
Corporate Philosophy

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

Our Business

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.



Leases & Finance Business

In addition to finance leases, operating leases, installment sales, and credit for office equipment such as multifunction copiers and PCs, medical equipment, industrial machinery, and measuring instruments, we also provide financing such as corporate loans, industry-specific loans, housing loans, and condominium loans. In addition, our subsidiary Techno Rent Co., Ltd. provides rental services for office equipment, measuring instruments, and other equipment.

- Finance leases
- Operating leases
- Installment sales
- Rental
- Loans

Services Business

We provide agency services such as invoice issuance and accounts receivable collection that contribute to the efficiency of our clients' billing and collection operations. We also provide factoring services for healthcare and nursing-care facilities to support cash flow for medical and nursing care providers. Welfare Suzuran Co., Ltd. operates nursing-care and nursing home facilities. Enplus Inc. operates a relocation management business and a serviced apartment business that provides total support to foreign nationals posted overseas.

- Collection agency services
- Factoring services for healthcare and nursing-care facilities
- Relocation management
- Nursing-care management

Investment Business

As Japan moves toward the realization of the government's goal of a carbon-neutral society by 2050, we are channeling efforts into the solar power generation business, one of the renewable energy sources for which demand is on the increase. And to address the demand for new housing environments to accommodate Japan's declining birthrate, aging population, and changing demographics, we are engaged in the housing rental and real estate business.

- Housing rental and real estate
- Solar power generation

At a Glance

A Look at Ricoh Leasing
from the Perspective of
Our Uniqueness

Here are the five indicators that define the uniqueness of the Ricoh Leasing Group.

Deal Size

From small-amount, small-volume
transactions on up



Total transaction volume /
Investment amount

425.4 billion yen

Average customer unit price
per lease and installment
contracts

2.19 million yen

Number of contracts per year

Approximately
350,000 contracts

Approximately
130,000 contracts

Targets

Mainly business to business



Number of business partners

Approximately
400,000 companies

Number of vendors
with transactions

Approximately
6,000 companies

Percentage of small and
medium-sized enterprises
(SMEs)

Approximately
98%

Regions

Expanding to new regions,
mostly in Japan



Number of locations

41 locations nationwide

Group companies

- Techno Rent Co., Ltd.
- Enplus Inc.
- Welfare Suzuran Co., Ltd.
- Tokyo Business Rent Co., Ltd.



Timeframes

Mainly 5-year leases



Average term of lease and
installment contracts

Approximately **5.7** years

Style

Continuous business evolution

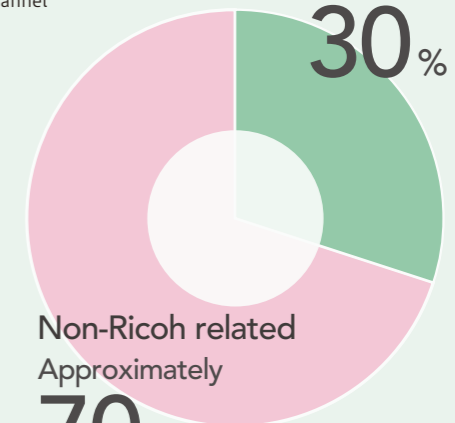


Ricoh's share* of total
transaction volume / business
investment

* Total transaction volume through
Ricoh agents/dealers as the sales
channel

Ricoh related
Approximately

30%



Non-Ricoh related
Approximately

70%

Business derived from
vendor leasing

- Annual number of transactions in
collection agency services

28.36 million transactions

- Annual power generation by solar
power generation business

112,872 MWh

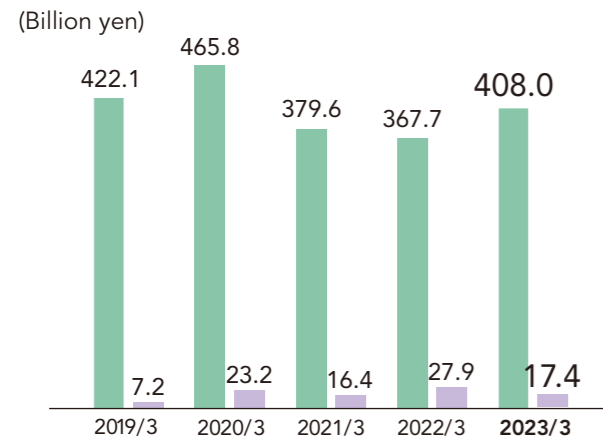
Highlight

Financial Highlights

Non-financial Highlights

Financial Highlights

Total Transaction Volume¹ / Investment Amount²

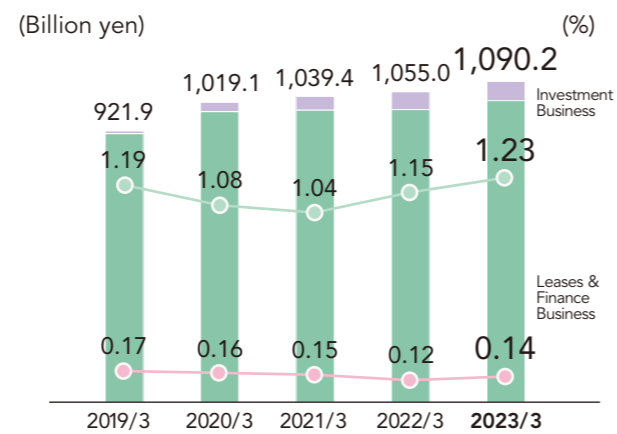


Leases & Finance Business Total transaction volume
Investment Business Investment amount

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

While the investment amount in the solar power generation and housing rental and real-estate-related businesses declined due to factors such as changing market conditions, the total transaction volume grew mainly in corporate loans and the leases and installment sales of office and information-related equipment.

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

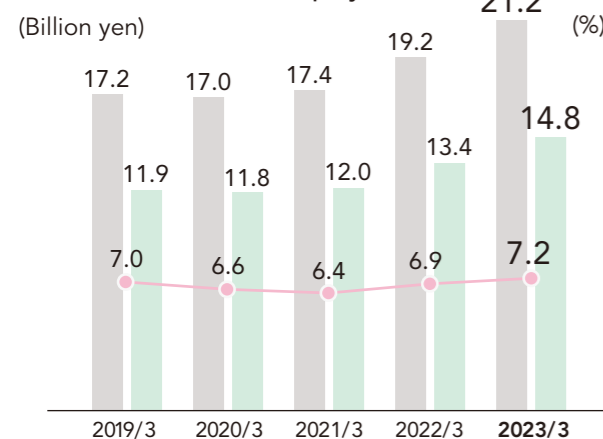


Operating assets
Return on assets (ROA)
Default rate

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

Operating assets increased due to growth in the Leases & Finance Business, especially in loans. Highly profitable renewal of leasing and rentals grew, driving profits in the Leases & Finance Business, thereby improving ROA.

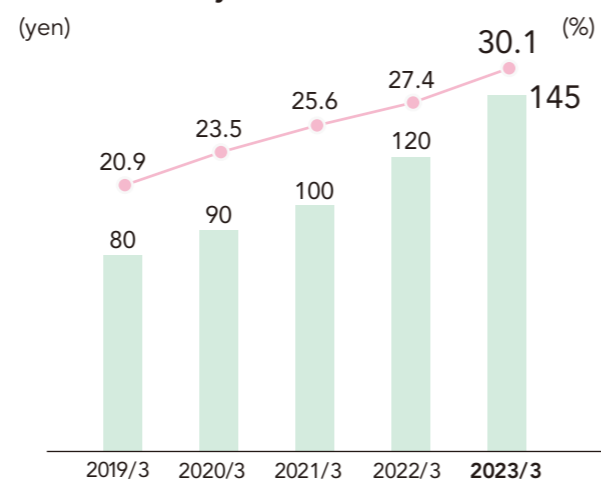
Operating Profit / Profit Attributable to Owners of Parent / Return on Equity (ROE)



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



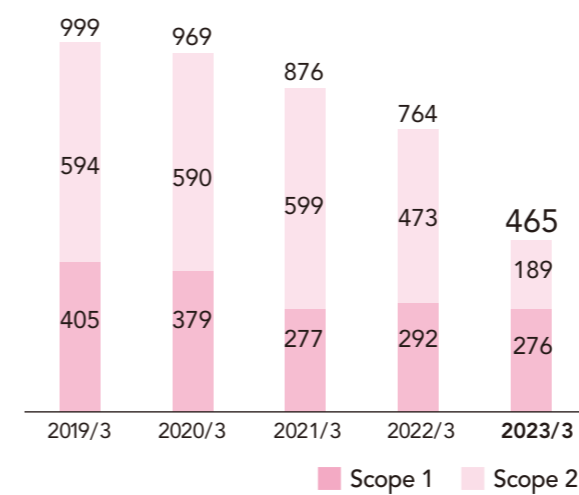
Annual dividend per share
Payout ratio

For the fiscal year ended March 31, 2023, we paid an annual dividend of 145 yen per share, marking the 28th consecutive year of dividend growth.⁵ We will maintain our basic policy of providing steady shareholder returns in the medium- and long-term future.

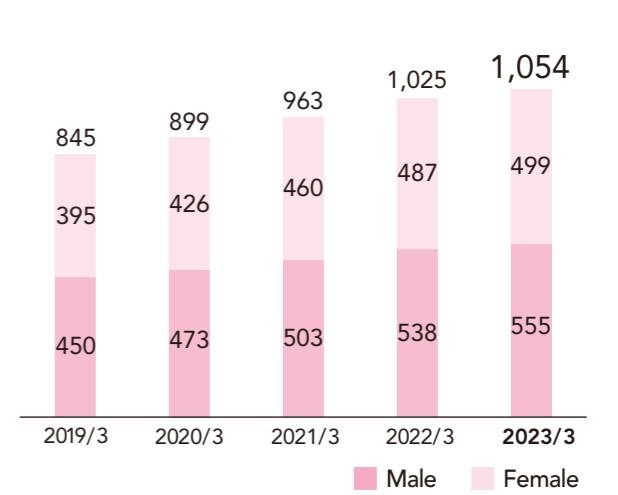
5. Including a substantial dividend increase following the stock split in the fiscal year ended March 31, 2000

Non-financial Highlights

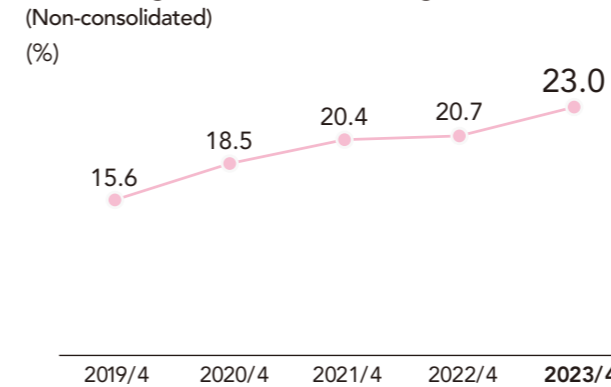
CO₂ Emissions (t-CO₂)



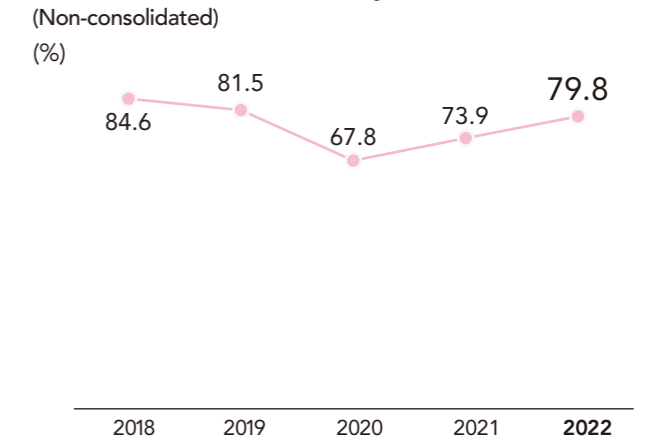
Number of Employees (Non-consolidated) (People)



Percentage of Female Managers (Non-consolidated) (%)

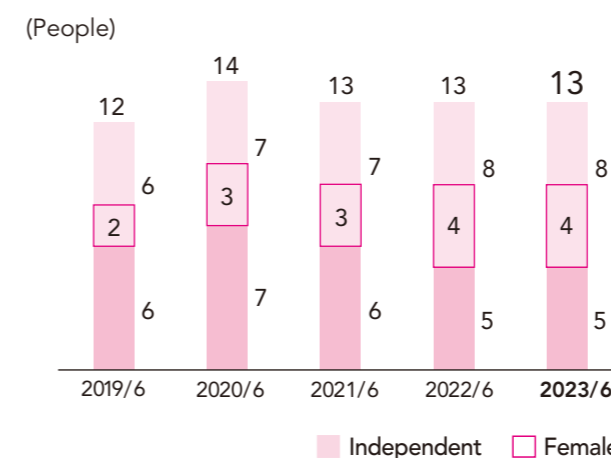


Annual Paid Vacation Days Taken (Non-consolidated) (%)

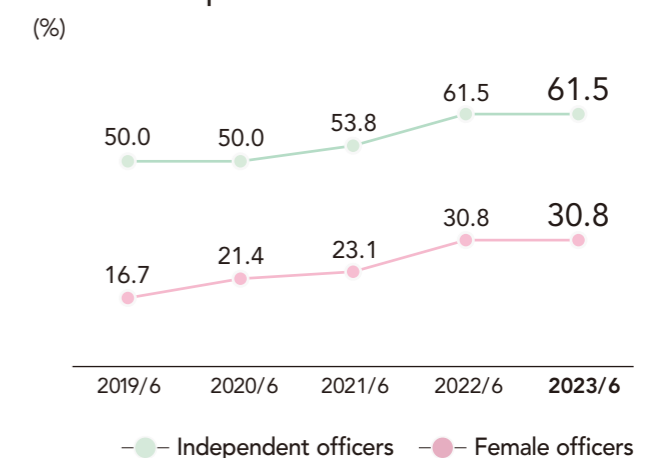


* Periods run from January 1 to December 31

Number of Officers (Non-consolidated) (People)



Officer Composition Ratio (Non-consolidated) (%)



Message from the CEO



Tokuharu Nakamura

Representative Director,
President and
Chief Executive Officer

Under the new Mid-term Management Plan, we will accelerate the move toward an abundant future by creating a new cycle of continuous business evolution

The prior Mid-term Management Plan that we had been promoting during the COVID-19 pandemic finished and was followed by a new Mid-term Management Plan that was launched in fiscal 2023. Having laid the foundation for our medium- to long-term vision of evolving into a Circulation-Creating Company, by tapping into the uniqueness of Ricoh Leasing (i.e., our strengths) we are now embarking on the creation of a new cycle by strengthening our existing businesses and creating new businesses with underlying continuity. It is of critical importance that we improve our organizational strengths in order to realize the management strategies of the New Mid-term Plan. To this end, we are channeling our efforts into the management of human resources that will facilitate evolution.

Though navigation of the uncertain path ahead was sought in management during the prior Mid-term Management Plan, we actually achieved record-high profits for three consecutive years through the improved ability to generate earnings

In the prior Mid-term Management Plan (hereinafter referred to as “the prior Mid-term Plan”), which began in April 2020, our corporate activities were severely restricted, requiring from the Ricoh Leasing Group a different type of management leadership than the past. The external environment underwent drastic changes due to the simultaneous onset of uncertain situations overseas, inflation, and high oil prices.

While facing a situation that no one could have anticipated, from the outset of the prior Mid-term Plan, we found that by offering at affordable prices the unique services of Ricoh Leasing in which customers find value, we were able to carry on business with a focus on profitability (i.e., the ability to generate earnings). The result was success in achieving our financial targets. Of particular note is the fact that we achieved record profits for three consecutive years in terms of gross profit, operating profit, ordinary profit, and net income.

At the same time, we failed to meet the operating assets balance target set in the prior Mid-term Plan due to supply chain disruptions caused by factors such as the semiconductor shortage, as well as having to carefully scrutinize new projects amid a real estate market that had peaked. This left us with the feeling that there were challenges we still had to overcome. And though there were times during the pandemic when it seemed nearly impossible to conduct sales activities, we were able to establish a sales style focused on efficiency through practices such as online business negotiations and limiting the number of individuals who engage in face-to-face sales activities. There were also positives that came as a result of the pandemic, such

as our success in conducting all operations remote, thereby offering employees a freer style of working.

The new Mid-term Management Plan (FY2023–FY2025) (hereinafter referred to as “the New Mid-term Plan”) started in April 2023. This is simultaneously accompanied by a partial revision to our corporate philosophy. Formulation of the New Mid-term Plan was done with backcasting, as we felt it was first necessary to firm up our corporate philosophy, the goal we had been aiming for. Specifically, we tweaked the term “financial services” in the previous corporate philosophy to make it “We will be a bridge to an abundant future with our independent finance and services.” The Group will gradually shift our focus by pivoting from being a financial services company to a service-oriented business. And we wanted to instill in all Group employees the common understanding that the Group values not only our shareholders but also all stakeholders as well, and will increase our corporate value to give back to society. Toward that end, we decided to articulate our basic stance as “We will answer stakeholders’ expectations by enhancing corporate value.” The step taken in preparing for this partial revision during the period of the prior Mid-term Plan was visiting our business locations in Japan. Valuing the opportunities to speak directly with our employees in our own words, we took steps to see that they embraced the corporate philosophy. The process outlined here describes how we steadily laid the foundation for our medium- to long-term vision of evolving into a Circulation-Creating Company during the prior Mid-term Plan.

Leverage transaction data to accelerate business development Promote business growth strategies for each area

In going forward to realize the corporate philosophy of the New Mid-term Plan, we will develop our business with an eye toward developing into a Circulation-Creating Company, as articulated in our medium- to long-term vision. We have made contributions to various social issues thus far through our business, and, based on the four material issues we will continue to take on the challenge of further providing solutions to social issues. It is not enough for each department to just create a business plan with numerical targets; it must also be a business plan that serves as the link to our material issues, which embody the issues we must solve, and ultimately realizes our corporate philosophy. Therefore we have accumulated transaction data through vendor leasing—something that resides within our very DNA—that can be reworked into new services. Our hope is that a cycle is created in which our services are used by companies for whom those services resonate, and their resultant growth spawns solutions to social issues. This is more than just transaction data, as it has been accumulated together with credit information and a host of accompanying data. The question posed to us is how to make the best use of it. We feel that the employment of big data by design will lead to the maximization of our strengths.

“as a Service” and BPO¹ are identified as areas of focus in the New Mid-term Plan. In the BPO area, we have begun an underwriting business and will accelerate business development by leveraging credit and other transaction data we have accumulated thus far. Our management strategy sets forth the creation of a new cycle by strengthening existing businesses with a focus on efficiency and creating new businesses with underlying continuity. To translate this into action, we have categorized our business growth strategies into

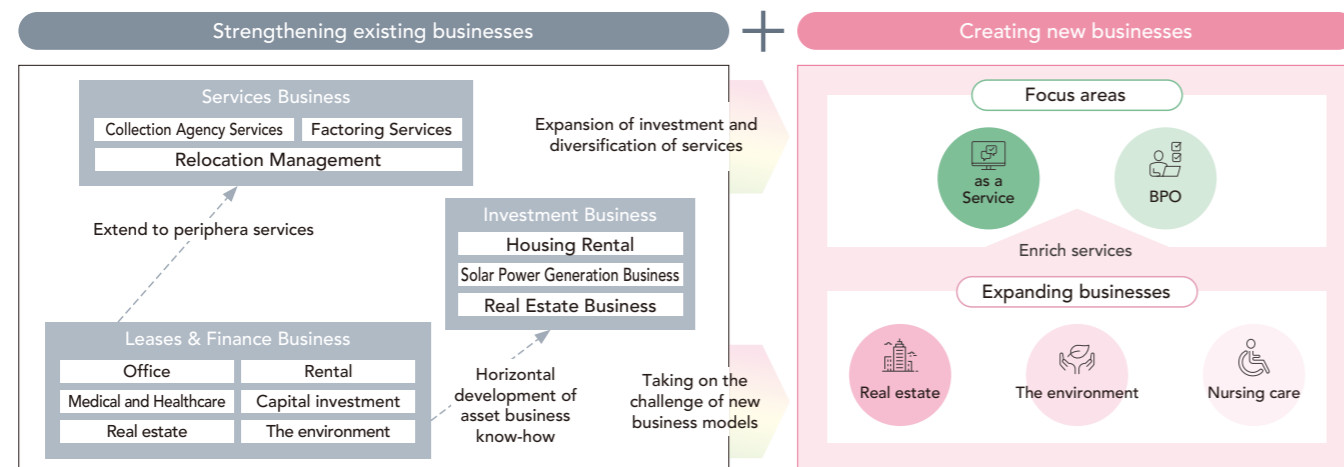
three strategies across eight business areas, and are engaged in specific measures.

Business Growth Strategy

- (1) Taking on the challenge of a new business models (as a Service, BPO)
- (2) Diversification through the addition of businesses and services (Real estate, The environment, Nursing care)
- (3) Expansion and improved efficiency (Office, Medical and Healthcare, Capital investment)

We will intensively invest people, goods, and money into area of focus (1). With (2) as an area for business expansion, we expect favorable performance and the accumulation of assets to be accompanied by growth, making this a big piece of the pie for which there is potential. As the most important foundation for supporting growth of the Group, (3) is an area from which we can expect steady growth to be achieved and further expansion as we improve its efficiency.

We will move forward with the building of a diversified business portfolio based on these eight business areas. Establishing the business portfolio to which we should aspire, we will upgrade business management to determine from the two perspectives of growth and profitability matters such as where to concentrate the investment of people, goods, and money, and where capital can be allocated to yield what kinds of returns. Through this work we intend on growing our net profit² from 44.7 billion yen in fiscal 2022 to 53 billion yen in fiscal 2025.



Management that facilitates continuous business evolution Welfare Suzuran as an example of the aim for steady growth

The New Mid-term Plan’s concept of continuous business evolution is described in the original Japanese with the key terms “continuous” and “evolution.” I will proceed to explain, using the example of Welfare Suzuran Co., Ltd. (hereinafter referred to as “Welfare Suzuran”).

Made a Group subsidiary in 2022, Welfare Suzuran operates nursing-care facilities to strengthen our business presence in the nursing care sector as part of our investment in the area of ESG. We have been offering factoring services since 2011, and currently have approximately 2,800 nursing care business customers.

It is generally thought that businesses that make use of factoring have a need to improve their cash flow and desire to make their business more efficient. However, when financing services provide a solution to a customer’s cash flow problems, that brings an end to their use of our factoring for transactions. Prompted to explore the idea of coming up with even more things we could do, we made it a necessity to learn more about the nursing care industry and operate nursing-care facilities. This is an “evolution” of factoring services for nursing-care facilities. Through managing our own business we can learn from nursing care providers and industry, and expect

to generate business synergy by creating services from issues and business know-how, such as best practices, and providing these to our customers.

It is important for “mutation” of the “underlying continuity” of an existing business to employ transaction data. Factoring of this kind can also involve credit by employing the transaction data of the Group, and is a service that is a continuous business evolution of our Leases & Finance Business.

Our solar power generation business is a similar case in that we initially only provided financing for solar power generation equipment. Once we began our own power generation business, we acquired transaction data and management know-how in that business, such as power generation forecasting. And from branching out even more, we now also provide support services for power generation companies.

The company that attempts to get returns from pursuits not in line with continuous operations inevitably takes on a great risk. We believe that the Group’s ability to grow business steadily and with a high degree of certainty is a defining characteristic of Ricoh Leasing.



Executing three strategies to enhance organizational strengths

Development of human resources, construction of IT systems, reinforcing of governance

In the march toward enhancing the organizational strengths that support our business strategies, we are engaged on three fronts: the development of human resources and organization building, the construction of IT systems, and the reinforcing of our governance. As investment in human capital is considered so important to business management in these times, we feel the need to further increase the value of our human resources. Since digital transformation means less hands-on labor, we now face the need to assign our people to tasks of higher value. The more we move to increase the value of the work our people take on, the more we need to shift menial tasks to automated systems.

Regarding our human resources strategies, we find it important to educate and reskill employees as we continue to secure new human resources. The Group provides an extensive array of benefits as well as personnel and education programs, of which a range of educational options, including the human resources development program RL Academy. We have our employees take it upon themselves to utilize these programs to reskill and thereby increase their value and the value of their work. The Company collectively continues to nurture its individuals to develop the desire to be the best employees they can be by taking advantage of these programs. We believe that by increasing the value of our employees, we also increase the value for our customers. Once employees truly understand our corporate philosophy and other facets that define the Company's direction and material issues we can expect them to act

consciously to provide solutions to the issues our customers face, hence the importance to us of investing in human resources that contribute in this way.

We are about more than just generating profits. To wit, one value of importance to the Group's business is our commitment to an abundant future based on our corporate philosophy—and that ties in closely to our human resources. There is no point in doing business without giving due consideration to this. Any new project submitted for internal review by a body tasked with that job will always be scrutinized on the basis of how it connects to our corporate philosophy and what sort of value it will provide. Projects with recognized value are subjected to screening.

The leasing industry demands a flexible approach to market changes, thus streamlining and automation of business operations is inevitable. In recent years, with heightened demand from society for improvements such as the establishment of systems and strengthened security, the evolution into systems that are more flexible and stable while providing greater efficiency and higher quality will lead to the expansion of business. We will continue to invest in the development of IT systems to strengthen our IT governance structure as well, including our affiliates in that process, because it means both the avoidance of future risks and expansion of business.

The ability to communicate well is the skill we consider to be of paramount importance to our employees

Develop human resources and provide an environment in which we can facilitate evolution

When people ask me what skill is most sought in employees of our Group, I tell them that it is communication skills. At a company, there is no room for complacency, so it is essential that an individual be adept at working well with people from a broad range of ages and have the capacity to make their own thoughts understood so that others can make informed decisions. Those who give up on that will cease to grow.

We seek in management the ability to develop human resources with the best communication skills and to keep as many of them as possible in our organization. The famous

manager Katsuya Nomura³ once said that those who can make money are third rate and those who can make a name for themselves are second rate, but those who are able to see their legacy live on in others are first rate. Those are words that resonate with me.

It seems to me that those who are new to the workforce are first going to want to strive for financial independence. And in time, they could develop the desire to earn a title. However, I personally believe that the development of the finest human resources who carry on the torch for future generations is of

paramount value—more so than making money, more so than just establishing a position of status or honor.

Studying alone is not enough to equip oneself with the ability to bring about evolution in a company through mutation. The ability to mutate will flower as evolution through a repeated process of practice and experience in an environment conducive to such. This is why it is so important to have the right environment. Even if, say, an employee who would otherwise be highly motivated and capable of acting proactively felt limited by a conformist environment, that employee's behavior will be repressed because of the feeling that limitations are imposed on both the organization and individual. So what can be done to revive that employee? I would say that they should be provided with more freedom within the organization and stimulation by surrounding them with new employees with potential. This will motivate and enable them to take action, thereby revitalizing the organization. Diversity and inclusion are essential for creating an environment that develops human resources who can bring about evolution, which underscores the importance of constantly and consistently continuing to develop human resources.

My belief is that a company expands in tandem with the extent to which employees' imagination and actions are allowed to be free. Though there might be those who outgrow the Company and no longer fit inside its framework, the important thing is that the Company not impede their potential. The ability of the Company to avoid this is contingent on how management can go about creating a venue where individuals can freely and openly express their opinions with one another and ensure psychological safety.

One way we create this type of environment is by offering the Mirai Creation program that give employees the opportunity to provide their own ideas about new business. A single idea from an employee can be the catalyst for evolution, which can grow into a service we offer, which can prompt the launch of its own business division and become a full-fledged business—and through further evolution can go on to constitute a major business within the Company's business portfolio. Should that take place, it seems to me that it would be fascinating to turn over the role of company president to that employee.

Set the payout ratio at 35% in the final year of the New Mid-term Plan

Improve profitability and capital efficiency through steady business growth

As a P/B ratio of 1x tends to be seen by the public at large as a benchmark for determining improvement in corporate value, we feel compelled to take specific actions to meet this standard in our effort to increase our corporate value. We have taken direct action in the form of increasing the dividend payout ratio to 30%, as based on the performance of the prior Mid-term Plan, and we aim to further enhance shareholder returns by setting it at 35% in the New Mid-term Plan. However, since this is not sufficient in terms of increasing our corporate value, discussions continue to take place within the Company. Fundamental to improving corporate value is figuring out how to increase profitability. So we will make a point of ensuring returns to shareholders as well as identify and invest in more profitable business opportunities such as "as a Service" and BPO in the New Mid-term Plan. It is of the utmost importance to strike the right balance between investment in new business

opportunities and shareholder returns.

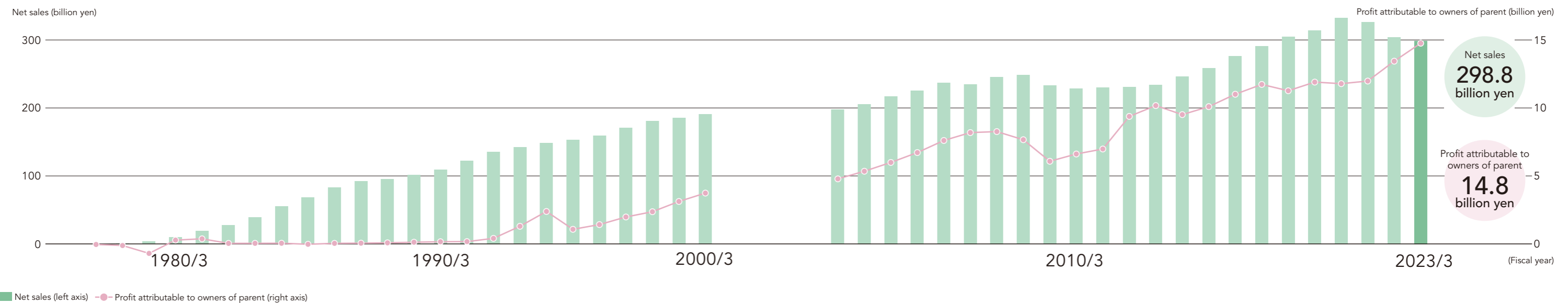
With an established reputation for steady growth, though our Group never takes on anything as colossal as large-scale projects, it is more our style to build in small steps. We will continue to promote our business in line with the New Mid-term Plan while steadily growing our business as we improve our profitability and capital efficiency. Expect great things from us as we endeavor to continue to develop and grow.

1. Business Process Outsourcing (BPO): Outsourcing a part of the business process to a business that specializes in such operations
2. Net profit: Net sales minus cost of sales (excluding the cost of funds)
3. Former Japanese professional baseball player and manager (who during his lifetime valued the words of physician and politician Shinpei Goto)

History

The Ricoh Leasing Group was established to finance the sale of Ricoh products, and we have continued to expand our business domains along with those of our customers and business partners while adapting to drastic changes in the challenges facing society. We are contributing to the solution of social challenges by developing and expanding new businesses based on our uniqueness cultivated through vendor leasing.

	1970s	1980s	1990s	2000s	2010s	2020s
Changing Social Challenges	<ul style="list-style-type: none"> Economic growth 	<ul style="list-style-type: none"> Human resource shortages due to rapid economic expansion Spread of automobile ownership 	<ul style="list-style-type: none"> Problems of climate change 	<ul style="list-style-type: none"> Aging society Shrinking labor pool 	<ul style="list-style-type: none"> Shortage of medical practitioners Problems of urbanization 	<ul style="list-style-type: none"> Increasing demand for decarbonization Digitalization
Changes in Our Business	<p>1977 Commences leasing and credit services, mainly for office equipment</p>	<p>1980 Begins providing personal automobile loans to Ricoh Group employees</p> <p>1984 Launches collection agency services, in which Ricoh Leasing collects trade accounts receivable by bank transfer on behalf of sales companies and pays them in a lump sum to sales companies</p> <p>1986 Begins factoring to help strengthen the financial health of sales companies</p>	<p>1998 Launches NC rental services which enable shorter contract periods than can be set for leases</p> <p>1998 Begins providing housing loans to Ricoh Group employees</p>	<p>2000 Introduces a scoring system to increase the efficiency and precision of small credit operations</p> <p>2000 Launches business loan center for corporate lending</p> <p>2002 Begins providing loans supporting medical doctors with the goal of helping medical doctors open clinics</p>	<p>2011 Begins providing factoring services for nursing-care facilities, helping them procure operating funds</p> <p>2017 Launches the housing rental business helping build communities where people are able to live comfortably</p> <p>2018 Launches the solar power generation business to enter a new environmental field based on energy generation and conservation</p>	<p>2020 Diversifies investment methods to include equity investments in real estate and short-term holdings of trust beneficiary interests</p> <p>2022 Launches Solar Assist to support solar power plant owners</p> <p>2023 Launches receivables guarantee business</p>
The Changing Ricoh Leasing Group	<p>Begins sales support for Ricoh products through leasing and credit services</p> <p>1976 Established as Ricoh Credit Co., Ltd.</p>	<p>Expands to loans for Ricoh Group employees and begins collection agency, factoring and other financial services for sales companies</p> <p>1981 Makes Tokyo Business Rent Co., Ltd. a subsidiary</p> <p>1984 Renames itself Ricoh Leasing Company, Ltd.</p>	<p>Increases the transaction volume of Ricoh and other products in preparation for listing on the stock market</p> <p>1996 Lists on the Second Section of the Tokyo Stock Exchange</p>	<p>Accelerates growth by increasing sales activities outside the Ricoh Group while centered on product promotion within the Ricoh Group</p> <p>2000 Acquires ISO 9001 certification 2001 Lists on the First Section of the Tokyo Stock Exchange 2004 Begins a shareholder special benefit program that includes social contribution 2005 Makes Techno Rent Co., Ltd. a subsidiary</p>	<p>Increases investment in related business domains on the basis of its finance knowledge</p>	<p>Adopts the medium- to long-term vision of becoming a Circulation-Creating Company and contributes to continuous environmental, social and economic development</p> <p>2020 Concludes a trilateral business alliance agreement with Ricoh Company, Ltd. and Mizuho Leasing Company, Limited. Makes Enplus Inc. a subsidiary 2022 Moves to Tokyo Stock Exchange Prime Market Makes Welfare Suzuran a subsidiary</p>



Value Creation Process

Management Capital

- Social issues
- Response to climate change
- Creating a decarbonized society
- Smaller working-age population
- Aging of social infrastructure
- Digitalization
- Regional inequalities, etc.

Financial capital
Stable financial base
Long-term credit rating
Short-term credit rating
JCR: AA- J-1+
R&I: A a-1
S&P: BBB A-2
Net assets
211.7 billion yen

Intellectual capital
Transaction data covering
400,000 corporate
customers amassed since
the Company's founding

Social and relationship capital
Jointly creating new
businesses with
6,000 vendors

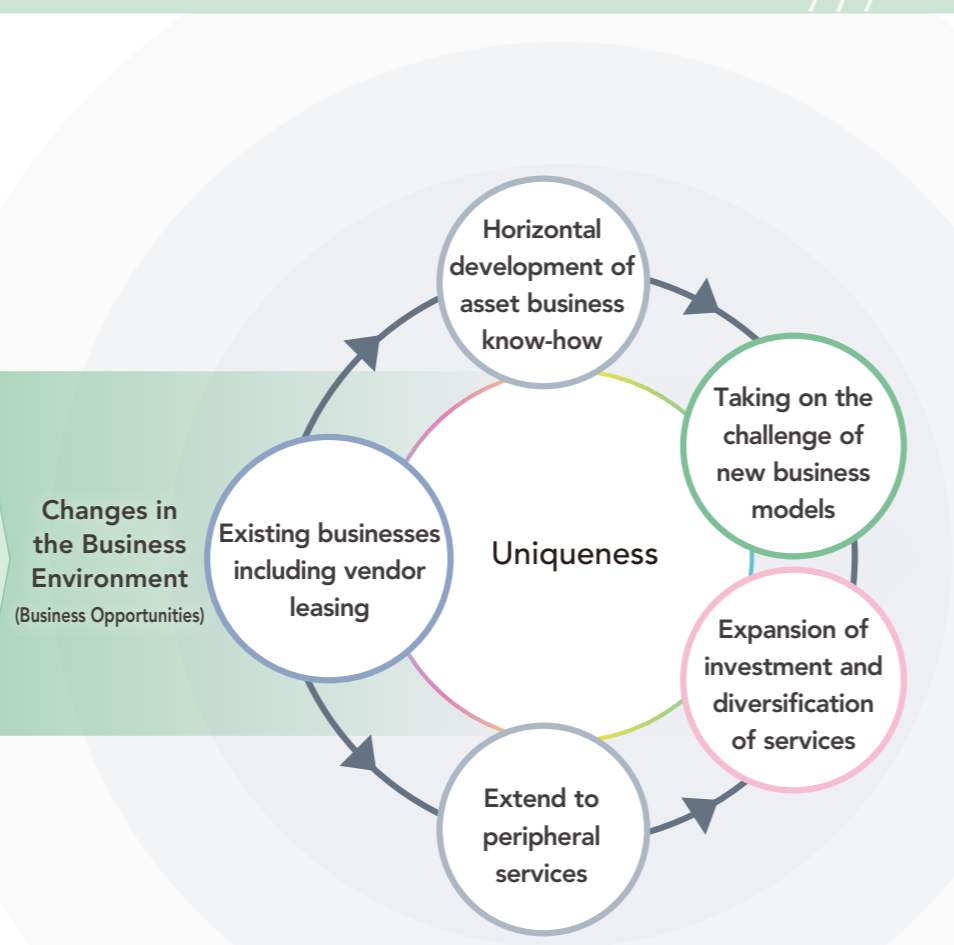
Manufactured capital
System construction and
know-how for small-amount,
large-volume transactions
Vendor support tools

Human capital
1,588 employees
supporting diverse
businesses (consolidated)
An organization that
ensures psychological
safety

Natural capital
Infrastructure that
contributes to building a
circulation-oriented society
3R promotional structure
Rental business

Business Model P.22-23

Continuous business evolution style



Services P.68-71

Create new businesses by leveraging our strengths and using changes in the business environment as opportunities

Creating services that contribute to forming a circulation-oriented society

- as a Service BPO
- Real estate The environment Nursing care
- Office Medical and Healthcare Capital investment
- Strengthening existing businesses

Value Proposition

Financial capital
Dividend payout ratio
35%
*FY2025

Intellectual capital
Cost of education
per person:
39,730 yen →
55,000 yen (1.4 times)
*FY2025

Social and relationship capital
ESG investing
20 billion yen

Manufactured capital
Prime operating asset
accumulation

Human capital
Engagement score
75 points
Percentage of female
managers
25%
*FY2025

Natural capital
Medium- and long-term
CO₂ reduction targets
2030
Net zero

Become a Circulation-Creating Company

Social impact

- Increased numbers of companies creating new growth businesses as a response to changing social environment
- Spread of renewable energy
- Increased sophistication of local healthcare
- Achieving sustainable urban development

Contribution to customers

- Agile investment activity that creates new business opportunities
- Enhanced labor productivity
- Development and improvement of business environments

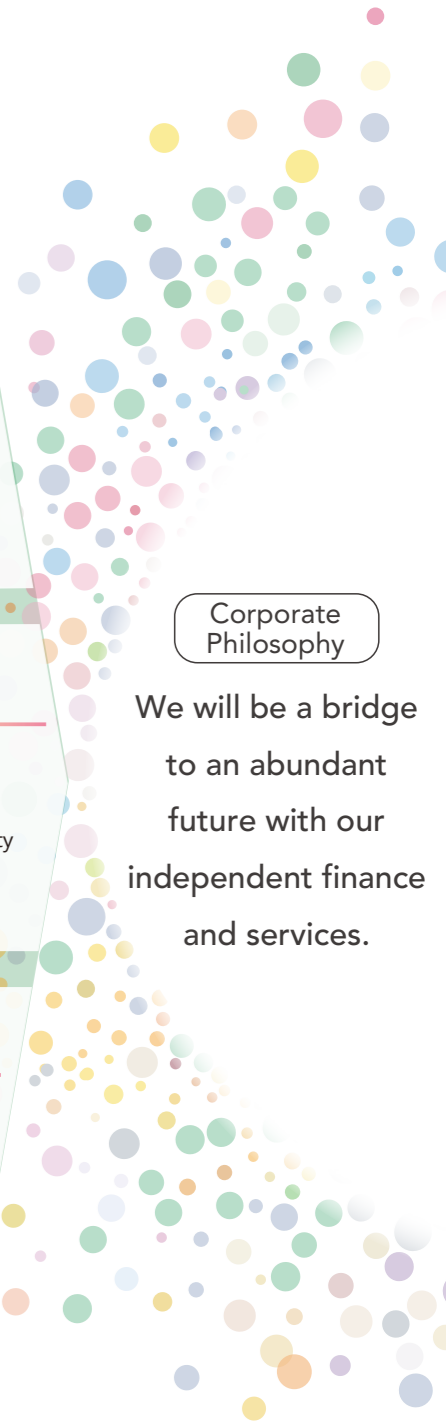
Employee happiness

- Balancing need for self-fulfillment with contribution to resolving social issues through work
- Proactive career development
- Creating a workplace characterized by mutual respect and cheerful/energetic work

Enhancement of organizational strength

Material Issues P.40-59

- Contribute to a clean global environment
- Enhance quality of life
- Develop a virtuous cycle for a sustainable economy
- Create a happiness company and society



Corporate Philosophy

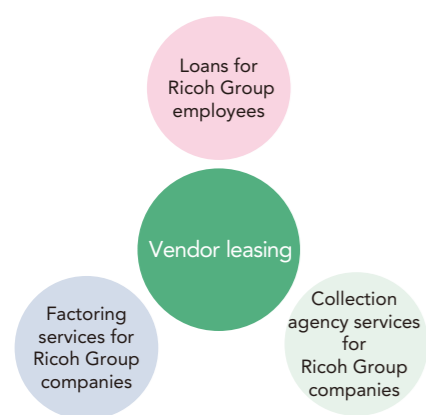
We will be a bridge to an abundant future with our independent finance and services.

Business Model

The Ricoh Leasing Group has evolved and diversified its range of services by utilizing transaction data centered on vendor leasing data, which is our DNA.

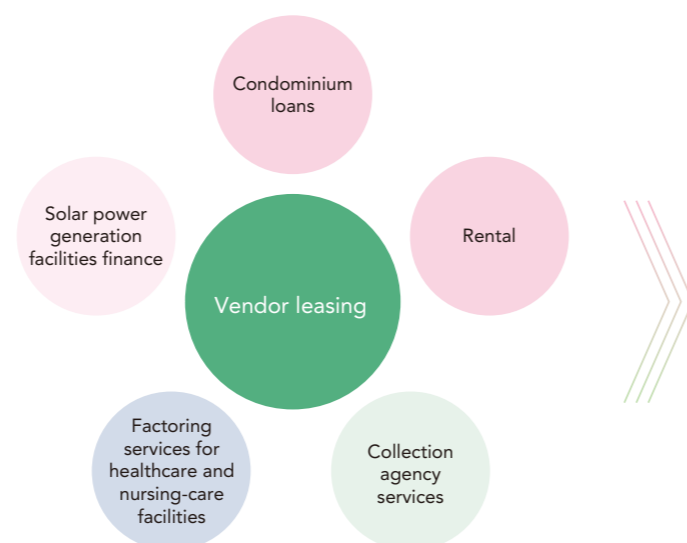
Founding

Offer financing to support sales of Ricoh-manufactured products



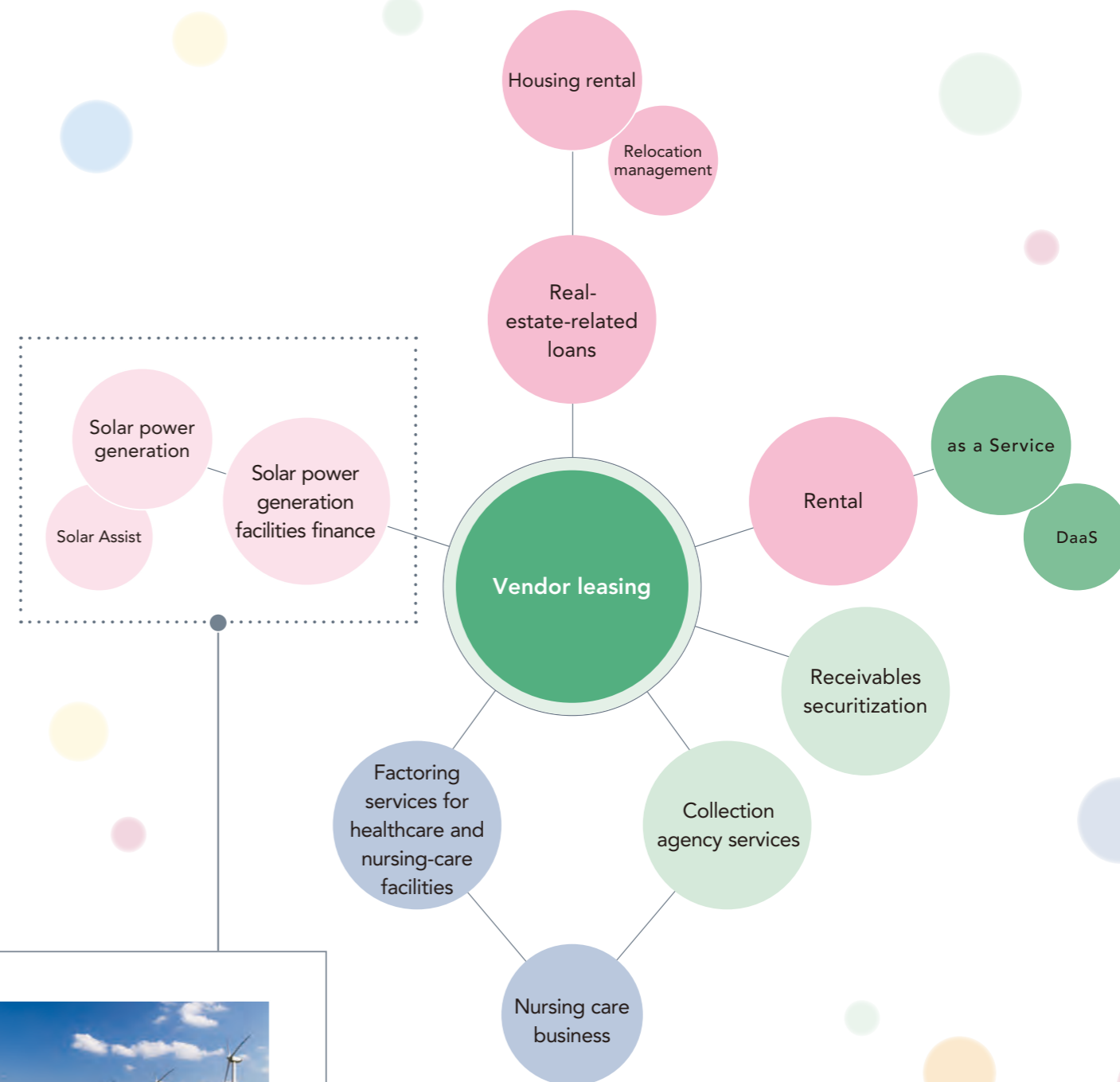
2000 to around 2020

Providing financing to customers outside the Ricoh Group and evolving into a business that aims to address social challenges



Today

Transaction data drives evolution into diverse businesses



Solar Power Generation Case Study

In 2012, we began offering financing for the installation of solar power generation facilities under the FIT system, which aims to promote the spread of renewable energy. Ensuring that we can recover funds invested when we offer financing requires us to evaluate the project, beginning with the power producer's generation plan. Utilizing the expertise accumulated through project evaluations, we

launched our own solar power generation business in 2018. By engaging in the business ourselves, we have accumulated detailed know-how in power plant operations.

We are aiming to further evolve this expertise and expand our renewable energy-related businesses through such moves as launching "Solar Assist," a service to support solar power plant owners.



Review of the Mid-term Management Plan

FY2014–FY2016 Mid-term Management Plan

FY2017–FY2019 Mid-term Management Plan

Financial Services Company Continuing Profitable Growth

Key Strategies

- Expansion of high-quality operating assets with a strong focus on profitability
- Building of new areas for growth
- Further strengthening of our highly efficient and profitable foundation
- Promotion of CSR management
- Development of human resources and enhancement of organizational strengths

Financial Targets

Net Sales	280.0 billion yen
Operating Profit	17.5 billion yen
Net Income	10.9 billion yen
Operating Profit Rate	6.3%
ROA	1.3% or more
ROE	7.4% or more

Achievement of Targets

Net Sales	291.1 billion yen
Operating Profit	17.3 billion yen
Net Income	11.7 billion yen
Operating Profit Rate	6.0%
ROA	1.31%
ROE	7.8%

Review

Main achievements

- Growth in transaction volume across a vast range of fields, including the environmental sector, construction machinery, vehicles, and buildings
- Increased ratio of profits from services such as loans and collection agency services

Challenges

- Sluggish growth in transaction volume of office and information-related equipment
- Continued search for new growth areas to follow the environmental sector
- Strengthened platform for the support of business

Going Beyond Leasing

Key Strategies

- Strengthened alliances with vendors and maximizing utilization of the customer network for the creation of a robust sales network
- Creation of value that we can provide, other than leasing
- Development of a leasing and services business through collaboration with Ricoh Group companies
- Centered on energy creation and energy saving, taking on the challenge of work in the new environmental field

Financial Targets

Gross Profit	33.5 billion yen
Operating Profit	18.3 billion yen
ROA	1.30%
Operating Assets	900.0 billion yen
Dividend Payout Ratio*	25%

* Dividend payout ratio is a mid-term (3–5 years) target

Achievement of Targets

Gross Profit	35.1 billion yen
Operating Profit	17.0 billion yen
ROA	1.08%
Operating Assets	1,019.1 billion yen
Dividend Payout Ratio	23.5%

Review

Main achievements

- Improved ability to generate earnings through higher yields on new contracts
- Increased transaction volume and operating assets in the environmental field
- Start of solar power generation business and housing rental business

Challenges

- More aggressive investment in human resources and IT investment to strengthen the business base, and operating income not achieved due to an increase in loan loss expenses
- Despite an increase in loans, collection agency services and other services within the breakdown of profit, results failed to meet the target in the plan
- ROA declined due to asset accumulation beyond what was anticipated and profits failed to meet the target

FY2020–FY2022 Mid-term Management Plan

Become a Circulation-Creating Company

Key Strategies

- Further evolution of vendor leasing and enhancement of value provided to customers
- Creation of safe, secure and pleasant housing and living environments
- Contributing to realizing a clean global environment rooted in environmental circulation
- Pioneering new business areas and creating business models
- Reconstruction of the rental business
- Business expansion not dependent on assets
- Business expansion under alliance with Mizuho Leasing
- Development of a mission-critical system and operation structure for pursuing high quality and high efficiency
- Human resource management that links the employees' happiness with the Company's business expansion
- Reinforcement of governance

Financial Targets

Operating Profit	20.0 billion yen
ROA	1.1% or more
ROE	6.7% or more
Operating Assets	1,200.0 billion yen
Dividend Payout Ratio	30.0%

Achievement of Targets

Operating Profit	21.2 billion yen
ROA	1.23%
ROE	7.2%
Operating Assets	1,090.2 billion yen
Dividend Payout Ratio	30.1%

Review

Main achievements

- In the real estate field, growth in areas such as corporate lending and condominium loans drove an increase in cumulative operating assets
- In the environmental field, we have diversified sales activities in ways such as operating our own power plants, introducing an on-site PPA model, and launching Solar Assist, a service to support solar power plant ownership
- In addition to allocating ESG investment of 20 billion yen, we have continued service development in collaboration with investees such as Casa Inc.
- Expansion of our business areas by making Enplus and Welfare Suzuran consolidated subsidiaries
- In the area of rentals, great strides in growth have been made by identifying diverse IT equipment usage needs
- Improvement of employee engagement scores
- Establishment of a Sustainability Committee and creation of a system to promote sustainability management
- Publishing of integrated reports since fiscal 2020

Challenges

- Despite continued improvement in yields on new contracts, the operating assets target was not reached
- Productivity declined because the pace of profit increase was surpassed due to factors such as increased personnel at affiliated companies
- The development of human resources for the creation of new businesses is still a work in progress

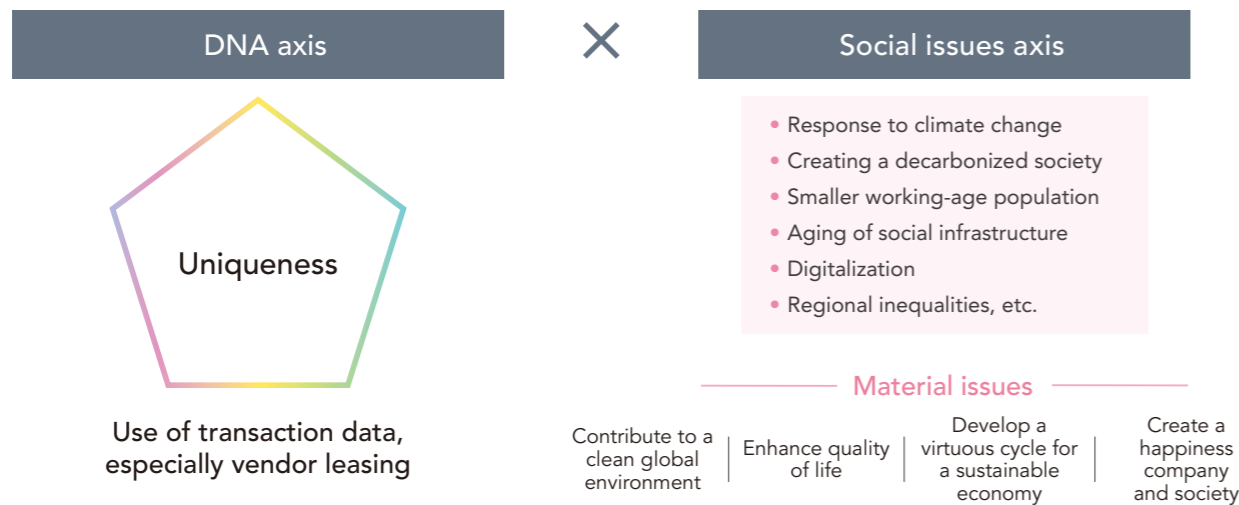
Overview of the Mid-term Management Plan

Ricoh Leasing Group started a new three-year Mid-term Management Plan from April 2023. We will aim to realize the abundant future set forth in our corporate philosophy by focusing on strategic planning that combines contributions toward corporate growth opportunities through the utilization of transaction data centered on vendor leasing data, which is our Group's DNA, with work on the four material issues identified for resolving social issues through our business activities.

Changes in the Business Environment

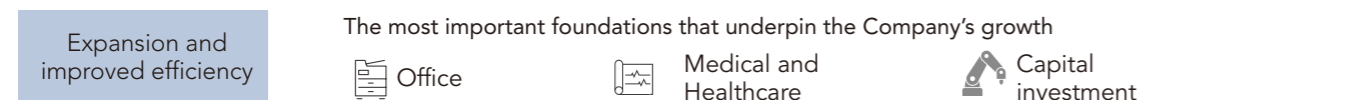
	Leases & Finance Business	<ul style="list-style-type: none"> Needs are changing from ownership to use and from goods to experience Advent of technologies that encourage use, etc.
	Services Business	<ul style="list-style-type: none"> Ever-increasing needs for outsourcing A recovery in the number of travelers from overseas Expanding needs for nursing care in Japan, etc.
	Investment Business	<ul style="list-style-type: none"> Expanding introduction of renewable energy Diversifying real estate financing instruments, etc.

Strategic Planning Axes



Business Growth Strategy

Strategy	Business field	Measures
Taking on the challenge of a new business models	as a Service	<ul style="list-style-type: none"> Providing Device as a Service (DaaS) and value to major customers Strengthening alliances to provide primarily lease products as a service
	BPO	<ul style="list-style-type: none"> Increasing the transaction volume in collection agency services and expanding settlement-related services Expanding services, taking advantage of demand for business travel from overseas
Diversification through the addition of businesses and services	Real estate	<ul style="list-style-type: none"> Accumulating diverse assets and developing services that will enhance asset value
	The environment	<ul style="list-style-type: none"> Diverse businesses, including asset management services for power plants Developing other power sources business operations and conducting research in the storage battery field
	Nursing care	<ul style="list-style-type: none"> Business operation at Welfare Suzuran and accumulation of expertise in the industry



Strategy for Enhancement of Organizational Strength

Strategy	Measures
Encouraging employees to take on challenges, which will result in business growth, and revitalizing the organization	<ul style="list-style-type: none"> Strengthening systems that will contribute to cultivating human resources that take on challenges and creating a corporate culture that encourages employees to take on challenges Building systems that will flexibly respond to changes in the external environment and creating an organization where diverse human resources can participate actively
Building flexible systems and operational structures that reflect social changes	<ul style="list-style-type: none"> Replacing business systems related to leases one by one for automation and improved efficiency Innovating infrastructure and strengthening cyber security Strengthening IT governance by improving IT management and control
Strengthening governance, including governance at affiliates	<ul style="list-style-type: none"> Evolving sustainable management by communicating externally Strengthening cooperation with Group companies and expanding business through the integration of strategies

Numerical Targets of the Mid-term Management Plan

	FY2022		FY2025 Prior Mid-Term Management Plan Targets
	Results	Results excluding special factors	
Operating profit	21.2 billion yen	20.0 billion yen	23.5 billion yen
Net Income	14.8 billion yen	14.0 billion yen	16.0 billion yen
ROA (Return on Asset Ratio)	1.23%	1.17%	1.1% or more
ROE (Return on Equity Ratio)	7.2%	6.8%	7% or more
Dividend Payout ratio	30.1%	—	35%

	Material issue	Item	FY2022 Results	FY2025 Targets
	Non-financial Targets	Contribute to a clean global environment	To the environmental field cumulative investment amount ¹	270.3 billion yen ⁴
Enhance quality of Life		Number of collection agency operation services	16,682 services	20,000 services
Develop a virtuous cycle for a sustainable economy		Executed contract volume in three priority fields ² (Agriculture, Vehicles and Construction machinery)	32.0 billion yen	45.0 billion yen
Non-financial Targets	Create a happiness Company and society ³	Engagement score (Annual average)	72 points	75 points
		Percentage of Female Managers	23.0%	25%
		Cost of education per person	39,730 yen	55,000 yen

1. Cumulative total of leasing and installment sales contracts in the field of renewable energy and solar power generation business and equity investments
 2. Leases: cost of acquisition of assets for lease; installment sales: installments receivable minus unrealized profit on installment sales
 3. Results and targets are non-consolidated results and targets at Ricoh Leasing
 4. Cumulative total amount of funds invested through the fiscal year ending March 31, 2023

Financial Strategy



We strive to support accumulation of high-quality operating assets with stable funding, and provide stable shareholder returns through growth and enhanced financial condition.

Hiroshi Osawa
Managing Executive Officer
General Manager, Corporate Management Division

Enhancing earning power by managing the cost of capital

During the three years of the prior Mid-term Management Plan, such factors as the COVID-19 pandemic, shortages of semiconductors, and geopolitical risks significantly constrained our operating activities. In this setting, the Ricoh Leasing Group focused its management efforts on enhancing profitability and efficiency, striving to boost asset yields, expand loans, and improve operating asset quality in our Investment Business. We also acquired Enplus Inc. and Welfare Suzuran Co., Ltd. to help drive future expansion of services through business performance and existing business synergies.

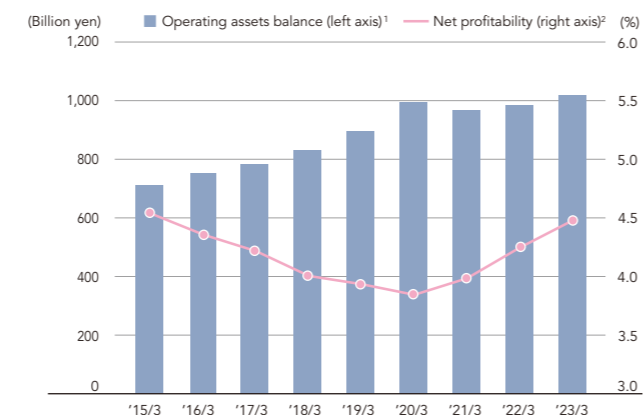
Amid the impact of the pandemic, we helped meet social challenges, for example by growing our collection agency service, which meets demand for remote and contactless services, and by delivering equipment rentals flexibly to government agencies. These activities demonstrate the broad base and robustness of our business portfolio.

Furthermore, while making investments for the future in human resources and IT, which are important management foundations for our company, we achieved record profits in each year and improved such efficiency indicators as ROA and ROE. While we achieved our profit targets, our operating asset balance target was not met. Nevertheless, we focused sales activities on raising the yield of new leases, enabling us to maintain and upgrade our strong balance sheet. These are the fruits of managing the cost of capital. Building the logic of calculating required capital structures to match the characteristics of each business, setting targets for expected returns, and evaluating actual returns, into our performance

management process, enables us to manage with a focus on capital efficiency and capital profitability.

As a result, we have clarified areas that need to be addressed and the direction of necessary measures, and are progressing toward improving the quality of operating assets. We also made progress in reforming employee awareness throughout the Company and enhancing financial literacy. In particular, in the Leases & Finance Business, we continued to offer sales support functions to vendors, and by enhancing convenience and strengthening collaboration through digitalization, including the use of contract output systems and web-based credit systems, we succeeded in improving new lease yields. Furthermore, we expanded corporate financing and re-leasing, along with growth in rental demand, contributed to enhanced profitability.

Changes in Operating Assets and Net Profitability



1. Balance of operating assets: Balance of operating assets excluding securitized lease receivables
2. Net profitability: Net profit ÷ Average balance of operating assets

ESG-centered funding and investing to achieve our long-term targets

Under the New Mid-term Management Plan (hereinafter, the New Mid-term Plan), we will strive to enhance capital efficiency by shifting resources to non-asset fields, including “as a Service” and BPO. We will also work to diversify and expand our operating asset portfolio, with an emphasis on real estate and the environmental field, where there are numerous commercial opportunities. As such, we will pursue sustainable profit growth, and maintain and reinforce our financial soundness by accumulating capital appropriately relative to the risk profile for each business, and improving our risk-return performance. To underpin our accumulation of high-quality operating assets, we will adhere firmly to a stable funding policy. We will keep in mind the importance of holding funding costs low and securing stable funding, and seek to balance asset/liability mismatch risk with funding cost by matching funding to the term and interest rate characteristics of our assets. The Company’s asset structure is composed of receivables cash flow, centering on fixed-rate lease receivables, and we manage future interest rate risk by funding at fixed rates that are commensurate with those cash flows. The ALM Committee monitors such metrics as the composition and duration of liabilities relative to operating assets, and the debt to fixed liability ratio, on a monthly basis.

In addition to managing interest rate risk, we have entered into commitment line and overdraft agreements with a number of financial institutions against the prospect of changes in the funding environment, such as financial market instability. We believe these agreements afford ample protection against liquidity risk. We are also striving to diversify our funding methods, and in addition to conventional methods, are actively working on ESG procurement, including Sustainability Linked Loans.

The New Mid-term Plan is positioned as a preparatory period for the achievement of our long-term goals. Though fiscal 2022 operating income reached 20.0 billion yen, transitory factors like special demand for rentals served as a tailwind for reaching that figure. We will thus move to reinforce our earnings base. Business growth drivers will be found in non-asset fields like “as a service” and BPO. The pursuit of operational excellence, by boosting operating efficiency and our strengths such as business management, will be the key. We will also strengthen our cooperative frameworks with business partners, developed through vendor leasing, as well as our investments in human resources and IT.

Just as we have built a proven track record in ESG investment, we will continue to search for other opportunities, including mergers and acquisitions. Our view of investment areas is

twofold. (1) In B2B and B2B2C services that are not dependent on interest income, we will seek to engage in finance and services in any industry and type of business and to add value through synergies between existing businesses and combinations of services. (2) In fields where we have established strengths, such as healthcare, the environment, settlement, credit, and real estate, and which offer opportunities to expand into adjacent areas, we will leverage our advantages in getting close to customers through our expertise and customer contacts, and offer solutions through value-added investments in adjacent fields.

Basic policy of stable, mid- to long-term shareholder returns

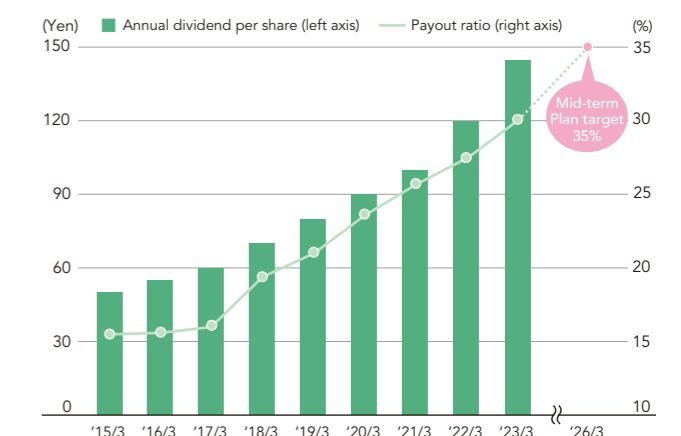
The Group undertakes to achieve sustainable growth, an appropriate capital structure and reinforced financial condition, and stable shareholder returns over the mid to long term. In fiscal 2022, the Company paid an annual dividend of 145 yen, up 25 yen from the previous fiscal year. This marked the 28th consecutive year* of dividend increases since our stock listing. In fiscal 2023, we anticipate a transient drop in profit due to such factors as an absence of one-time gains. At the same time, however, we expect steady growth in the earning power of each of our businesses, and as such are planning an annual per-share dividend of 150 yen. We have also moved up our fiscal 2029 dividend payout ratio target of 35% to the target of the final fiscal year of the New Mid-term Plan. We will endeavor to enhance our corporate value by strengthening stakeholder engagement and further enhancing information disclosure.

* Includes real-term dividend increase following the stock split in the fiscal year ended March 31, 2000

Basic Shareholder Returns Policy

Our basic policy is to provide shareholders with stable mid- to long-term returns. We undertake to achieve this with sustainable growth, and an appropriate capital structure and reinforced financial condition. Our target for the New Mid-term Plan payout ratio is 35%.

Annual Dividend per Share / Payout Ratio



System Strategy



Koichi Sawatsugawa
Director
General Manager, Group
IT Management Division

system from the ground up, one that leverages cloud computing and low-code tools² for accumulation and analysis of large amounts of data.

With respect to the pressing issue of cyber security measures, we are recruiting knowledgeable specialists and progressing system development in parallel. We are moving forward with multiple security measures, including filtering and quarantine-system-based entrance measures and network isolation. In terms of technology, we will transition from a perimeter to a zero-trust³ approach, and fundamentally revamping our approach to security. In addition, we will create an environment where the most advanced security measures can be implemented at any time, through the cloud. In human resource terms, we are recruiting and training specialist personnel, and striving to firmly establish CSIRT⁴ management.

To achieve the digitalization of the Group, we must train the personnel we recruit and develop them as digital human resources. To this end, we have created IT Skill Standards to bolster IT literacy in the Group IT Management Division, which drives digitalization throughout the Group. With these standards as training benchmarks, we will also strengthen our organizational capabilities.

Eventually we hope to extend this training model across the entire Group, so all employees can act as resources equipped to think about how digital technology should be applied to their business. We will help realize an abundant future, not just by enhancing operational efficiency, but also by developing personal who are at home with digitalization.

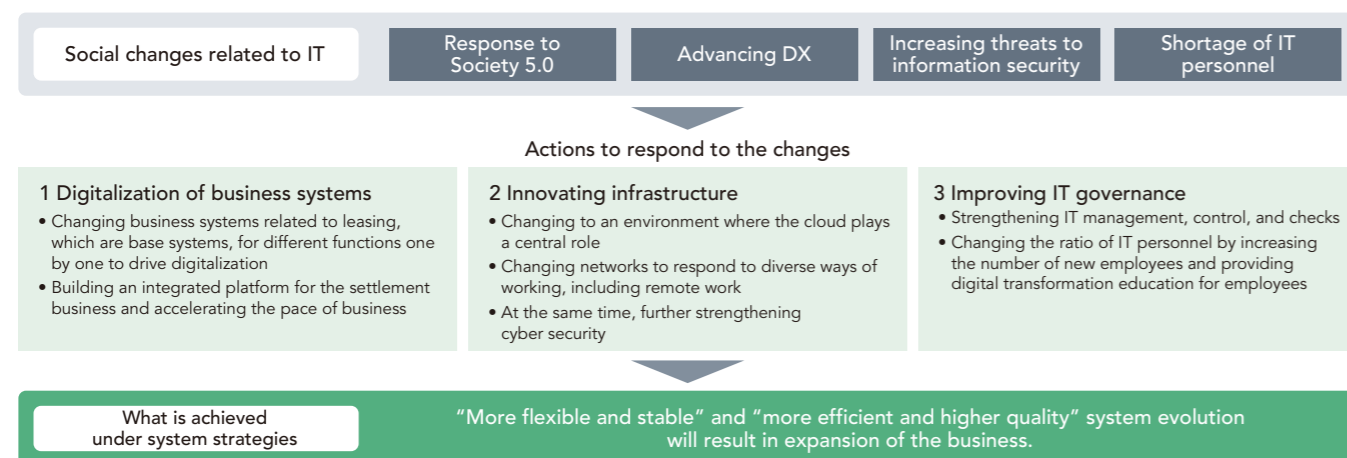
1. On-premises: An IT system whose required servers, network equipment, software, etc. are owned and managed by the user
2. Low-code tools: Tools for building apps with a minimal amount of coding
3. Zero trust: A security approach where “trust no one” is a fundamental assumption. A conventional network security system divides the network into trusted (internal) and non-trusted (external) users, and maintains security at the boundaries of those categories
4. CSIRT (Computer Security Incident Response Team): A specialized IT team that responds to network incidents that may indicate security problems

Developing specialist personnel to accelerate digitalization

Under the Ricoh Leasing Group’s digitalization policy, we prioritize financing and services that show our uniqueness, for which the keywords “B2B, small amount, and small lot” apply. In particular, we use AI to collect, accumulate, and analyze customer transaction data, using it to bolster our foundation.

Enhancing system efficiency in vendor leasing, which is our Group’s DNA, is critical to our success. In credit screening, contracting, and billing and collection of lease payments, we have already begun applying AI to some of our credit screening. Our goal is to eventually automate all business processes.

The Group’s current core system is on-premises.¹ As a legacy system, there are limitations from the standpoint of promoting DX, big data, and security. As such, we have been planning and preparing for some time to develop a new



Human Resources Strategy



Happiness at work: an HR strategy foundation aimed at creating and expanding new businesses and realizing true employee happiness

Yuichi Araki

Executive Officer
General Manager of Group Human Resources
Management Division

During the term of the prior Mid-term Management Plan, we promoted our existing HR policies based on the concept of Happiness at work to realize individual-centered management. We also set forth five strategies of Happiness at work (positive challenges, fair and impartial treatment, diversity and inclusion, health management, and work style innovation), set up a Career Counseling Room, and introduced an absolute evaluation system, Happiness Training, and an Effective Working Time system as well as a freelance system, among other measures. As a result, we were able to make a substantive transition to a personnel system in which employees choose their own work style, and employee engagement scores rose, which I believe was meaningful.

At the same time, despite the Company having become a “good place to work,” there are also some employees who report feeling a lack of satisfaction, personal growth, or pride in their work. The challenge going forward will be to offer an environment and challenges that match what each employee aspires to do, regardless of position or age, while ensuring psychological safety.

Based on our review of these results, we positioned Happiness at work as our human resource management vision at the start of the new Mid-term Management Plan (here in after referred to as “the New Mid-term Plan”)—a vision that, like our corporate philosophy cannot be changed. We have decided to continuously develop measures toward our goal of enabling each Group employee to realize happiness through his or her work.

On the other hand, what must change is for us to evolve human resources capable of executing the management strategy of the New Mid-term Plan, which is to strengthen existing businesses with an emphasis on efficiency; create new

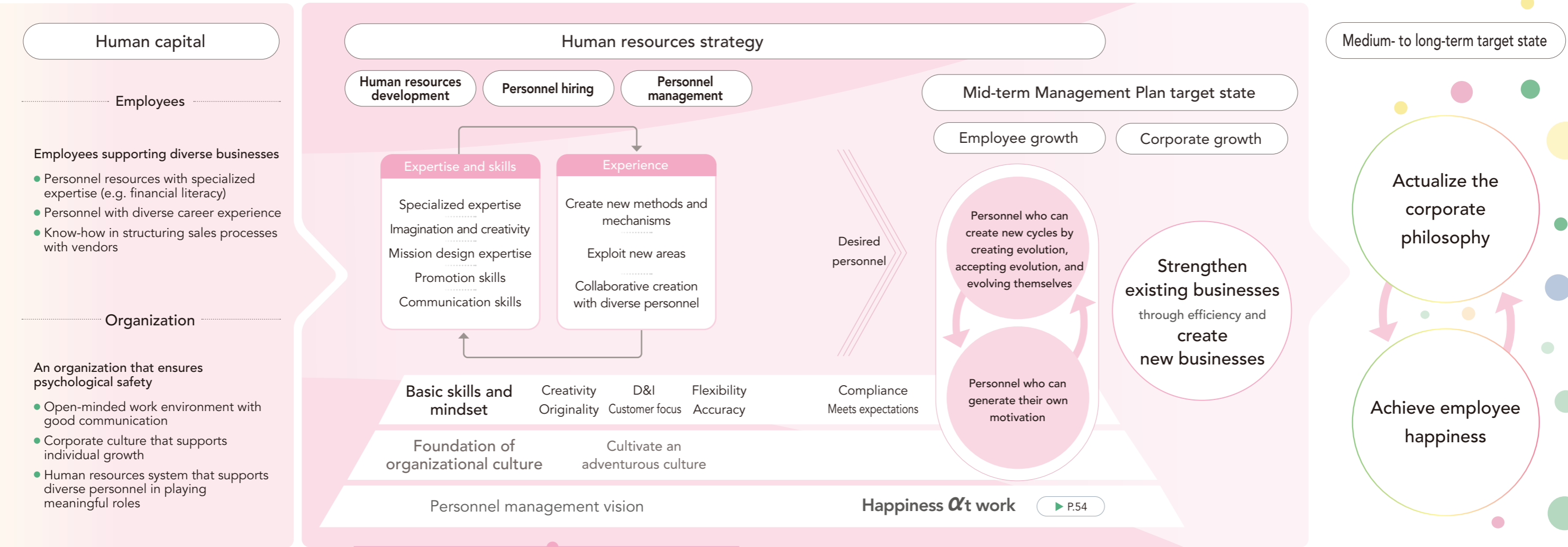
cycles through the creation of new businesses in areas adjacent to existing businesses; deploy resources to high-profit fields; and strive over the mid to long term to become a real-world business that also handles finance. Consequently, our human resources strategy for the New Mid-term Plan is to develop and deploy personnel who can create a new cycle by creating evolution, accepting evolution, and evolving themselves, and who can achieve job satisfaction autonomously. To realize the goal of the human resources strategy and further enhance employee engagement, we will invest in personnel with an entrepreneurial spirit who can imagine new businesses in areas adjacent to existing businesses and are ready to take on challenges. Training in IT and DX, for which society has the greatest need, will be provided to all employees. The self-improvement program, which had been focused on young employees, will be expanded to include all directors and employees. This will increase growth-encouraging opportunities for reskilling and for honing basic skills as businesspeople.

Furthermore, to ensure that our human resources strategy is highly effective and maximizes the potential of every employee, it is incumbent on us to promote health management and achieve safety, security, and comfort for all employees. We regard employee health promotion as a fundamental activity in human capital management, and will continue to pursue it under the slogan “Health First, Work Second.”

The Group Human Resources Management Division will pursue human resource strategies in line with these ideas to realize the new Mid-term Management Plan and its underlying corporate philosophy, and simultaneously realize Happiness at work for every Group employee.

Overview of Human Resources Strategy

With Happiness α t work as its foundation, the Ricoh Group is pursuing a human resources strategy to realize both business growth and employee happiness.



Principal policies of the new Mid-term Management Plan

The new Mid-term Management Plan sets forth numerous human resource policies to encourage employees to take on challenges and revitalize the organization.

In pursuit of both business growth and employee happiness, we will strive to create environments where employees can assume active roles with vigor. In particular, in the area of human resources development, we will place the highest priority on education for self-improvement and reskilling. Our aim is to develop personnel capable of driving evolution that leads to stronger existing businesses as well as new businesses. To increase investment in education, we have set a per capita education expenditure target of 55,000 yen, 1.4 times the FY2022 level. As our business grows, we will continue to update this target.

Human resources development	
Policy	Offer skills and opportunities that promote evolution by acquiring new strengths and expertise
Measures	<ul style="list-style-type: none"> Develop personnel who can use venture-type concepts to create new businesses Specialized expertise education → Expand opportunities for on-the-job education Strengthen company-wide DX education Expand opportunities for self-improvement and reskilling Cross-area exchange
Targets	Cost of education per person: 39,730 yen → 55,000 yen (1.4 times) Quantify and identify innovative personnel

Personnel hiring	
Policy	Attract and acquire personnel who share our corporate philosophy and can continue to drive our evolution
Measures	<ul style="list-style-type: none"> Hire innovative personnel Hire personnel with high-level specialized expertise
Targets	Quantifying and identifying innovative personnel

Personnel management	
Policy	Deploy appropriate personnel to areas and positions that promote business creation and personnel evolution, and manage them
Measures	<ul style="list-style-type: none"> Implement a human resources system that encourages personnel shift and regeneration Personnel deployment through an established resource deployment process Achieve appropriate compensation levels Achieve D&I with system structures that enable diverse personnel to play meaningful roles
Targets	Engagement score: 72 → 75 Female manager ratio: 23% → 25%

Promotion of Sustainable Management

The Ricoh Leasing Group has positioned its corporate philosophy as the highest concept of the Group. Based on its approach to sustainability, the Group is promoting sustainable management through efforts to tackle its material issues.



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 individuals in managing executive officer roles and above, the heads of divisions related to sustainability, and Group company presidents. 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

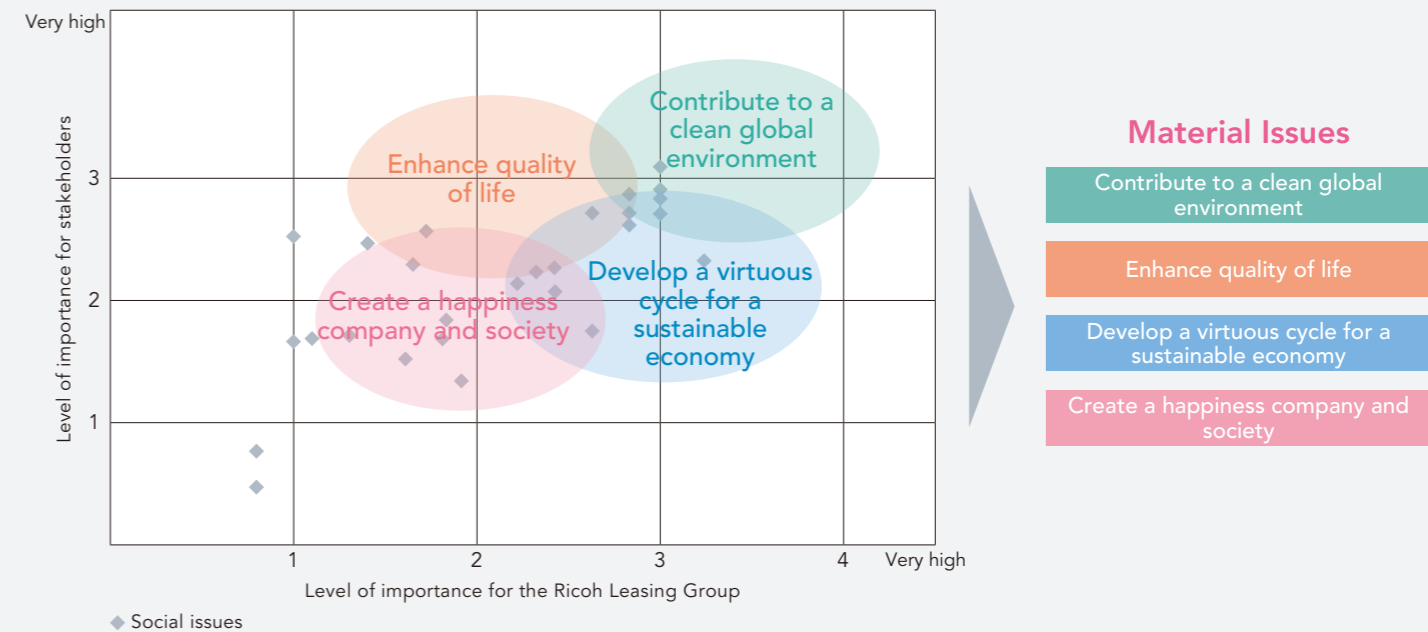
Chairperson	Officer in Charge of Sustainability
Members	General Manager of Business Strategy Management Division General Manager of Area Sales Division General Manager of Medical & Healthcare Division General Manager of Sales Development Division General Manager of Strategic Investment Division General Manager of Operations Division General Manager of Group Human Resources Management Division General Manager of BPO Division General Manager of Corporate Management Division President of Techno Rent President of Enplus
Meeting frequency	Once quarterly

Material Issue Review Process

In line with changes in our external and business environments, in fiscal 2020 we reviewed our material issues and identified four new material issues.

- 01 Understanding and identifying issues**
Following analysis of changes in our business environment and external environment, including those related to the SDGs, we identified the issues that were related to the Group
- 02 Assessing their importance**
We then assessed and inspected their importance based on the level of impact they could have on the Group and our stakeholders, and created a material issue matrix
- 03 Assessing their relevance**
The Sustainability Committee then exchanged opinions with internal departments and external experts to inspect the relevance and consistency of the issues
- 04 Identifying key issues**
Following a resolution by the Board of Directors, we identified four material issues

Material Issue Matrix



Non-financial Targets











Review of the Mid-term Sustainable Management Plan (FY2020–FY2022)

We formulated the Mid-term Sustainable Management Plan to move forward with specific strategies and measures to tackle our four material issues, while we also established indicators to confirm the level of progress of our initiatives. In our efforts to contribute to a clean global environment, we invested a cumulative total of 270.3 billion yen (slightly under our target of 287.8 billion yen) in renewable energy and increased the power generation capacity of our solar power generation business to 119.3 MW, contributing to increased use of renewable energy. In terms of our medium- to long-term CO₂ emissions reduction target, through the purchase of environmental value in the form of FIT non-fossil certificates, we were able to ensure that all electricity consumed in-house derived from renewable energy. Elsewhere, in our activities to enhance quality of life, we increased the number of transactions in collection agency services to 28.36 million, and the number of rental housing units owned to 975. In doing so, we focused on the creation of a platform for enhanced quality of life. As we sought to develop a virtuous cycle for a sustainable economy, we further strengthened our partnerships with vendors by introducing and increasing use of vendor support tools, and by increasing our transaction volume in the three priority fields we helped to revitalize the local economy. Although we set aside 20.0 billion yen for ESG investments, we invested a cumulative total of 13.8 billion yen, and are working with our investment

target companies to create new businesses. Finally, in our efforts to create a happiness company and society, we increased the ratio of female managers to 23% to promote the active engagement of women and make steady progress ahead of our 30% target for 2030, while compared to our target of 70, our engagement score increased to 72.

Non-financial Targets in the New Mid-term Management Plan (FY2023–FY2025)

In the previous mid-term plan period, we established two independent plans: a mid-term business plan and a Mid-term Sustainability Management Plan. However, based on the idea that our businesses directly contribute to sustainable management, for the New Mid-term Plan we have integrated the two plans with the setting of both financial and non-financial targets. For our non-financial targets, following discussions by the Sustainability Committee, we have selected and focused on the following 20 indicators based on their level of social impact and the degree to which they can improve our corporate value. Of these 20 indicators, the six most important (marked with a ★) were disclosed upon announcement of our new Mid-term Management Plan in May 2023. In this Integrated Report, however, we have disclosed all 20 indicators and will continue reporting on our relevant initiatives and progress. As a Group, we will promote sustainable management through the achievement of these non-financial targets.

Material Issue	Business Field/Category	Indicator	FY2025 Targets	Notes
Contribute to a clean global environment  ▶ P.40	 The environment	★ Cumulative investments in environmental fields	400 billion yen	FY2022 achievement: 270.3 billion yen
		Renewable energy output	205,700 MWh	FY2022 achievement: 112,872 MWh
		Lease equipment collection rate	74%	FY2022 achievement: 68.4%
		Computer reuse and recycling rate	100%	FY2022 achievement: 98.7%
Enhance quality of life  ▶ P.48	 Medical and Healthcare	No. of projects to support opening of new medical facilities	200	FY2022 achievement: 100
	 Real estate	No. of real estate properties for which value has increased	10,700	FY2022 achievement: 9,007
	 BPO	★ No. of collection agency services in operation	20,000	FY2022 achievement: 16,682
		Factoring services for nursing-care facilities	600	FY2022 achievement: 521
		No. of people to which we provide inbound/outbound services	7,000	FY2022 achievement: 1,711
Develop a virtuous cycle for a sustainable economy  ▶ P.51	 Capital investment	★ Executed contract value in three priority fields	45.0 billion yen	FY2022 achievement: 32.0 billion yen Three priority fields: Construction machinery, vehicles, agriculture
	 as a Service	No. of "as a Service" transactions	Quantitative targets not currently set	Lower barrier to introduction of IT and IoT services and increase no. of transactions to improve business efficiency
		No. of "as a Service" products (including ICT devices)	Quantitative targets not currently set	Lower barrier to introduction of IT and IoT services and increase no. of transactions to improve business efficiency
Other	No. of services developed alongside investees and alliance partners	Quantitative targets not currently set	Increase no. of services aimed at creation of businesses that have positive impact on the environment and society	
Create a happiness company and society  ▶ P.54	Diversity & Inclusion	★ Engagement score (annual average)	75 points	FY2022 achievement: 72 points
		★ Ratio of female managers	25%	FY2022 achievement: 23%
		Percentage of male employees taking childcare leave	100%	FY2022 achievement: 114.3% Percentages can exceed 100% as childcare leave can be taken up until the child is 3 years old.
		Percentage of employees with disabilities	2.7%	FY2022 achievement: 2.54%
	Human Resource Development	★ Cost of education per person	55,000 yen	FY2022 achievement: 39,730 yen
Training time per person		14 hours	FY2022 achievement: 12.2 hours	

★ marks indicators disclosed at time of Mid-term Plan announcement

Message from the Officer in Charge of Sustainability



Integrating sustainability initiatives into the new Mid-term Management Plan, we will pursue diverse non-financial targets to realize our corporate philosophy

Hirozumi Sano
Director and Corporate Senior Vice President

Helping to solve environmental and social challenges through our business activities

To realize our corporate philosophy, the Ricoh Leasing Group strives to address social challenges through sincere corporate activities, and works to harmonize our activities with ESG to realize a sustainable society. Through ongoing dialogue with shareholders, investors, and other stakeholders, we engage in business activities with a positive impact on the global environment, strive to facilitate economic growth and development, and help address environmental and social challenges.

In view of society's increasing demand that human rights be given a place in corporate activities, we formulated and committed to the Ricoh Leasing Group's Human Rights Policy in March 2023. This policy follows the United Nations Guiding Principles on Business and Human Rights (UNGPR). Our participation in a 2022 roundtable discussion with Save the Children Japan on the theme of business and human rights,

and the perspectives we gained from that exchange of opinions, demonstrated the importance of formulating a human rights policy. This led us to incorporate the concept of human rights in the Ricoh Leasing Group's Code of Conduct. Going forward, with regard to human rights, the environment, and other issues in the supply chain, we will develop a due diligence system to identify and assess negative impacts. We will also adopt measures to prevent and mitigate these impacts. We will apply our expertise in internal control and auditing to incorporate this system into our business, and propagate sincere corporate activities.

In the area of the environment, we offer Solar Assist, which offers support to enhance the performance of solar power generation business. Operation Assist is a peripheral service that provides outsourced asset management operations for solar power plants. We also launched a service to purchase non-fossil certificates on behalf of customers. Also, by providing off-site PPAs, which involve providing renewable energy to remote customers via retail power providers, we are providing funding linked to business potential.

In addition, in our solar power generation business, we are expanding our renewable energy business by providing on-site corporate PPAs and installing solar power generation systems at customer businesses and other sites.

In funding, we are actively using ESG financing to further our sustainability management. There are numerous forms of ESG financing. Sustainability Finance adds new social projects to the use of funds. Sustainability Linked Finance links the terms of borrowing with our performance. In December 2022, we announced our Sustainability Finance Framework and Sustainability Linked Finance Framework. Going forward, we will earn recognition by strengthening our ESG initiatives, and utilize ESG financing actively to enhance corporate value.

Integrating our Mid-term Sustainable Management Plan and business plan

The new Mid-term Management Plan (hereinafter referred to as "the New Mid-term Plan") was inaugurated in fiscal 2023, and integrated our business plan with the existing Mid-term Sustainable Management Plan. We believe this step was necessary to realize a sustainable society and ensure integrated strategy execution.

The Group's four material issues that constitute the axis of strategic planning for the New Mid-term Plan are contribute to a clean global environment, Enhance quality of life, Develop a virtuous cycle for a sustainable economy, and Create a happiness company and society. We undertook a current state analysis, social issue classification, and needs and appropriateness review of our activities, with the intention of making the further acceleration of sustainable activities an important theme.

Our aim is to realize our corporate philosophy by integrating these material issues into the leveraging of transaction data from the DNA of our Group, which is vendor leasing. With respect to non-financial targets, the Sustainability Committee and others have held extensive discussions and established indicators to be pursued that will have a strong impact on society and enhance corporate value. We hope that organizing and quantifying the significance of our efforts using these indicators will inform our business strategies and help achieve our financial targets.

Group governance reinforcement and business area expansion

In December 2022, nursing-care facility operator Welfare Suzuran Co., Ltd. joined our Group. Group management from a new perspective is a necessity, and strengthening governance is a challenge. As such, we will strive to strengthen group governance by enhancing the management function of human resources and IT management, and we will achieve this by giving each division a control and supervisory function that covers all Group companies. We will develop an integrated risk management system that includes all Group companies, and strengthen management of strategic business risk as well as operational risk in such areas as climate change and human rights, in collaboration with the Sustainability Committee and others.

Going forward, we will continue to deepen our knowledge of best business practices through active participation in external forums and gatherings, and communicate the Group's approach to sustainability management externally.

*PPA (Power Purchase Agreement): A contractual form where power consumers purchase renewable power directly from the power generators.

Material Issues Contribute to a Clean Global Environment

Action objective

1 Mitigate and adapt to climate change



FY2022 results and achievements

CO ₂ emissions reduction from business activities	Cumulative investment through March 2023*	Cumulative total investment in the solar power generation business	Total power generation capacity	Volume of power generated in FY2022
643 t-CO ₂ (from fiscal 2015)	270.3 billion yen	26.2 billion yen	119 MW	112,872 MWh

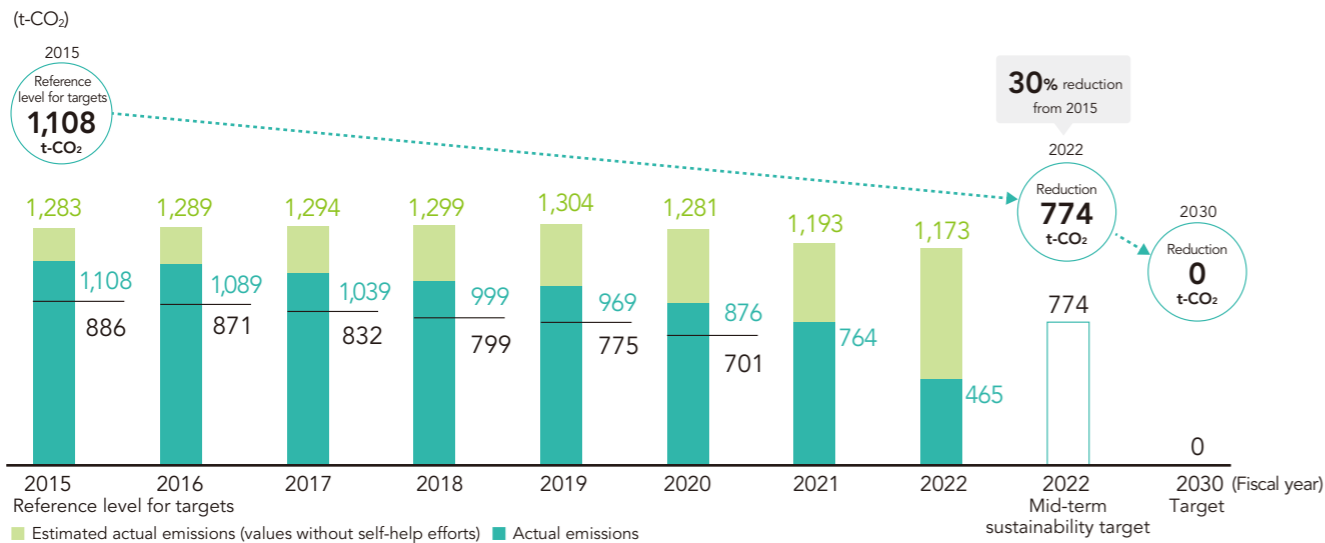
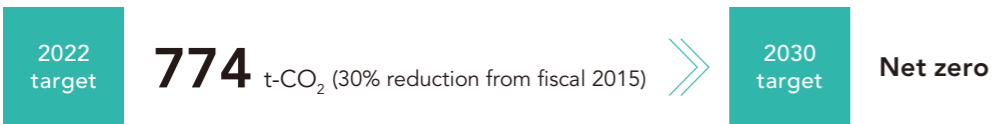
* Cumulative total of leases and installment sales contracts in the field of renewable energy, as well as the total result of investments in the solar power generation business and equity

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. In September 2023, in order to accelerate our decarbonization efforts, we decided to move forward our own net zero target for Scope 1 and 2 emissions from 2050 to 2030.

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



● Scope 1 and 2: Initiatives to reduce environmental impact through our business activities

In fiscal 2022, our consumption of electric power increased as a result of increased sales activities and the inclusion of Enplus Inc. in our environmental data. On the other hand, we made progress switching company-owned vehicles into hybrids and EVs, and have now completed the shift from gasoline vehicles, bringing the total number of EVs introduced to four in fiscal

2022. As a result of these efforts, although our energy consumption increased, we redeemed 510 t-CO₂ of electricity consumption, by purchasing the environmental value of our solar power generation facilities with tracked FIT non-fossil certificates, leaving CO₂ emissions at 465 t-CO₂.

● 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 2022, transaction volume and operating assets increased, resulting in a 4% YoY increase to 1,007,687 t-CO₂.

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)



FY2022 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	737,697	73.2
Cat 2	Capital goods	8,817	0.8
Cat 3	Fuel- and energy-related activities not included in Scope 1 or Scope 2	200	0.0
Cat 4	Upstream transportation and distribution	1,312	0.1
Cat 5	Waste generated by operations	245	0.1
Cat 6	Business travel	232	0.0
Cat 7	Employee commuting	495	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	258,617	25.7
Cat 14	Franchises	(not calculated)	0.0
Cat 15	Investments	70	0.0
Scope 3 total		1,007,687	99.9
Scope 1		276	
Scope 2		189	
Total greenhouse gas emissions		1,008,152	100.0

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 sustainability, this committee consists of individuals in managing executive officer roles and above, the heads of divisions related to sustainability, and Group company

president. 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.

[▶ P.35](#)

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-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.

1.5°C scenario¹
Scenario where strict measures are taken to counter climate change and the rise in temperatures is contained to around 1.5°C

4°C scenario¹
Scenario where steps to counter climate change are not taken and the temperature rises by about 4°C

[▶ P.43](#)

- Leased assets (office equipment,² automobiles, industrial machinery)
- Solar power generation
- Housing rental

1. 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.

2. 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.

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 ³ 1.5°C scenario impact ⁴		
		Short-term	Medium-term	
Transition risks	Industrial machinery [Opportunity]	Growing demand for new decarbonization-related equipment	Short-term: Minor	Medium-term: Moderate
		Automobiles [Risk]	Reduced leasing demand for gasoline-powered (ICE) cars	Short-term: Major
	Automobiles [Opportunity]		Increase in leasing demand for BEV ⁵ /FCV ⁶	Short-term: Major
		Automobiles [Risk]	Frequent model changes due to higher fuel efficiency standards and shift to BEV ⁵ /FCV, increase in vehicle procurement costs	Short-term: Minor
	Solar power generation [Opportunity]		Significant growth of the renewable energy market	Short-term: Minor
		Long-term: Major		Long-term: Major
	Housing rental [Risk]	Increase in asset acquisition costs due to stricter energy-saving standards for newly built buildings and mandatory "Nearly ZEB" ⁷	Short-term: Minor	Medium-term: Major
			Long-term: Moderate	Long-term: Moderate
		Near ZEB renovation costs for existing buildings	Short-term: Minor	Medium-term: Moderate
			Long-term: Major	Long-term: Major

3. Short-term: present–2025, Medium-term: 2026–2030, Long-term: 2031–2050.
 4. Major: over 3 billion yen; Moderate: 0.1–3 billion yen; Minor: less than 100 million yen.
 5. BEV (Battery Electric Vehicle): A type of electric vehicle (EV) that runs on 100% electricity.
 6. 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.
 7. 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 Leasing Group has set medium- and long-term targets to reduce CO₂ emissions based on the SBTi⁸ target of 1.5°C. For Scope 1 and 2, we have moved forward our net zero CO₂ emissions target for Scope 1 and 2 emissions from 2050 to 2030. With regard to Scope 2 CO₂ emissions in fiscal 2022, we have converted CO₂ emissions from electricity use (510 t-CO₂) to electricity generated in effect from renewable energy

by utilizing tracked FIT non-fossil certificates.⁹ In the Mid-term Management Plan (FY2023–FY2025), we aim to help solve environmental issues by setting the following non-financial targets: 1) cumulative investment of 400 billion yen in the environmental field; 2) increase in renewable energy output to 205,700 MWh (fiscal 2022 result: 112,872 MWh); and 3) increase in EV in fleet.

8. SBTi (Science Based Targets initiative): A collaborative initiative that encourages businesses to set reduction targets with a view toward curbing the rise of the global average temperature due to climate change to 1.5°C above pre-industrial levels
 9. Non-fossil certificates: Certificates that differentiate the environmental value of electricity derived from non-fossil sources from the value of the electricity itself. Those certificates that tie the identification of the power source and information on the place of origin to renewable energy sources certified under the feed-in tariff (FIT) system are called tracked FIT non-fossil certificates.

[▶ P.40-41](#)

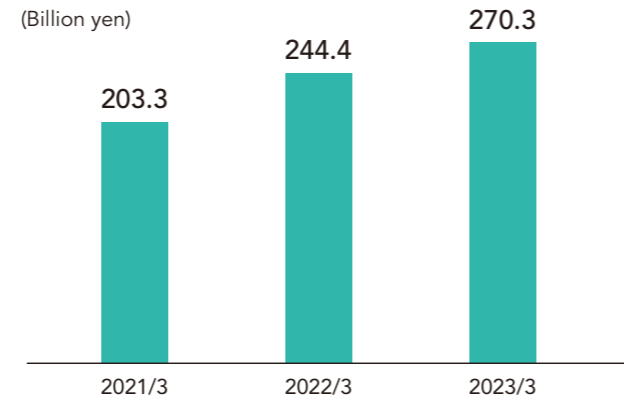
● Initiatives in the environmental field

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 make a greater environmental contribution and expand our business profit. We are currently working to expand our business in the environmental field using a variety of methods, including the launch of a PPA scheme that is not dependent on the FIT system, equity investment, and Solar Assist, a service that provides support to other power generation companies.

Regarding the cumulative results through fiscal 2022, although we were unable to start operations due to construction delays caused by material shortages and other factors, resulting in a cumulative investment of 270.3 billion

yen compared to our target of 287.8 billion yen, we were able to expand our own power plants in operation to 421 sites, with a generation capacity of 119.3 MW.

Cumulative amount of funds invested in the environmental field



● Future strategies in the environmental field

In our Mid-term Management Plan that began in 2023, we will first aim to expand our track record in secondary projects that have already been in operation under the FIT system. We will promote financing to meet the demand for funds for when solar power plants developed for investment purposes are transferred to new operators from investors who are considering transferring them due to difficulties in maintaining and managing them, as well as the incorporation of such facilities as our own power plants.

Meanwhile, as part of our strategy to move away from the FIT system, we will work on business models that do not depend on the FIT system. For instance, we will promote the

self-consumption solar power generation model under the PPA scheme, as well as the use of the FIP system, which replaced the FIT system in April 2022.

We will also take on the challenge of developing new business models, including initiatives in power sources other than solar power, such as onshore wind power generation, and the storage battery business, for which demand is expected to increase in the future. Through these efforts, we will play our part in helping build a decarbonized society, aiming for a cumulative investment of 400 billion yen in the renewable energy field by fiscal 2025.

- 1 Expand our track record in secondary projects for renewable energy power plants that have already been in operation under the FIT system, and promote initiatives in refinancing and our own businesses
- 2 Promote the self-consumption solar power generation model, including PPA* schemes, and the use of the FIP system as a strategy to move away from the FIT system
*PPA (Power Purchase Agreement): A contractual arrangement in which power consumers purchase renewable power directly from the power generators
- 3 Develop power sources other than solar power, such as onshore wind power generation, and storage battery business

● Expansion of in-house power generation business

The solar power generation business with ourselves as the operator, which we started in fiscal 2018, has since grown steadily. As of the end of fiscal 2022, the number of power plants has increased by 41 sites from last year to 421 sites, and the generating capacity has grown by 17.4 MW to a scale of 119.3 MW.

In fiscal 2023, we plan to commence operation of a special high-voltage power plant developed in-house and further

expand our business in this field.

In the future, we will also develop our own power plants based on the PPA scheme. We already have a handful of power plants in operation, and with more currently under development, we aim to further expand our operations.



Mega solar power plant in Kawasaki Town, Miyagi Prefecture

● Start of Operation Assist, our new service



Kentaro Takita
Executive Officer & General Manager of Environment/Energy Sales Department, Sales Development Division

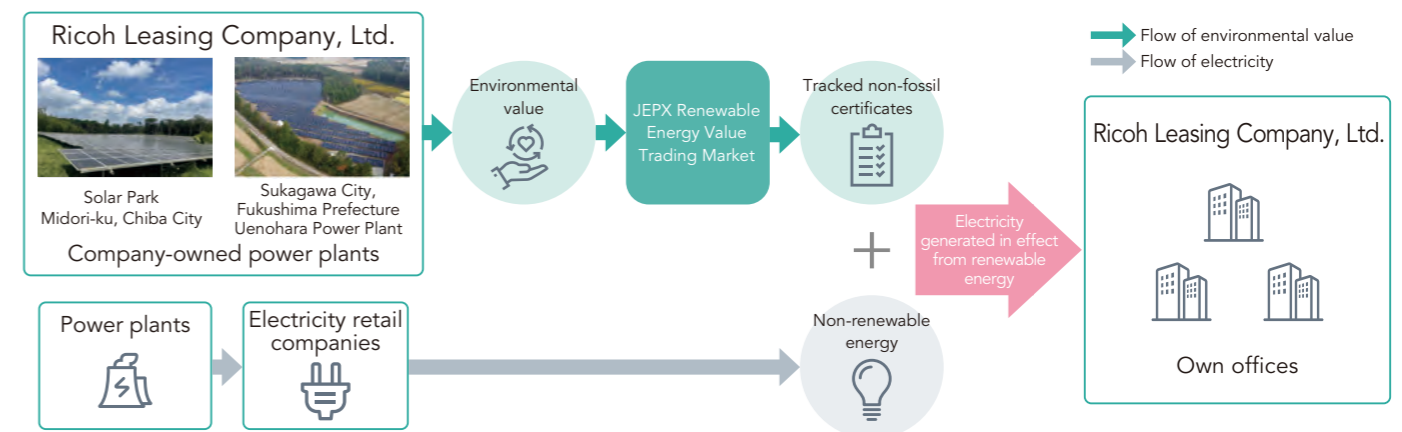
Solar Assist, a support service launched in April 2022, provides services and assistance from various angles to maximize the performance of power plants operated by other solar power generation companies. With the growing demand for renewable energy power sources, the number of power generation companies owning small-scale solar power plants across Japan is on the rise. However, they have been faced with the tasks of managing various parameters, including the amount of electricity generated, which

is a costly, time-consuming, and labor-intensive process. Therefore, in May 2023, we launched a new service called Operation Assist as part of Solar Assist. Under this service, we handle complicated operations pertaining to the management of power plants, such as power output, sales, payment, and facility management. This service leverages our expertise accumulated through the maintenance and management of the more than 400 solar power plants we possess across Japan, and provides administrative assistance for the smooth operation of solar power plants. This service utilizes transaction data, which is part of our company's DNA, and will continue to contribute to making renewable energy the main source of power in the future.

● Renewable energy from our own power plant to our own offices

By purchasing 1,240 MWh of tracked FIT non-fossil certificates derived from our own power plants (Uenohara Power Plant in Sukagawa City, Fukushima Prefecture; Niida Power Plant in Sukagawa City, Fukushima Prefecture; and Solar Park in Midori-ku, Chiba City), we have converted all 510 t-CO₂ of electricity

used in our offices in fiscal 2022 to renewable energy. In August 2023, we also launched a non-fossil certificate proxy purchase service. We will continue to help build a sustainable, circulation-oriented society by supporting our customers' decarbonization management.



Material Issues Contribute to a Clean Global Environment

Action objective

2 Resource circulation



FY2022 results and achievements

Percentage of leased equipment recycled			Ratio of computers sold to computers returned	Number of collection points for leased equipment	Short-term rental (industry sector) sales
Total	Ricoh products	Non-Ricoh products			
90.0%	99.8%	88.2%	98.7%	38 sites (2023/3)	1.3 billion yen (2023/3)



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.

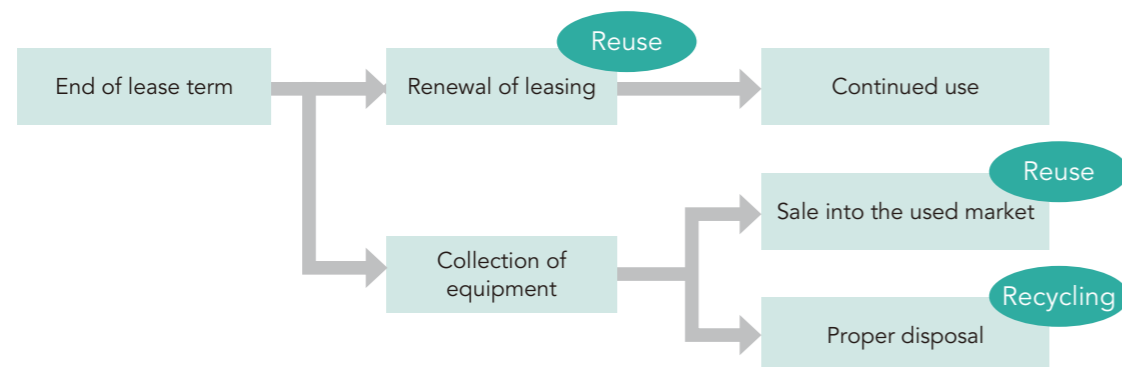
Ricoh Leasing Group's goal of resource circulation

We believe that leasing companies have responsibilities regarding leasing, just as manufacturers have responsibilities regarding manufacturing. The Ricoh Leasing Group has set a 74% equipment collection rate and a 100% computer reuse/recycling rate as non-financial targets to achieve resource circulation in the new Mid-term Management Plan. By achieving these goals, we will help create a waste-free society that effectively utilizes the earth's resources.

The consistent collection of leased equipment is an important responsibility of leasing companies. Also, we promote the 3Rs (Reduce, Reuse, and Recycle) by proper recovery of leased equipment. After a lease expires, customers can select either to re-lease the equipment (reuse), which

allows them to continue using it, or return the equipment. Returned equipment is consigned to an appropriate and fair partner company for proper disposal (recycling).

Moreover, we have strengthened our asset management and equipment appraisals, and steadily promote the sale of used equipment (reuse), especially computers. In fiscal 2022, we resold 98.7% 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.



Efforts to improve recycling and collection rates

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 recycling rate of 99.8% in leased products, and an overall rate of 90% in fiscal 2022.

We now actively collect non-Ricoh leased products. We are creating an environment that makes it easier for customers to return equipment to the Group by establishing collection points for leased equipment (currently 38 locations) and reviewing collection methods. In fiscal 2022, the collection rate was 68.4% as a result of stronger cooperation with sales departments, the upstream of lease contracts.

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

	Recycling rate (%)	
	Percentage of equipment re-leased, sold or reprocessed* into parts and materials, excluding equipment not yet collected	Recycling rate breakdown (%)
	Reuse	Reuse of components and recycling
FY2020	89.3	2.4
FY2021	90.8	2.6
FY2022	90.0	3.3

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

Selection of appropriate and fair partner companies

The Ricoh Leasing Group conducts business with companies involved in logistics, including transportation and storage, sales locations, and disposal. We carry out regular on-site inspections of these companies to ensure that they understand our approach to sustainability, and that they are conducting appropriate and

lawful business activities. Once we have confirmed that they meet our rigorous standards, we conduct business with them through fair competition. We will continue to contribute to the realization of resource circulation by collaborating with our partners through sincere business activities.

Development of a returns system according to the characteristics of the equipment

ITAD, an acronym for Information Technology Asset Disposition, is a blanket term for businesses or industries involved in the final stages of the life cycle of IT equipment. With the recent increase in the number of shipments of IT equipment, such as PCs, servers, and smartphones, there is a social need for safer and more secure business practices concerning the final disposal of IT equipment that contains confidential data and other information.

To address such social needs, we offer value-added services

to ensure that important data in IT equipment is properly erased. By establishing a system that allows for the safe and secure return of equipment, we contribute to increasing the collection rate for equipment.

In addition, we will keep a watchful eye on industry trends regarding the disposal of solar panels, an issue that has been attracting attention in recent years, and make preparations to build a recycling system to this end.

TOPICS Promoting resource circulation through the use of rentals



Takeshi Miura
 Manager of Sales Section 1
 Sales Department 1
 Industry Sales Division
 Techno Rent Co., Ltd.

The need for batteries as a preparedness measure for natural disasters and other contingencies is steadily increasing, and global demand is expected to further increase. To meet this demand, Techno Rent is focusing on renting out various types of portable batteries. During the COVID-19 pandemic, we provided many portable batteries as backups for vaccine cold storage units to maintain appropriate temperatures for temperature-sensitive vaccines. Since then, we have also rented out batteries for various events, such as national athletic meets, markets, and events held in train stations, and we expect demand to increase as more events are held in the future. Through our rental services, we promote the effective use of limited global resources by circulating resources from customer to customer, thereby putting resources into the hands of those who truly need them.

Material Issues Enhance Quality of Life

Action objectives

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



FY2022 results and achievements

Number of transactions in collection agency services
28.36 million

Factoring services transaction volume
79.2 billion yen

Number of rental housing units owned
975 units

Policy

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

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

In jobs, we will seek to create service businesses that help small and medium-sized companies improve

productivity, especially in BPO, 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 solve social issues by creating unique businesses and services in the fields of medical and healthcare, BPO, and real estate.

Investment and financing initiatives in the real estate field



Kazuya Nakata
Director & General Manager of Finance Department 2 Sales Development Division

In order to realize our Group's material issue of "Enhance quality of life," we aim to create communities where people can continue to live in safety, security, and comfort. As one of our efforts toward this goal, we have been expanding transactions concerning real estate trust beneficiary rights for residences and logistics facilities. By acting as a

bridge between developers and REITs, we are helping to create a comfortable social environment through the smooth development of real estate and the creation of residential and logistics hubs.

In addition, due to rising prices for construction materials and labor costs in recent years, the cost of large-scale repairs

of condominiums has increased, and a growing number of management associations are unable to cover the cost of repairs with their own reserve funds. In response to these challenges, since 2016, we have been offering loans to condominium management associations. During the period of the prior Mid-term Management Plan, our transaction volume increased from 3.3 billion yen in fiscal 2020 to 5 billion yen in fiscal 2022. Through our business activities, we will continue to contribute to further enriching people's lives in the future.



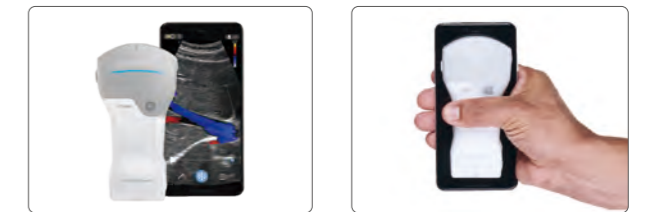
Initiatives in the "as a Service" business in the medical and healthcare field

The Medical and Healthcare Division and Techno Rent Co., Ltd. (hereinafter referred to as "Techno Rent"), one of our Group companies, support medical and nursing-care facilities by meeting the need for the short-term use of medical equipment.

In October 2022, we garnered praise for a short-term rental system we created through a tie-up with GE Healthcare Japan Corporation (hereinafter referred to as "GE"), initiated under the Cabinet Office's Super City and Smart City Initiatives and the Digital Garden Healthcare Special Zones project, with 20 units of GE's compact Vscan ultrasound imaging devices having been rented out under this system. This initiative is the first of its kind to be released by Techno Rent for medical

equipment rentals.

With its palm-sized wireless specifications, this device is in high demand not only in the medical field but also in the nursing-care field. By offering flexible contracting arrangements, we offer busy workplaces support in terms of capital investment.



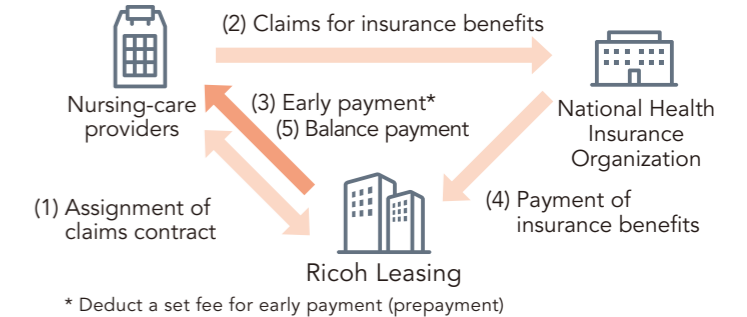
Initiatives in the BPO field

We have developed payment services that help improve the productivity of small and medium-sized companies, of which we focused on expanding transactions in factoring services for nursing-care facilities to improve their cash flow.

Despite the continuing difficult environment surrounding nursing-care providers during the COVID-19 pandemic, from the latter half of fiscal 2022, when the pandemic began to subside, the volume of nursing care factoring transactions started to increase due to the need to open new nursing-care facilities. In addition, by providing nursing-care providers with a comprehensive service that includes not only financial services but also collection agency services for accounts

receivable, we will contribute to improving the management efficiency of nursing-care providers and increasing access to nursing-care services for those in need of such services.

How factoring works

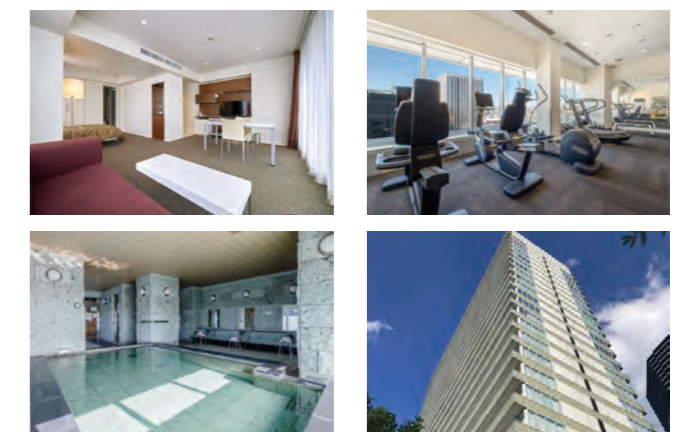


Opening of new serviced apartments by Enplus

With the number of COVID-19 infections receding, there has been a recovery in the number of foreign nationals coming to Japan to work. In order to meet the growing demand for housing to accommodate these new workers, Enplus Inc. (hereinafter referred to as "Enplus"), one of our Group companies, opened serviced apartments in the Shinagawa Station area in January 2023. This area is easily accessible from Narita and Haneda airports and is home to many companies.

In addition, in March 2023, Enplus released the Support+ service to assist foreign nationals with any difficulties they may encounter in their daily lives. This service is targeted at tenants of serviced apartments operated by Enplus and rental properties where Enplus is the lessor (sublease for foreign nationals). By providing foreign nationals with support for all

aspects of daily life in both Japanese and English, we help make their lives in Japan as safe, secure, and comfortable as possible.



Action objectives

5 Collaborate with communities



FY2022 results and achievements

Donations	Number of collaborating/cooperating NPOs and NGOs	Number of employee social contribution projects
37.22 million yen	21 groups	13 projects 52 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

Donations and activities through the "Abundant Future Reserves" system

The Ricoh Leasing Group made a donation of 37.22 million yen in fiscal 2022 through the "Abundant Future Reserves" system with the aim of continuously contributing to the development of a sustainable global society.

As an example, having endorsed a campaign to create low-pollen forests run by the Tokyo Development Foundation for Agriculture, Forestry, and Fisheries and the Tokyo Metropolitan Government, we concluded a Corporate Forest agreement and donated to the campaign. Under this agreement, we have committed to maintain a plot of forest,

which we named Ricoh Leasing Group Forest for an Abundant Future, and in November 2022, 27 people, including employees and their families, participated in planting activities at our plot.



Held a Power Generation Class for local elementary school students, including making solar-powered cars

In September 2022, we held a Power Generation Class at our solar power plant in Mito City, Ibaraki Prefecture. This year was the second such event, the first of which was held last year, and was attended by 42 fifth graders from Koibuchi Elementary School in the city.

The class first explained global warming and renewable energy at Koibuchi Elementary School, and the students made solar-powered cars. The session then moved to our Koibuchicho No. 1, No. 2, and No. 3 solar power plants, where they took quizzes and toured the power generation facilities, including solar panels and power conditioners.

The Group will continue to develop its business through the solar power generation business and other initiatives in a bid to convey the importance of environmental conservation to the children who represent our future, while at the same time promoting understanding of the Group's activities among the local community.



Material Issues 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



FY2022 results and achievements

Increased vendor support tool usage ratio Online credit scoring system usage ratio*	Lease contract output system usage ratio	Cumulative ESG investment	Executed contract volume in the three priority fields
13.3%	36.3%	13.8 billion yen	32.0 billion yen

* Targeting vendors with a tool usage ratio for specific tools that is less than 80% in fiscal 2020

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

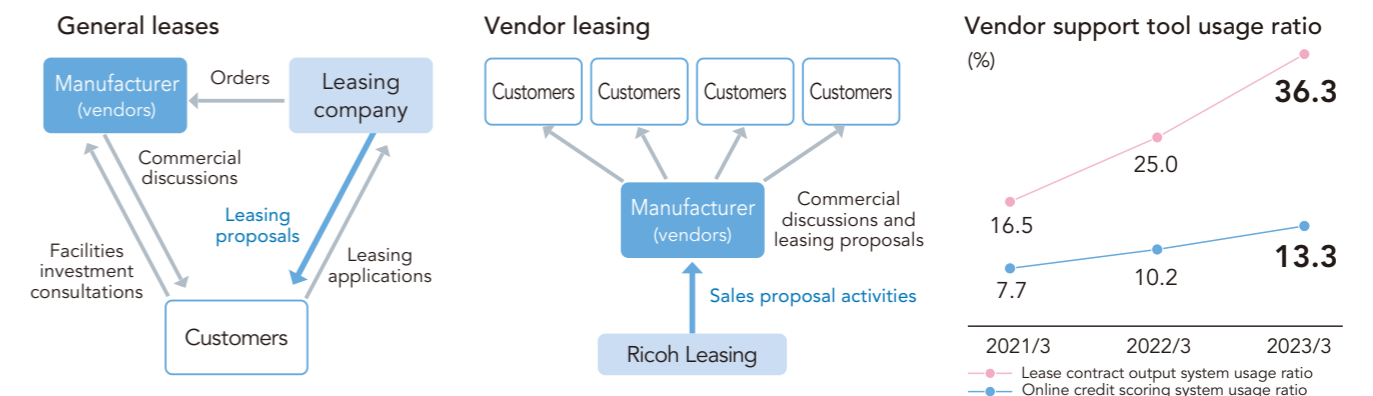
Japan's many small and medium-sized companies we can support the local economy.

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.

Economic stimulus through vendor leasing

Since its founding, Ricoh Leasing has utilized vendor leasing (sales support leasing in collaboration with sales companies) to create an environment supporting capital investment by small and medium-sized enterprises nationwide. A vendor lease is a scheme in which the sales company (vendor) of the leased equipment, as part of its role in marketing to the customer, enters into the leasing contract on behalf of the leasing company. The advent of COVID-19 has brought major changes to the vendor leasing process, including the structuring of inside (remote) sales systems, online credit application/approval systems, and lease

contract output systems. Utilizing these systems enables sales companies to deliver services more efficiently and, from the customer standpoint, with more convenience. We are thus able to respond not only to customer capital investment needs in remote locations, including remote islands, but also to flexibly provide the capital required for recovery from disasters, which have been more frequent in recent years. Through these partnerships with sales companies, we can offer leasing services throughout Japan and help address the wide range of challenges faced by local communities.



● Agriculture (crop farming & livestock) initiatives

Japan's crop farming and livestock industries face a range of challenges, including labor shortages, an aging labor force, and declining production, and even the sustainability of Japanese agriculture is at stake. As such, there is a need for new industry participants and improved productivity through economies of scale. In the livestock farm sector, we have been providing equipment on a lease or installment payment basis, as well as through ABL* financing, to meet demand for funds to raise productivity and increase farm size. Livestock farmers purchase calves when they are a few months old, fatten them for a certain period, and sell them as beef cattle. During this fattening period, farmers need access to funds to ensure business stability. At the same time, the calf itself is a valuable asset. ABL, which focuses on the asset value of beef cattle,

offers management stability and opportunities for growth. In the crop farming sector, we are meeting demand for capital to support larger farms with agricultural and other machinery, by entering into tie-ups with machinery manufacturers and used machinery dealers to offer financing that includes residual-value leases. By lowering hurdles to capital investment, we will continue to support the revitalization of crop and livestock farming and regional development.



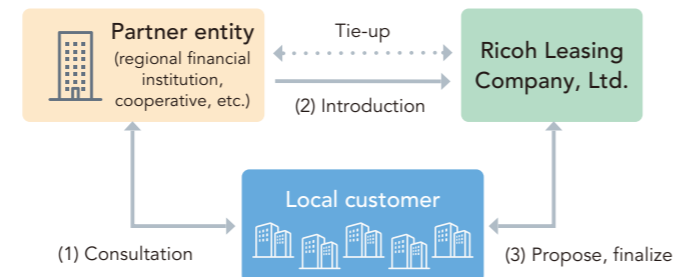
* ABL (asset-based lending): A funding system secured by movable property or accounts receivable

● Initiatives with partner companies (broker)

To help local customers find growth opportunities by lowering the hurdles they face to capital investment, we launched an introducing broker referral system as a new initiative in fiscal 2022. Under the system, regional financial institutions, cooperatives, tax accountants, and other types of service providers refer the Group to customers seeking to make capital investments, and we deliver comprehensive financial services. By offering small-lot leasing functions and efficient leasing schemes, which play to our strengths, we can meet customer demands for funding appropriately and deliver leasing services efficiently and promptly to clients with capital investment needs. In fiscal year 2022, we provided leasing services to 34

companies through this system. We will continue to promote these partnerships nationwide to help revitalize local economies in collaboration with our partners.

Broker scheme map



● Launch of credit guarantee business



Hiroyuki Suzuki
General Manager of
Compensation Business
Promotion Office
Strategic Investment Division

In April 2023, we launched a receivables guarantee business to eliminate the collection risk of claims, such as accounts receivable, that arise in corporate-to-corporate transactions. Our goal is to achieve full-scale service deployment and expansion by leveraging transaction data covering 400,000 customers—

one of our fundamental strengths—as well as our accumulated operating assets of over one trillion yen and screening expertise that ensures a low failure rate. Customers utilizing the

service can expect to mitigate the collection risk of various kinds of receivables and bolster their credit management, enabling them to focus on expanding new transactions. By ensuring peace of mind in business-to-business transactions, we will help revitalize the economy and realize a sustainable society.

Business summary



ESG Investment Program

In 2020, Ricoh Leasing established a fund of 20 billion yen to launch new businesses by investing in companies and businesses, especially ESG-friendly startups. We have invested in or funded multiple companies, with cumulative investments totaling 13.8 billion yen at the close of fiscal 2022. We are

striving to use these investments to achieve organic synergies between portfolio companies and their businesses on the one hand with Group businesses, and help realize a sustainable circulation-oriented society by creating new value.

TOPICS Welfare Suzuran becomes a subsidiary

In December 2022, Welfare Suzuran, which operates a nursing-care business mainly in Nagoya, Aichi Prefecture, became a wholly-owned Group subsidiary. The acquisition will help meet challenges relating to our material issue of enhancing quality of life.

One of Welfare Suzuran's strengths is that some of its nursing homes have staff available round the clock to care for patients who are highly dependent on medical care. The Company currently operates 12 facilities, and enjoys high regional name recognition and brand power. The Group has provided services to customers in the medical and nursing-care industries for many years, and will continue to collaborate to develop sustainable services that ease the burden on nursing-care service users and providers alike.

Corporate Overview	
Name	Welfare Suzuran Co., Ltd.
Representative	Hirozumi Sano, Representative Director
Address	3-1202 Koshin, Moriyama-ku, Nagoya, Aichi
Established	May 10, 2011
Business description	Nursing-care facility, nursing home management
Employees	321 (including part-time)

(As of March 31, 2023)



Le Comfort Suzuran Kitayama



Cosmos Moriyama Koshin

LP investments in FY2022

Funding for WISDOM ACADEMY Inc.



Purpose

Develop new services by leveraging collective know-how and management resources to create an abundant future for children



Business description

Private childcare services for children, business advisory services, real estate utilization solutions business

Material Issues Create a Happiness Company and Society

Our fundamental Human Resource management concept

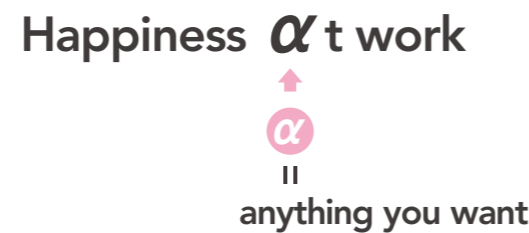
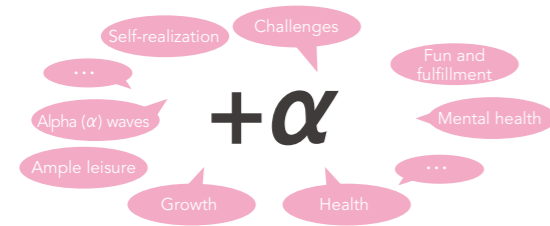
To facilitate the experience of rewarding work and the happiness that comes as a result of individual-centered management, we are promoting the concept of Happiness α work as our human resource policy.

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.

Thanks to efforts made during the Mid-term Management Plan of fiscal 2020–2022, we successfully transitioned to a human resource system that enables employees to choose their work style. As a result, employee engagement scores have risen. At the same time, some employees stated that though the Company has become easier to work for, their work still

does not provide satisfaction, personal growth, or a sense of pride. As such, creating environments that enable employees, regardless of position or age, to work toward their goals and take on challenges, while ensuring mental health, is a challenge for the future.

In the new Mid-term Management Plan, we have positioned Happiness α work as the foundation of our human resources strategy. In addition to making the Company an easier place to work, we are encouraging employees to take on challenges that will lead to business growth, implementing measures to energize the organization, and working to craft policies and create environments that will enable employees to work energetically.



Employee engagement survey

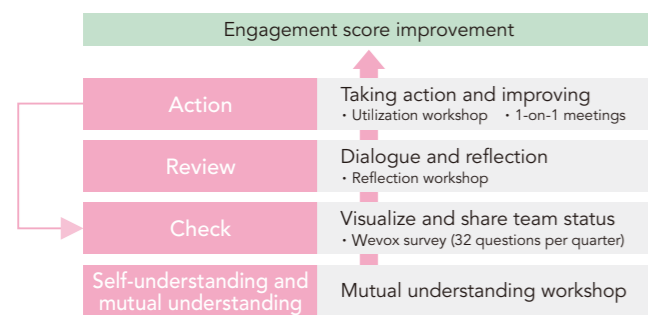
Every quarter, we ask employees to fill out a 32-question web-based engagement survey covering the overall state of the organization. The results are collected, analyzed and made viewable in real time on our company intranet. Each organization's status is shared with the entire company.

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. The independent actions

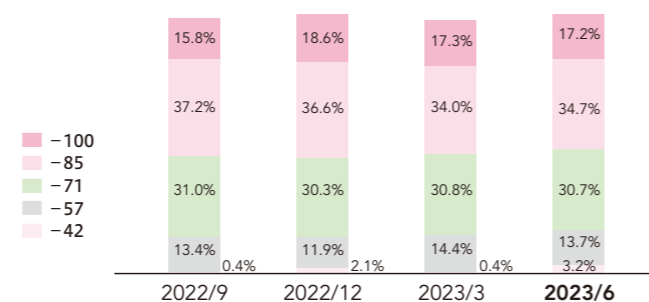
of individual personnel lead to their happiness, resulting in greater engagement.

Awareness of the engagement survey results has increased materially throughout the Company. As such, we will now limit the scope of access to survey results to aggregated data for the Company as a whole, as well for the individual's own organization. This will encourage employees to focus on their own activities, rather than compare their organization with others, and develop higher awareness of engagement, which will drive their use of the PDCA cycle.

Upward cycle for improving engagement score



Engagement survey score distribution



Action objectives

8 Diversity & inclusion



FY2022 results and achievements

Ratio of female managers 23.0% (As of April 1, 2023)	Target percentage of employees with disabilities 2.54% (As of March 31, 2023)	Ratio of male employees taking childcare leave 114.3% (April 1, 2022 to March 31, 2023)	Engagement score 72(B-)	Leaving to care for a family member 0
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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 strives to create a workplace environment where a diverse range of personnel can play an active role 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 attributes.

Actively promoting diversity

Empowering diverse personnel, beginning with women, in the workplace

We believe the empowerment of women, who account for roughly half of our employees, will be a driving force for business development, and we are eagerly promoting the active engagement of women. As an indicator of their contributions to the success of our diverse human resources and the enhancement of our organizational capabilities, we have established target ratios for female managers. As of April 1, 2023, the ratio was 23.0%. We have also endorsed the target set by the Japan Business Federation (Keidanren) to have at least 30% our directors be female by 2030. As of the General Meeting of Shareholders held in June 2022, that ratio had reached 30.8%, achieving the target well in advance. We currently have four female directors and two female executive officers.

In line with the target ratio for female directors, our mid- to long-term target for female managers is 30% (fiscal 2025 target: 25%).

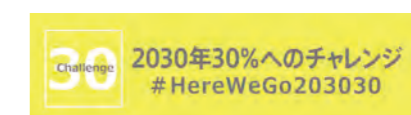
We believe efforts to promote women's advancement do not just boost the ratio of female managers, but create environments allowing women to stay with the Company and play an active role. If we succeed in doing this, we can achieve the same success for all of our employees.

With a focus in fiscal 2022 on support for those balancing obligations at work with home life, seminars were started for employees returning to work from childcare leave so that they could map out how to quickly and successfully transition back

to their job while holding down childcare duties.

Furthermore, we believe that work environments enabling men to take long-term childcare leave to support their spouses also promote full participation by women. As an encouragement for men to take childcare leave, we launched a system dubbed The Ikumen☆Challenge Leave System. Until October 2022, male employees were allowed to take leave in installments of five days, but under the new system, male employees take ten consecutive working days of leave. As a result, the number of days of childcare leave taken by male employees has increased steadily compared to fiscal 2021. In fiscal 2022, five male employees took more than a month of total childcare leave, and the rate of male employees taking some childcare leave was 114.3%.*

* Since childcare leave can be taken until the child is three, the ratio of male employees taking childcare leave exceeds 100% in some fiscal years.



In recognition of efforts to date, the Company was awarded eighth place in the Corporate (1,000 or more employees) category of Forbes JAPAN WOMEN AWARD 2022, also receiving the Positive Action Award in the same category.



Happiness Training (Hapi-Train) promotion

Hapi-Train is a program that enables participants to experience time-constrained work styles. The program was initially introduced in fiscal 2021, and fully implemented in fiscal 2022. Requiring this training as mandatory for organization managers in their second year provides them with opportunities to experience time-constrained work styles firsthand. It not only deepens their understanding of diverse personal standpoints

and reforms their awareness of work styles, but also equips them to build workplace systems to support employees working under time constraints due to of childcare, nursing care, illness, and other factors. Through these efforts, we will continue aiming for zero employee turnover due to childcare, nursing care, and other reasons.



Hapi-Train certification sticker

Support for diverse work styles

Training for female employees

Since fiscal 2017, we have been providing training for mid-level female employees who have advanced their careers mainly in frontline roles to help them acquire basic knowledge about corporate management and offer them the opportunity to continuously take on professional development on their own. In fiscal 2022 we added female leader training.

In addition, we have been conducting a career training program with an awareness of life events (Self-compassion Training: Become the Person You Want To Be) since fiscal 2021. In fiscal 2022, the program scope was expanded to include male employees, and conducted multiple times as training for departments delivering business support to the Company. We will continue to enhance this program in the future.

Supporting more active roles for seniors

In a progressively aging and shrinking society, training for employees in their 50s that was launched in fiscal 2021 also enables those who have reached the retirement age of 60 to continue working actively as valued business leaders until 65. In fiscal 2022, we held multiple reskilling sessions for 52–54-year-olds, with a focus on self-coaching. In addition, due to employee request, we also launched a new training program for employees who have reached the age of 58.

Going forward, we will even more actively support participation by seniors according to their work style needs and individual skills and abilities.

Creating a disability-friendly workplace

The Ricoh Leasing Group strives to employ people with disabilities. In fiscal 2020, we introduced a Job Coaching Support Program aimed at helping a wide range of individuals and workplaces play active roles. Job coaches are ready for dispatch to any workplace requiring support.

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.

Thanks to these efforts, the employment ratio of persons

with disabilities at the close of fiscal 2022 was 2.54%, slightly under the target of 2.6%. Nevertheless, persons with disabilities are working actively throughout the Group. Going forward, we will expand the job scope even further and enhance the support we offer, with our goal being an employment ratio of 2.7% or greater by the close of fiscal 2025.



Heartful Farm vegetable market

LGBTQ-related activities

Top management has clearly communicated its stance on LGBTQ-related initiatives, both internally and externally. In addition, the Company is reforming its systems relating to marriage and spouses to include de facto marriages and same-sex partners. We also believe it is important for every employee to have correct knowledge and understanding of LGBTQ issues. As such, in fiscal 2022, all officers and employees once again

engaged in e-learning to acquire basic understanding of LGBTQ issues (100% participation ratio). In recognition of our LGBTQ-related initiatives, we received the PRIDE Index Bronze Award in fiscal 2018–2020, and the Silver Award in 2021–2022.

By creating environments in which every employee can achieve self-fulfillment, the Group is pursuing the growth and happiness of its employees to realize Happiness α t work.

Action objectives

9 Human resource development



FY2022 results and achievements



Policy

We have pursued human resource management that links employee happiness to enhanced corporate performance as our fundamental human resources strategy.

Going forward, with the accumulated employee happiness we have cultivated as our foundation, we will implement diverse measures to develop human resources who can drive evolution and

empower the organization.

Through these measures, every employee must learn to address social issues and think proactively, 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 mid- to long-term vision of becoming a Circulation-Creating Company.

RL Academy

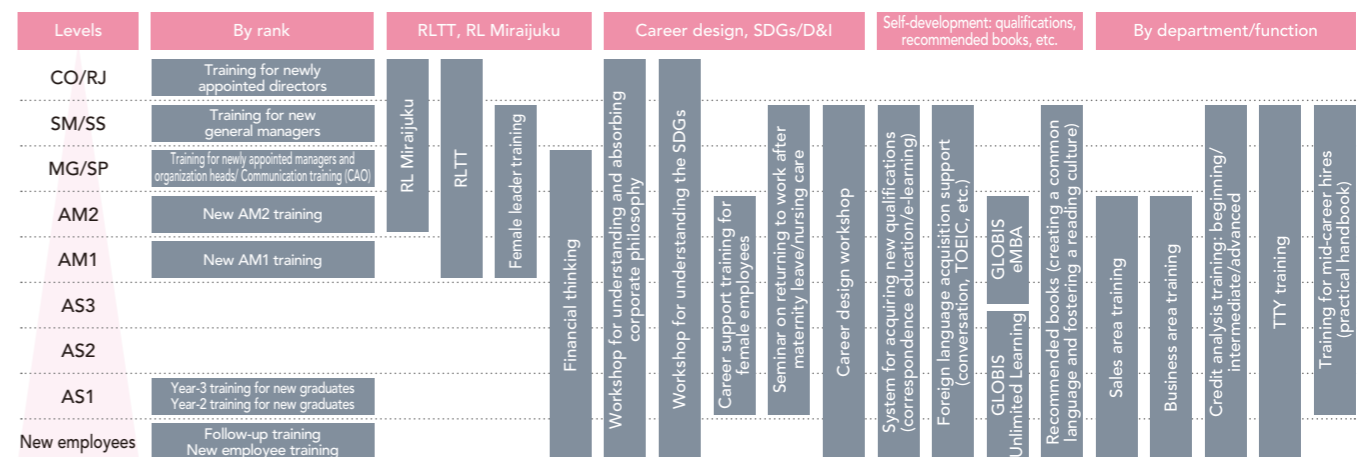
We established the RL Academy, a human resource development program, and hope to achieve its goals.

RL Academy aims to contribute to independent career development on the part of employees by offering them a learning environment based on the concept, "Our Desired

Form x Employees x RL Academy."

By proposing a desired form for personnel at different ranks, RL Academy serves as a guide to support employees in achieving their vision.

RL Academy programs



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

● RL Miraijuku

In the Ricoh Leasing Top Talent program (RLTT), a program to cultivate the next generation of managers, we engage in succession plan discussions and provide opportunities for intentional experience (skill input, transfer, and selection) to members who will populate RLTT. In addition, RL Miraijuku serves as featured program content to develop the next generation of managers, and holds monthly sessions with President Nakamura as senior instructor. Members of Company management and external experts are invited, and lectures and

interactive communication serve to disseminate the knowledge required to serve in the next generation of leaders.



RL Miraijuku lecture

● Mirai Creation

The Group operates Mirai Creation, launched in fiscal 2021, as an internal proposal submission system. Group employees can present proposals for new businesses and operational improvements directly to management, to realize the prosperous mentioned in our corporate philosophy. After their presentations, applicants participate in a process of refinement through feedback and comments from their management audience, and deepen their ideas for business creation and operational improvement. If the proposal is

ultimately adopted, the applicant will lead and promote the project. Through this system, we leverage the Group's human resources, which are our strength. By enabling every employee to demonstrate his or her individual capabilities, we incorporate flexible ideas from the front line and manage from a fresh perspective, one not limited by existing business domains, to accelerate our contribution to the realization of a sustainable circulation-oriented society.

● Self-improvement programs

The Group recognizes the importance of self-development and promotes initiatives to encourage employee growth. In addition to offering training programs for each function and position, we encourage the desire for autonomous learning by providing an online platform that allows employees to study a broad

range of themes. We are also expanding the number of certification programs for which we offer support. In these and other ways we support our employees in enhancing their skills. The aim of these efforts is higher employee motivation and performance leading to better overall results for the organization.

● Career autonomy support

We value, and offer active support for, the career autonomy of our employees. We encourage employee growth by understanding each individual's career goals and offering appropriate training and career consulting. Specifically, we operate a range of career development programs, such as career visualization through interviews and opportunities for internal transfers through the Career Challenge system.

In addition, we stress the importance of evaluating employee

skills and abilities, as well as deploying the right person to the right job. Through one-on-one meetings between supervisors and subordinates and regular feedback and performance evaluations, we maintain close communication with employees and offer company-wide support for career growth. These efforts are aimed at enhancing employee motivation and job satisfaction, thereby improving overall organizational performance.

Action objectives

10 Realize work style reform based on health management



FY2022 results and achievements

Total working hours	Overtime hours worked	Ratio of employees undergoing health checkups	Cigarette smoking rate
1,826 hours/year	14.6 hours/month	100%	11.9%



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.

In addition, we maintain policies to support ongoing health maintenance and improvement, and

provide environments that encourage employees to upgrade their health literacy.

Our business management is directly affected by the health of our employees, and to enable them to obtain greater happiness, we have published a Health Declaration to promote health management.

* 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.

● Offering opportunities to choose new work styles

Our goal is to create environments that enable employees looking for new challenges to realize their preferred work style without the restrictions of a permanent employee framework. To achieve this, we introduced an in-house freelancer system in fiscal 2022. By utilizing this system, employees can expand time spent on specialized work or the proportion of side employment, gain opportunities to test their abilities, pursue

studies of their choice, and so on. The system enables us to accommodate individual goals and diverse needs.

The system also allows employees to work flexibly according to personal situations and life stages. An employee may desire to work from home, reduce their workload and work fewer days, or work without the restrictions of standard working hours, so as to be able to care for children or parents.

● Implementation of health management

Under the health slogan of "Health First, Work Second," we have established numerical health metric targets reflecting progress on company health challenges, and are engaged various activities to mitigate health risks.

The Health & Safety Committee (including office managers, members representing workplaces, health managers, disaster preparedness managers, human resource and general affairs managers, the Health Promotion Department, and occupational health staff), as well as health promoters at each business location, are engaged in company-wide efforts to promote health, improve health literacy, and enhance workplace environments to allow employees to work more comfortably.

We are working actively to reduce health risks by maintaining a 100% health checkup and follow-up examination ratio,

stratifying health risks based on physical exam results, and visualizing employee health status. In addition, to enable employees to independently maintain and enhance their health, the Company provides backup support for employees to think independently about health promotion in accordance with their workplace situation, in parallel with deployment of company- and group-wide measures.

Thanks to these efforts, the Company was recognized for the seventh time in six consecutive years as a 2023 Health & Productivity Stock Selection, and for the seventh time in seven consecutive years under the 2023 Certified Health & Productivity Management Outstanding Organizations Recognition Program (White 500).

Expert Dialogue

Sustainability Management and the Future

Ken Shibusawa

Chief Executive Officer, Shibusawa and Company, Inc.
Chairman and Chief ESG Officer
Commons Asset Management, Inc.
Chief Executive Officer, & Capital Inc.



Tokuharu Nakamura

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



The Analects and the Abacus was authored by Eiichi Shibusawa, father of the modern Japanese economy. Published a hundred years ago, the book advocates values that apply to corporate sustainability management today. Ken Shibusawa is Chairman and Chief ESG Officer of Commons Asset Management and a fifth-generation direct descendent of Eiichi Shibusawa. We invited Shibusawa to a dialogue with President Nakamura on the topic of Ricoh Leasing's value creation and sustainability management with a medium- to long-term perspective.

The Analects and the Abacus is modern corporate management itself

Nakamura I became president of Ricoh Leasing in April 2020. While it was difficult to foresee what would happen to society and to the Company as a result of the pandemic, I was seriously considering how to create a future for the younger generation, particularly children. I have always believed that corporations do not exist solely to generate profit. They should have a sense of ethics, consider how to add value for their customers, and be compensated on that basis. Sustainable growth is impossible unless profits are generated the right way. Eiichi Shibusawa wrote in *The Analects and the Abacus*, "Gather well, distribute well." One should generate profit, but avoid being overly moralistic. It is important to adhere to both of these principles.

Shibusawa Eiichi Shibusawa was my grandfather's grandfather. Moral and economic intersection, which he discusses in *The Analects and the Abacus*, involves the dual themes of society (morality) and profit (economy). Picture the wheels of a car. If one is too big and another too small, the car cannot go straight and will only go in circles. This is why I believe the key word in *The Analects and the Abacus* is "and."

"Or" is indispensable for business management. Zero or one, black or white, win or lose—these can achieve efficiency and productivity, but one cannot create new value simply by weighing one thing against another. At the same time, the power of "and" spawns new value and innovation as one uses trial and error to combine morality and the economy, which one might think are incompatible. Continuously providing value adapted to new business environments as times change is how companies should be managing sustainability.

Nakamura *The Analects and the Abacus* was published in 1916, when Eiichi Shibusawa was 76. The Meiji era had ended, and the world was moving forward and changing very rapidly, as it is today. I love this book because so much of it can be applied to modern management, such as realizing contradictory goals at the same time with the power of "and," and meeting new challenges. In corporate management, I always ask myself: why are we doing what we do? As a corporation, our mission is to generate profit, but we must always have a clear idea of what we aiming to accomplish. This is exactly why *The Analects and the Abacus* is so relevant.

Shibusawa When the book was published, Japan had been through an era of upheaval and achieved a certain degree of

affluence. As such, there was lack of willingness to take risks, and Eiichi warned of the danger posed by the lack of new challenges. In the chapter titled "Readiness for a Taisho Restoration," he wrote about the danger that people would fall into risk aversion and stop taking on new challenges. His words apply very well today. He wrote, "If such a state of affairs continues, something alarming may happen."

The question of "why?" is very important. Why? corresponds to Purpose. What? relates to Mission—what are we doing? Where? corresponds to Vision—where are we going? How? corresponds to Values—what should we be doing? A company for which the answer to "why" is a value shared by president and employees can be expected to succeed. Humans are the only animals that ask philosophical questions about why they exist. AI can't do this. It is important for each employee to take the initiative in continuing to create value.

Adopting the corporate philosophy promotes creation

Shibusawa Tell me something about your company's corporate philosophy, which can be considered its purpose, as well as how it is positioned and how it has been adopted by employees.

Nakamura Our corporate philosophy is, "We will be a bridge to an abundant future with our independent finance and services." This is the foundation of our business activities. And as such, each division formulates its policies based on the

question, "What is the bridge to a prosperous future?" While each employee shares the corporate philosophy, new challenges arise as diverse personnel work in their own ways with a high degree of freedom.

Shibusawa I believe that a corporate philosophy brings people with diverse values together and enables them to relate personally to what a company is doing. This is especially important today, because of the historically unprecedented, large-scale structural and demographic changes we are experiencing. The pyramid-shaped organizations of the Showa era, and customs such as lifetime employment and the seniority system, are not viable for the future. However, corporations are seeking to hire and retain excellent people. This is where "empathy" plays a role. Why does the company exist? Why am I doing what I do? The corporate philosophy is our compass. Like gravity, it will bring even those in different companies together, and they will collaborate on new things. In that sense, diversity is also needed to trigger different chemical reactions.

Nakamura Just as you say, I would like a diverse range of people to share our corporate philosophy and initiatives, and going forward, for us to collaborate to create the new. If more new graduates and others want to work with us because they agree with our philosophy, I think we can say we have grown as a corporation.



The role Ricoh Leasing should play as a Circulation-Creating Company

Shibusawa “Circulation-Creating Company” appears in your medium-to long-term vision. This is an interesting expression. I haven’t heard it at other financial institutions.

Nakamura “Circulation” is usually used in ecology-related contexts, but we see it as a process involving people, materials, philosophies, and viewpoints. As a company whose business is finance, our role in the world is like blood circulating in the body, creating new circulation and providing encouragement to numerous people and companies.

Shibusawa That’s wonderful. As you say, finance is the blood of the economy, and one of the major roles of financial institutions is to keep it circulating. Eiichi Shibusawa also said, “Every drop of water eventually becomes a great river.” Without blood circulation, the body becomes unhealthy. Society is no different. If the Japanese financial industry as a whole strives to promote circulation, society will change significantly, in a healthy way. You use “evolution” to describe this change, and you hope each employee will evolve. Is it correct to say that change and reform are artificial and mechanical, but evolution is organic and biological, and because of this, it can create the new?

Nakamura Yes, that’s right. Organisms evolve continuously. However, evolution is accompanied by errors. If we fear them, we can’t take on new challenges. As a company, we do not condemn errors, but regard them as necessary for corporate growth. We engage in business to actualize our corporate philosophy, and this effort creates a sustainable situation. Various transformations and evolutions are sure to occur in the process. The Mid-term Sustainable Management Plan was separate from the Mid-Term Business Management Plan until now. We have integrated the Mid-term Sustainable Management Plan into the New Mid-term Plan because our

employees recognize that sustainability itself is our business. Conversely, we will not engage in businesses that fail to promote sustainability. This is also the power of “and,” of simultaneous action.

Shibusawa Your company’s sustainability management exemplifies “and.” I believe your services are created through dialogue between employees with a sustainability perspective and customers.

Nakamura That’s correct. In the Leases & Finance Business, we lower hurdles for customers seeking to invest in capital equipment, and create value by boosting their growth opportunities. Being aware of how our customers can achieve growth through their capital investments makes our work worthwhile and something we can be proud of. The important thing is to seize growth opportunities for our customers through dialogue, and guide them through the successive steps of the process to connect them with their goals. We have expanded our business from leasing and finance to collection agency and other services, as well as to investment business, for example for solar power generation.

At the same time, we take the profits generated through our sustainability management and, with the goal of returning some of those profits to society, so that we can realize the future we are working toward, we have an Abundant Future Reserves system in which 1% of net income minus the annual dividend is donated to the fund. Since this is an appropriation of profits, it is carried out with the consent of shareholders at the General Meeting of Shareholders. In this way, we work with each stakeholder to gain their understanding of the prosperous future we aim for, and work with them to achieve it.

Human resources are the key to sustainability management

Shibusawa In the New Mid-term Plan, new non-financial targets have been established for the four major issues. This relates to the concept of impact, which was developed by the Rockefeller Foundation around 2008 to ensure the proper funding of ventures aimed at solving social issues. Impact investing began to draw attention in Japan about ten years ago, and since the pandemic has eased, there have been new signs of impact management. The concept of impact was incorporated for the first time in 2022 into the Framework Policy of the Council of New Form of Capitalism Realization, of which I am a member. This idea is also found in *The Analects and the Abacus*. Investments are evaluated on the basis of risk (uncertainty) and return (profitability). Impact investment adds consideration of environmental and social

issues to investment evaluation. The material issues concept says, let’s set goals based primarily on non-financial targets. Other corporations are also beginning to set non-financial targets. However, since we do not yet have an index to measure corporate value, it would be advantageous if we could express corporate value in conjunction with non-financial targets. The International Sustainability Standards Board (ISSB) is moving toward recommending that non-financial value information (about the environment, supply chain human rights, human capital, etc.) be disclosed. The Japanese government is using the term “human capital enhancement” in its new capitalism discussion, and corporate human capital management is emerging. While international interest in this concept is keen, I believe Japan is the only G7 member to base government policy on the impact concept.

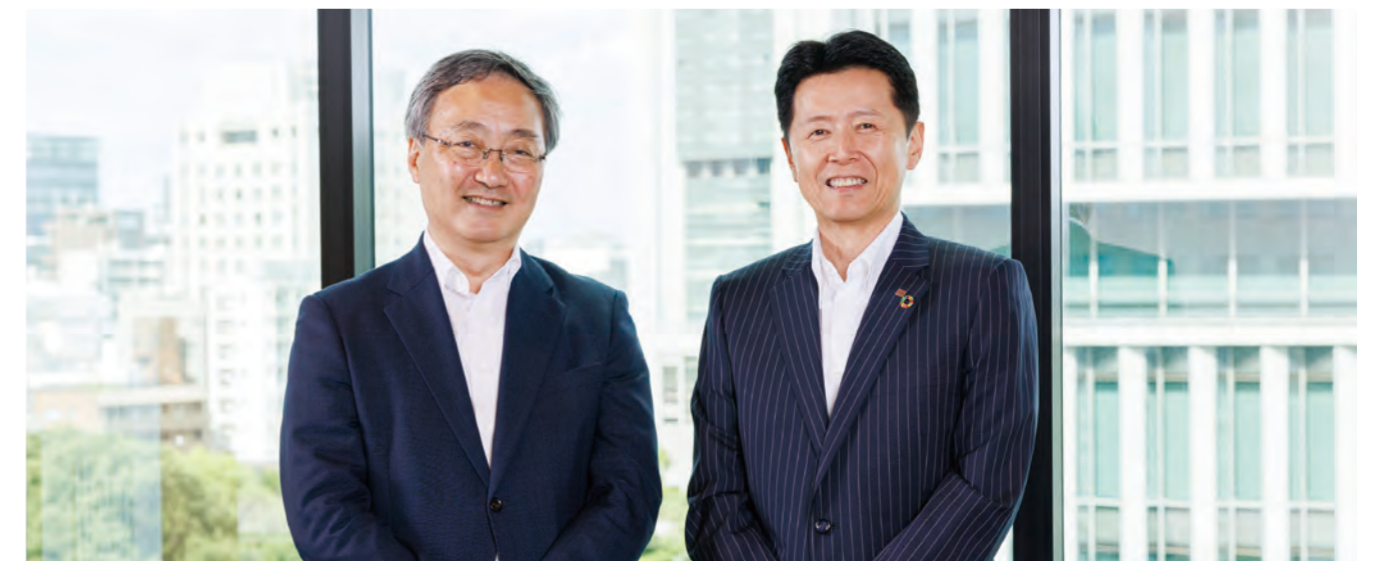
Nakamura As a financial services company, our human resources are our capital, and we place particular emphasis on education. We are raising the amount we spend on education per employee and enhancing our MBA and other e-learning programs, which contribute to training and reskilling. Extensive educational opportunities encourage individual awareness, and promotes personal growth and the acceptance of new challenges. In fact, we believe it may be possible to demonstrate quantitatively the impact of employee education investment on business performance, and we are considering doing that.

Shibusawa Such a tool would be very desirable. In a capitalist society, non-financial value is invisible value. The most important such value is human, but the focus for diversity and health management is always non-quantitative areas like human resources, human resource investment, and skills development. In that sense, sustainability management and human capital management can be said to be the same.



Nakamura They are one and the same. Without human resources, a company cannot become sustainable. As a financial services company, it is important that we create new value through financial vehicles such as investment. However, through our contact with customers, it is also important that we understand the social challenges they strive to meet, and what we can do to support them. In the future, simple tasks will be replaced by AI and computer systems. There is therefore a pressing need for human resources to change and evolve so they can address more advanced issues and create value, and this requires investment in human resources. To evolve, it is also important to be stimulated by people coming from the outside, but those people will become insiders after a few years. It is important that outsiders and insiders interact, and together generate momentum for evolution. I have great expectations for the change and evolution of each individual.

Shibusawa I believe new value can be created by people with imagination who are willing to try new things, gather the resulting successes and failures, and connect them. I look forward to the future development of your company and your changing and evolving human resources.



Results by Segment



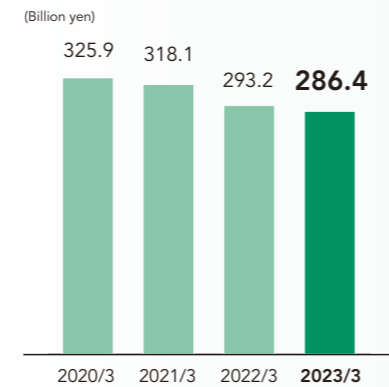
Leases & Finance Business

Main companies Ricoh Leasing Company, Ltd., Techno Rent Co., Ltd., Tokyo Business Rent Co., Ltd.

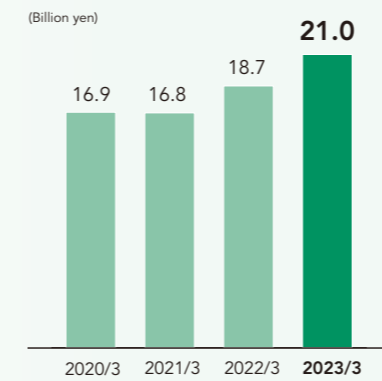
FY2022 results

The loans segment of the Leases & Finance Business grew due to easing of semiconductor delivery delays in office and information-related equipment leasing, which is a mainstay. In addition, under our emphasis on profitability, new contract yields continued to improve. As a result, while net sales decreased due to early repayment of large loans in the preceding term, segment income rose due to growth in financing, re-leasing, installment sales, and a decline in bad debt expense.

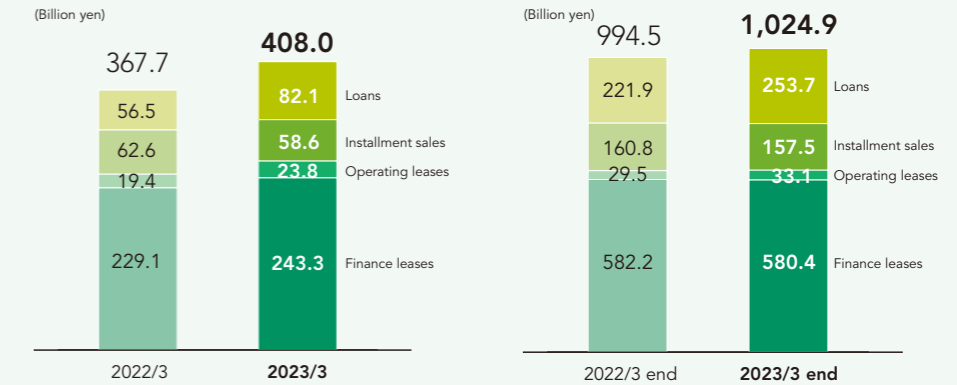
Net sales



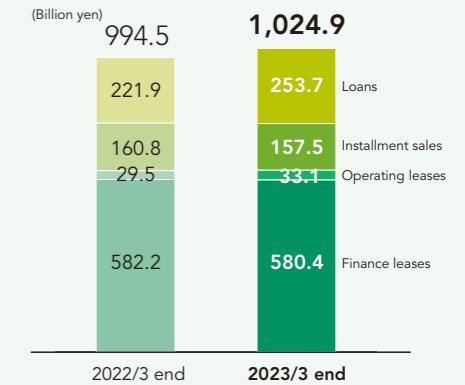
Segment profit



Transaction volume (by product)



Operating assets



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



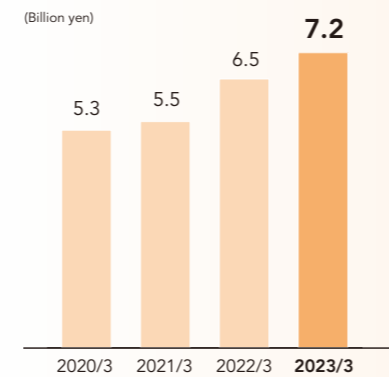
Services Business

Main companies Ricoh Leasing Company, Ltd., Enplus Inc., Welfare Suzuran Co., Ltd.

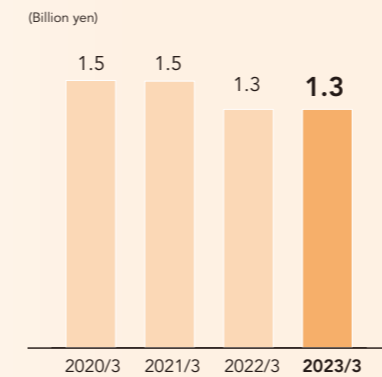
FY2022 results

In collection agency services, collections handled for existing customers increased, and new contracts were initiated smoothly. In factoring services for healthcare and nursing-care facilities, transaction volume turned positive through the acquisition of new clients. In addition, the business results of Welfare Suzuran Co., Ltd., which was made a subsidiary in FY2022, were reflected in the consolidated results, and acquisition-related and other expenses were consequently recorded. Ultimately, net sales increased, but segment income fell.

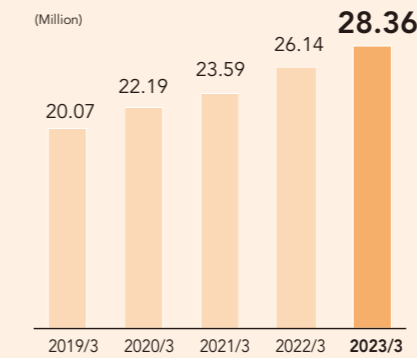
Net sales



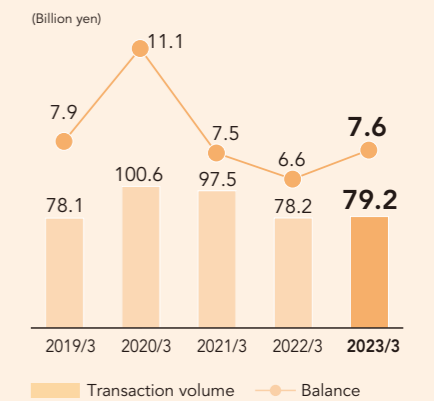
Segment profit



Number of transactions in collection agency services



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



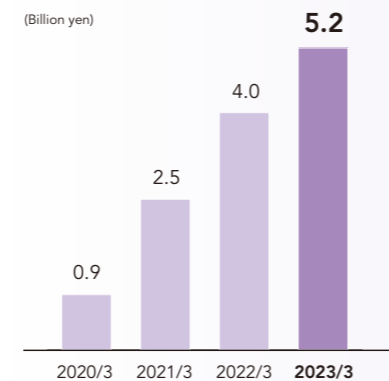
Investment Business

Main companies Ricoh Leasing Company, Ltd.

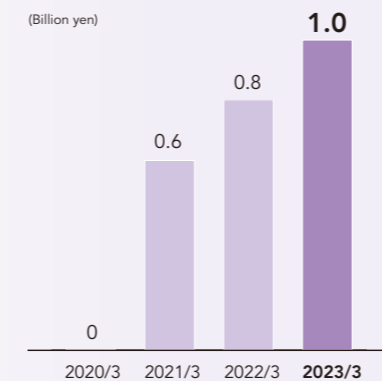
FY2022 results

In solar power generation, material shortages and other factors caused delays in bringing generating power on line, and investment fell. In housing rental and real estate, business investment decreased due to more stringent selection of assets and conditions. The balance of operating assets rose compared to the preceding term, and net sales and segment income both increased.

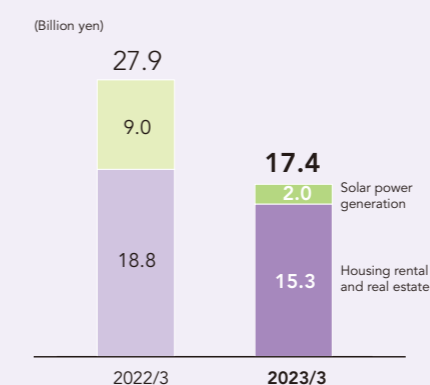
Net sales



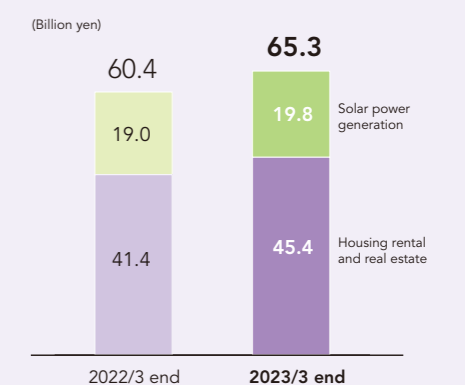
Segment profit



Investment amount



Operating assets



Message from the Officer in Charge of Sales

Expanding our business by clarifying what we provide value for and creating core services in line with the intended narrative

Shinichi Kuroki
Director and Corporate Senior Vice President

Core services are needed for business expansion

Looking back on the prior Mid-term Management Plan, we achieved the financial targets for operating profit, ROA, and ROE, but failed to reach the operating assets balance target. Despite our efforts to promote our business growth strategy by striving to expand our services in the area of finance and services as set forth by our corporate philosophy, we feel that the failure to meet this target was due in large part to our inability to build the core services in the manner intended.

To create core services, each service is accompanied by a narrative that needs to be followed. Take, for example, the Group's material issue of "Enhance quality of life." In relation to this, imagine a scenario in which a person moves to a certain area. After a period of time has elapsed subsequent to that person having started living there and the number of their family members has increased and so forth, the services needed will differ for each situation. It is incumbent on us to set about creating services that fit these narratives and needs. The housing rental business and solar power generation business the Company offers also grew out of the financing we originally provided. We would go on to develop these into our own businesses, and, in the course of proceeding with these operations, we first created services for the Company itself to compensate for issues and deficiencies that arose. For future business expansion, we believe that it is essential that services be developed so that they can be offered externally and provide the same kind of increased asset value that we ourselves have enjoyed from them.

Since we ultimately want to make that very service a part of our main portfolio, the overarching narrative here is that we provide services and thereby increase the value of a host assets. We are delighted to see that the driving philosophy of

the prior Mid-term Management Plan took root in the field during the three years of implementation, and new developments have since begun to emerge. To cite a couple of examples, in the area of real estate there has been talk of a desire to purchase properties with a new service in mind, while in the area of the environment we have started to offer multiple services externally.

We currently have in place a system for the promotion of establishing services. Since April 2023, the former Social Innovation Division has been divided to bring out the strengths of each of their fields: the area of real estate has been assigned to the Sales Development Division, collection agency services and factoring services for nursing-care facilities to the BPO Division, and the area of medical and healthcare to the Medical and Healthcare Division. In addition, investments in the area of the environment (e.g., the financing for solar power generation equipment, the solar power generation business, etc.) and area of real estate (e.g., building leases, condominium loans, corporate lending, housing rental business, trust beneficiary interests, etc.) have been assigned to the Sales Development Division, establishing a system that makes possible the development of businesses and services that are consistent with the related narratives they serve.

This reorganization serves the eight business growth strategy areas (office, medical and healthcare, capital investment, real estate, the environment, nursing care, as a Service, and BPO) in the new Mid-term Management Plan. The Group offers businesses in areas adjacent to existing businesses and has in place an arrangement that further clarifies the areas for which value is provided. The reorganization makes it easy to explain to investors and other stakeholders about matters such as where the Group would like to grow in the future, and also gives us greater agility as a company. Collaboration across divisions is important for accelerating continuous business evolution that encompasses the process of starting a service by offering financing, transitioning it into a business, further adding other services to it, and making it widely available. We have established an organizational structure that enables us to create new businesses through horizontal collaboration that accompanies the mining of expertise.

From diverse human resources in sales toward a sales structure that can expand horizontally and vertically in the market

We have thus far focused efforts on digging deeper into each market in the search of what I call "veins of gold" (i.e., sources of funds) for expanding our Group's own unique services. However,

an approach that involves no more than vertically digging deeper can only end up in us settling for conglomerate discounts, so we need to also horizontally broaden the width of the gold veins discovered in order to be able to expand the business of our Group. And that is why we will deepen markets in the form of an inverted cone, accelerating our expansion in both a vertical direction (i.e., to explore and dig deep into markets and services that make it possible for us to deploy our services) and a horizontal direction (i.e., to expand on those markets and facilitate continuous business evolution). As we achieve this, we will also develop the necessary human resources. The single point at the end of the inverse conical shape is where we focus on digging into markets with the use of small but elite human resource teams that have the ability to make breakthroughs and come up with new ideas. Toward this end, expertise is further enhanced to get a jumpstart to secure profitability. At the same time, at the expansive other end of the inverted cone, numerous sales forces expand markets and search for new business opportunities. Those human resources might not have expertise, but they develop their own power to improve business as they accumulate knowledge through the wealth of information to which they are exposed. The cone-shaped system now makes it possible to dig deep efficiently as human resources in the back work in cooperation with others. From this process, further business expansion can be expected.

To make this kind of sales system possible, it is important to delegate discretion to the small but elite forces by establishing an evaluation system, assign mentors and create an environment that is conducive to individuals fully demonstrating their own capacities. In parallel, we will make this an organization in which our younger employees can transcend the middle layer and demonstrate the best of their own abilities. Sharing across departments the insights and know-how of the elite young and energizing the work done by sales personnel in the field will lead to greater development of the Company.

The Group is a non-bank company that is not subject to the regulations of the Banking Act and we have a sales apparatus that can cover all 47 prefectures as based on our track record in handling Ricoh products. Both are advantages not found in other companies. Leveraging these strengths, we will take on the challenge of a new business model and diversification through the addition of businesses and services of the business growth strategy of the new Mid-term Management Plan.

Business Strategies

From the three existing and disclosed segments, the Group has clarified where it is providing value. With the goal of investing resources into areas with high profit levels and greater commercial opportunity, we defined business areas suitable for our strategy of three business growth strategies. By establishing market-centered strategies, we are aiming for sustainable growth.

Disclosed Segments

Leases & Finance Business

- Finance leases
- Operating leases
- Installment sales
- Rental
- Loans

Services Business

- Collection agency services
- Factoring services for healthcare and nursing-care facilities
- Relocation management services
- Nursing care and nursing home facilities management

Investment Business

- Housing rental and real estate
- Solar power generation

Business Field

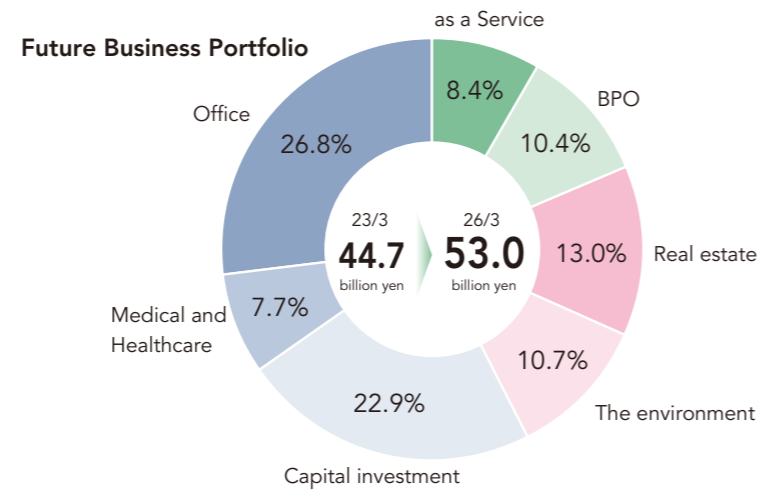
	Business field	Business field summary	Strengths	Opportunities	Threats
Expansion and improved efficiency	 Office 	Leasing and installment sales of office and information-related equipment for the office market	<ul style="list-style-type: none"> • Transaction data for approximately 400,000 companies, mainly small and medium-sized businesses • A business model supporting the sales of around 6,000 vendors through established business relationships 	<ul style="list-style-type: none"> • Expansion of collaboration founded on a solid customer base • Expansion of collaboration to address needs for labor-saving amid an aging population and declining birthrate 	<ul style="list-style-type: none"> • 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 • Decrease in lease contracts due to changing needs resulting from the shift from the material to the immaterial
	 Medical and Healthcare 	Leasing and installment sales of medical equipment, financing for medical practitioners, and operation of nursing-care facilities	<ul style="list-style-type: none"> • High quality and efficiency of the operation system • Nationwide sales network • Flexibility to respond to wide-ranging needs 	<ul style="list-style-type: none"> • Changing needs resulting from the shift from ownership to use and the material to the immaterial • Technological innovation such as electric vehicles spurring the evolution of the field of mobility 	
	 Capital investment 	Overall capital investment, including investment in the three priority areas of construction machinery, vehicles, and agriculture	<ul style="list-style-type: none"> • Personnel with expertise and knowledge in healthcare and nursing care 	<ul style="list-style-type: none"> • Contribution to the achievement of the SDGs through sales operations responding to social issues • Increasing need for healthcare and nursing care in an aging society 	
Diversification through the addition of businesses and services	 Real estate 	Loans for real estate, housing rental business, and real-estate-related business investment	<ul style="list-style-type: none"> • A flexible business investing stance unique among financial businesses • Business development centered on environmental financing of small and medium-sized businesses 	<ul style="list-style-type: none"> • Shift to self-consumption solar power generation systems due to the ending of the FIT system • Expanding demand for investment in environmental facilities based on the Japanese government's 2030 target for CO₂ reduction 	<ul style="list-style-type: none"> • 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 environment-related business investing • Decreased real estate value and revenue due to the reduction in rental demand
	 The environment 	Environment-related lease and installment sales, solar power generation business	<ul style="list-style-type: none"> • Human resources with specialized knowledge and know-how in various business fields 	<ul style="list-style-type: none"> • 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 	
Taking on the challenge of a new business models	 as a Service 	ICT-, industry-, and metrology-centered rental	<ul style="list-style-type: none"> • Rental business knowledge and expertise accumulated through our subsidiary Techno Rent • Infrastructure for providing services throughout Japan capable of accommodating any customer size and transaction volume 	<ul style="list-style-type: none"> • Increasing need for services resulting from the shift in needs from the material to the immaterial • Expansion of collaboration that leverages the customer base 	<ul style="list-style-type: none"> • Emergence of competitors in fintech and other businesses • Information security risks due to the digitalization of financial services
	 BPO 	Settlement services (collection agency, factoring) and services for international business travelers	<ul style="list-style-type: none"> • Sales networks utilizing channels, the Internet, etc. 	<ul style="list-style-type: none"> • Response to diversification of payment methods • Demand for BPO business after changes in the structure of industry • Growing need for business streamlining and outsourcing 	

Strategies by Business Field

The Ricoh Leasing Group formulates strategies for its business and strives to grow its business in each domain with an awareness of respective market conditions.

Specifically, our goal is to grow net profit¹ from 44.7 billion yen in the year ending March 31, 2023, to 53.0 billion yen in the year ending March 31, 2026.

1. Net profit: Net sales minus cost of sales (excluding the cost of funds)



Office

The Company was established as a leasing entity to facilitate the sale of Ricoh-manufactured products. We have built the business progressively by focusing on support for capital investment by small and medium-sized enterprises. Office equipment is our founding business domain and one of our major foundations for growth.

We will grow market share and expand our profit margin by encouraging more companies to install and use our lease contract output system, which outputs lease contracts via the website; promoting the introduction of web-based credit acceptance/response and inside sales; and offering ongoing support enhancements for vendors.

Medical and Healthcare

In the medical/healthcare domain, we will strive to respond to emerging social challenges and important changes in the industry caused by Japan's declining birthrate and aging population.

Backed by our consulting capabilities, we will further strengthen efforts to newly open, relocate, or assume the management of medical practices, centered on clinics. In addition, by designing and offering partner-alliance service schemes, we will help address issues and concerns facing operators of regional medical

institutions, including anchor hospitals, dispensing pharmacies, and welfare and nursing-care facilities. Moreover, we will further extend our domain activities into the building of comprehensive community care systems,² such as preventative health care for the elderly and housing and lifestyle support.

2. Systems that ensure medical care, nursing care, preventative health care, housing, and lifestyle support appropriate to specific circumstances in each region, to address challenges posed by the rapidly increasing demand for nursing care in a society with an aging and shrinking population.

Capital Investment

In the capital investment domain, we lower hurdles facing enterprises and support their growth opportunities by facilitating capital investment in printing, machinery, agriculture, logistics, construction machinery, and other industries. At worksites in the agriculture, logistics, and construction domains in particular, labor-saving equipment and new IT-based work approaches will be essential amid a growing human resource shortage. In response, the Group has positioned agriculture, vehicles, and construction machinery as priority areas, and is working to address social issues through vendor partnerships, which is the strength of our Group.

In the agricultural domain, we will work to grow our transactions with large agricultural operators through tie-ups with manufacture/dealers of equipment for the agriculture and livestock industries, for example by

offering leases with residual value. We will also further evolve our existing ABL-based finance offerings by utilizing DX.

In the vehicles and construction machinery domains, we will increase the number of transactions with equipment manufacturer/dealers and distributors. We will also promote labor saving by increasing the number of EV and charging facilities, and by supporting capital investment relating to ICT implementation, utilizing information and communication technology at construction sites and other locations.

Based on these efforts, our goal is to grow contract execution volume in the priority domains of agriculture, vehicles, and construction machinery from 32.0 billion yen in the year ended March 31, 2023, to 45.0 billion yen in the year ending March 31, 2026.

Real Estate

In the real estate domain, we aim to promote formation of properties that help to address such social issues as the aging society and human resource shortages, and thereby facilitate market circulation.

Specifically, in addition to investing in and providing financing for serviced housing for the elderly as well as serviced apartments for medium-term stays for foreign workers and students, we will invest in logistics

facilities, currently in short supply. By emphasizing these real estate activities, our goal is to increase our investment in real estate trust beneficiary rights from 20.0 billion yen in the year ended March 31, 2023 to 30.0 billion yen in the year ending March 31, 2026, by the end of the new Mid-term Plan.

The environment

Achieving a decarbonized society is a key national goal for Japan, which has declared its intention of becoming carbon neutral by 2050. We will contribute to addressing social issues by steadily advancing our energy-efficiency and renewable-energy businesses, as well as our power stabilization (supply-demand adjustment) business, including storage batteries, which are seeing increasing demand.

In the renewable energy business in particular, the most pressing need is to reduce our reliance on FIT

system businesses and transition to non-FIT businesses, including self consumption and PPA (on-site, off-site, and virtual). Since fiscal 2021, we have been enhancing our expertise of non-FIT businesses and planning capacity for customers, including becoming a PPA electric power generator. During the New Mid-term Plan, we will leverage that expertise to further grow our environmental energy business, and aim to invest a cumulative 400 billion yen by the year ending March 31, 2026.

as a Service

In the "as a Service" domain, we will develop services for corporate PC use, medical and nursing care, construction machinery, agriculture, and other domains.

Around 2024, within the term of the current Mid-term Plan, we expect an increase in demand for PC replacement due to factors such as Windows 10 end of life. When introducing new PCs in corporate settings, IT managers face a variety of tasks, from software installation and configuration, security

measures and trouble-shooting, asset management and eventual disposal, and demand for outsourcing of these tasks is increasing.

In response to this demand increase, we will collaborate with Ricoh Japan and other vendors to expand our PC-LCM (Life Cycle Management) service business, which combines PC rental and operations services, by utilizing the functions of our subsidiary Techno Rent.

BPO

Labor shortages have become a social challenge in Japan, and there is an increasing need to utilize outsourcing and accept foreign human resources. In the settlement domain, we are working to increase the number of collection agency services, which can improve management efficiency, from 16,682 in the year ended March 31, 2023 to 20,000 in the year ending March 31, 2026.

To facilitate greater utilization of non-Japanese human resources, we will promote expansion and value enhancement of services like relocation management for starting life in Japan, accelerated use of subleasing to eliminate housing barriers to non-Japanese, and highly convenient short-term residences.

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,

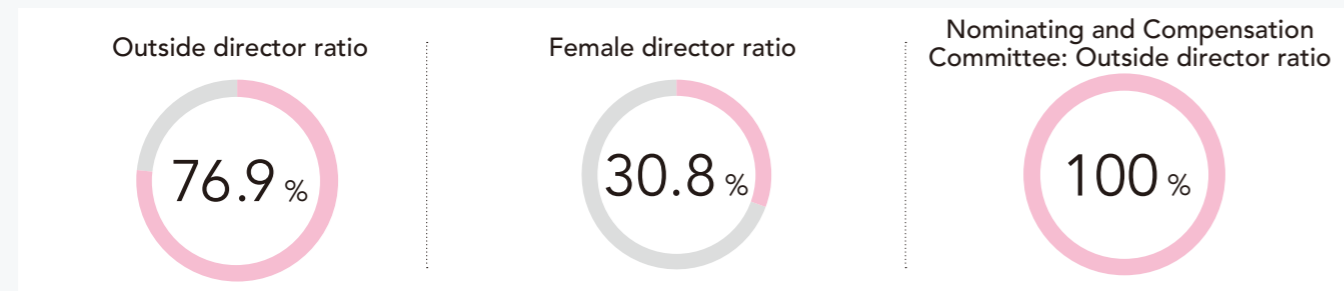
who we define as our customers, business partners, employees and society.

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 26, 2023)

Organizational form	Company with an audit and supervisory committee
Executive officer system	Yes
Chairperson of Board of Directors	Representative Director, President and Chief Executive Officer
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	23 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 (medium- and long-term incentives)

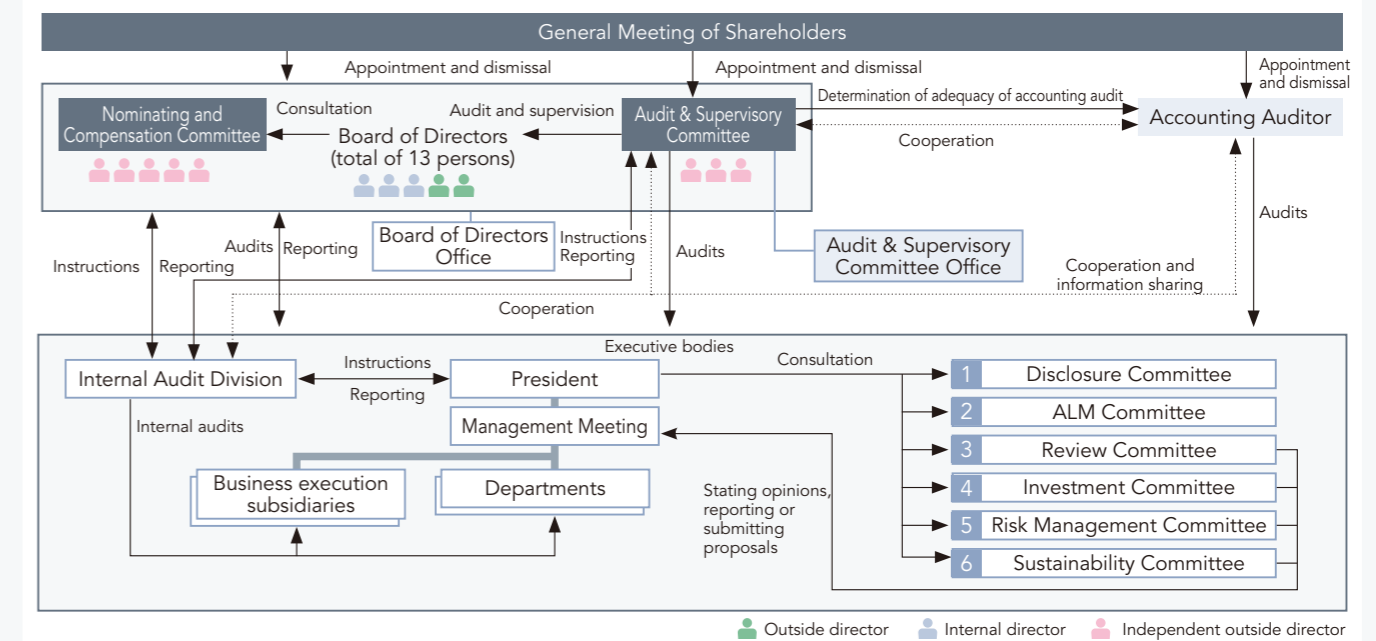
1. FY2022 results 2. Equity trust method



Record of initiatives for enhancement and reform of governance

2015	<ul style="list-style-type: none"> Initiated submission of Corporate Governance Report Appointed first outside director (female outside director) Established Nominating and Compensation Committee
2016	<ul style="list-style-type: none"> Began Board of Directors' effectiveness assessment Appointed second outside director
2017	<ul style="list-style-type: none"> Revised director remuneration system (performance-linked pay increased to 50% of total remuneration)
2018	<ul style="list-style-type: none"> Appointed third outside director
2019	<ul style="list-style-type: none"> Shortened directors' term of office (from 2 years to 1 year) Appointed third female outside director Introduced stock-based remuneration system
2020	<ul style="list-style-type: none"> Transitioned to company with an audit and supervisory committee Entire Nominating and Compensation Committee composed of independent outside directors Outside director ratio reaches 64.2%
2021	<ul style="list-style-type: none"> Disclosed policy for determining details of individual director remuneration Disclosed compliance status regarding all 83 principles of Japan's Corporate Governance Code Outside director ratio reaches 69.2%, female director ratio reaches 23.1%
2022	<ul style="list-style-type: none"> Appointed fourth female outside director Entire Audit & Supervisory Committee composed of independent outside directors Outside director ratio reaches 69.2%, female director ratio reaches 23.1%

Diagram of corporate governance system (As of June 26, 2023)



Board of Directors

The Board of Directors comprises 13 directors (including 3 directors who are members of the Audit & Supervisory Committee). And of the 13 directors, 10 are outside directors (including 3 directors who are members of the Audit & Supervisory Committee) who deliberate on and make decisions pertaining to matters stipulated by law and regulations and the Articles of Incorporation, as well as other matters such as important affairs related to management.

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 management, which enables prompt and flexible decision making. The Board of Directors deliberates on and makes decisions on matters such as management plans, while

providing supervision over the execution of duties by individual directors and executive officers.

At fiscal 2022 Board of Directors meetings, in addition to monitoring such as regular monthly financial reporting, sales reporting, and on the business operations of each division, there was focused deliberation on the drafting of a FY2023–FY2025 Mid-term Management Plan. In addition, separate to the Board of Directors meeting, a Mid-term Management Plan retreat and meeting to confirm said plan were held, with the participation of all directors, both internal and external. As a result, the Board of Directors in fiscal 2022 was assessed as functioning effectively through criteria such as the improvements observed in the discussions on the Mid-term Management Plan, an area identified as warranting attention from before.

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 promoting risk management through the exhaustive and comprehensive control of risks and the avoidance and prevention of losses by the Ricoh Leasing Group |
| 6 Sustainability Committee | For the purpose of more effectively supporting sustainability management across the Ricoh Leasing Group |

● Nominating and Compensation Committee

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

In regard to the evaluation of the president and CEO's performance in executing his/her duties, since fiscal 2022 the Nominating and Compensation Committee has been holding interviews with the president and CEO about target setting

and evaluation. The decisions are then made by the Nominating and Compensation Committee. In fiscal 2023, the Nominating and Compensation Committee has been reviewing the results of fiscal 2022 to make further improvements to this evaluation process.

Fiscal 2022 activities included the formulation of recommendation proposals toward the revision of the skill matrix and stock-based remuneration system, as well as hosting a venue separate to the Board of Directors for the exchange of opinions with the Audit & Supervisory Committee. In doing so, the Nominating and Compensation Committee has established a shared understanding of the challenges it has identified, while carrying out effective oversight of the management and directors.

● 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. The Audit & Supervisory Committee consists of three members, all of whom are highly independent outside directors. In addition, there is one full-time Audit & Supervisory Committee member to make for smooth audits by the Audit & Supervisory Committee.

The resolutions, matters reported on, shared, deliberated, and discussed, as well as the other work done by the Audit & Supervisory Committee throughout fiscal 2022 are as follows.

Resolutions	Assignment of the duties of Audit & Supervisory Committee members, establishment of evaluation and selection criteria for accounting auditors, reappointment of accounting auditors, consent to audit fees for accounting auditors, submit Audit & Supervisory Committee audit reports, consent to proposed appointments of substitute Audit & Supervisory Committee members, etc.
Matters reported on and shared	Reporting on audit plans and audit summaries from accounting auditors, reporting on financial closing policies and financial closing overviews from the Accounting Department, reporting on the implementation of internal audit, reporting on basic policies and operation status of internal control systems from the Internal Control Office, and reporting on the summaries of important meetings such as the Management Meeting and advisory committee meetings, etc.
Matters deliberated and discussed	Audit & Supervisory Committee activity policy, establishment of priority audit themes, prior confirmation of agenda items on the days of Board of Directors meetings, consideration of Nominating and Compensation Committee agenda, discussion of key audit matters (KAM) and other audit issues and matters of concern with accounting auditors, evaluation of accounting auditors, etc.

● Assessment of Board of Directors' effectiveness (FY2022)

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.

Evaluation method

- (1) At the Board of Directors meeting held on February 10, 2023, it was explained to all 13 directors that a questionnaire regarding the effectiveness of the Board of Directors (hereinafter referred to as the "FY2022 Questionnaire") would be conducted, and their responses were requested.
- (2) An overview of the FY2022 Questionnaire results was reported at the Board of Directors meeting held on March 14, 2023.
- (3) A report analyzing the FY2022 Questionnaire data was made at the Board of Directors meeting held on May 26, 2023, and future initiatives based on the evaluation results were explained.

Questionnaire items

The key items in the FY2022 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 | V. Operational status of committees (for Audit & Supervisory Committee members and Nominating and Compensation Committee members only; excluding certain members) |
| II. The size and composition of the Board of Directors | VI. Overall assessment |
| III. Management of the Board of Directors | |
| IV. The support system for outside directors (for outside directors only) | |

Issues identified in previous survey and initiatives in response

Time allocation for deliberation	An annual plan for the Board of Directors that factors in increased effectiveness and relative degree of importance was drafted
The need for outside directors and executives to deepen their shared awareness of issues of the Mid-term Plan	Discussions took place between outside directors and executives in the process of drafting the Mid-term Management Plan
The need to further promote communication with the Audit & Supervisory Committee	Opportunities were provided for the exchange of information between independent directors (i.e., the Nominating and Compensation Committee and Audit & Supervisory Committee)

Issues identified in this year's survey

In the results of the fiscal 2022 evaluation, through findings such as the improvement of discussions on the Mid-term Management Plan, which had been an issue in the past, it was confirmed that the Board of Directors is functioning effectively. At the same time, the identified issues that warrant further follow-up were shared. These included (1) the need for discussions with greater depth regarding internal control and risk management systems and (2) the need for greater support for newly appointed outside directors. Improvements will continue to be made, including the review of management methods, matters in the Board of Directors Regulations, and reporting standards.

● Revision of the medium- to long-term stock-based remuneration system

In fiscal 2022, in order to further create corporate value through the achievement of targets, an employee happiness score (a human capital non-financial indicator for the FY2023-2025 Mid-term Management Plan) has been included into the bonus calculation formula, in addition to ROA, a capital efficiency indicator. Another non-financial indicator has been integrated into the stock-based remuneration system formula: an ESG evaluation as an indicator of ESG initiatives.

In fiscal 2023, the stock-based remuneration system, which is a medium- to long-term incentive, is to be changed from an employee stock ownership plan to a restricted stock (RS) unit plan. Not only will the timing of stock delivery will be changed

from the timing of retirement to the period of employment, but also the incentive effect will be further enhanced by the delivery of Company shares with transfer restrictions as determined by the contract with the eligible individual.

Subject to approval at the General Meeting of Shareholders held on May 9, 2023, the Board of Directors revised the "policy for determining individual remuneration and details regarding determined remuneration, etc." 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.

(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%)	Stock-based remuneration (15%)
Directors	Basic remuneration (50%)	Performance-linked remuneration (37%)	Stock-based remuneration (13%)

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, only basic remuneration is paid to directors who are Audit & Supervisory Committee members and outside directors.

● Directors' skill matrix

The areas in which we hold expectations for each director are as follows. These illustrate the areas in which we have particularly strong expectations in each director to apply their insights and knowledge for the benefit of the Company. Since we appoint as directors individuals who share our medium- to

long-term vision of becoming a Circulation-Creating Company and possess fundamental literacy in ESG and sustainability, all directors have earned a mark in the ESG and sustainability column.

No.	Name	Position	Audit & Supervisory Committee member	Nominating and Compensation Committee member	Term of office	Gender	Directors' areas of expertise expected by the Ricoh Leasing Group									
							ESG and sustainability	Corporate management	Finance and accounting	Sales and marketing	Finance and investment	Law	Risk management	IT and technology	Human resources	
1	Tokuharu Nakamura	Representative Director			4 yrs	Male	●	●		●	●					●
2	Hirozumi Sano	Director			4 yrs	Male	●		●	●	●					●
3	Shinichi Kuroki	Director			2 yrs	Male	●			●	●					●
4	Masaya Futamiya	Outside Director	●		5 yrs	Male	●	●								●
5	Masako Arakawa	Outside Director	●		4 yrs	Female	●				●					●
6	Mari Ebisui	Outside Director	●		3 yrs	Female	●		●				●			●
7	Atsumi Harasawa	Outside Director	●		3 yrs	Female	●				●	●				●
8	Takashi Ichinose	Outside Director	●		1 yr	Male	●	●						●		●
9	Nobuhisa Zama	Outside Director			1 yr	Male	●				●		●			
10	Takahiro Irisa	Outside Director			—	Male	●							●		
11	Tokio Kawashima	Audit & Supervisory Committee Member, Outside Director	●		3 yrs	Male	●				●		●			
12	Hiromi Nakazawa	Audit & Supervisory Committee Member, Outside Director	●		1 yr	Female	●		●		●		●			
13	Toru Miyama	Audit & Supervisory Committee Member, Outside Director	●		1 yr	Male	●				●	●				

Skills (fields of specialty) expected from directors	Overview
ESG and sustainability	An individual with whom Ricoh Leasing's medium- to long-term vision resonates and can be counted on to give the appropriate advice from the perspective of ESG and sustainability (the fundamental literacy sought in Ricoh Leasing directors)
Corporate management	An individual who has been a representative director or president of a large company, either listed and unlisted, possesses considerable experience in corporate management and can be counted on to give appropriate advice from that perspective
Finance and accounting	An individual who has been in any position such as a CFO, finance or accounting department head, certified public accountant, licensed tax accountant, and can be counted on to give appropriate advice for the field of finance and accounting
Sales and marketing	An individual with background such as considerable experience in the fields of sales and marketing and can be counted on to give appropriate advice from that perspective
Finance and investment	An individual who comes from financial services or fund management (e.g., bank, securities, etc.) or a background such as considerable experience in fields such as leasing, finance, real estate, and M&A and can be counted on to give appropriate advice from that perspective
Law	An individual who has been involved in legal affairs in corporate activities such as contract and corporate legal affairs (including having prepared and researched corresponding laws) or with considerable experience in those areas and can be counted on to give appropriate advice from that perspective
Risk management	An individual with considerable experience in risk management within a company, a qualified individual in areas such as internal control and compliance or in the business of doing so and can be counted on to give appropriate advice from that perspective
IT and technology	An individual with background such as considerable experience in the field of IT or technological fields and can be counted on to give appropriate advice from that perspective
Human resources	An individual that can be counted on to give the appropriate advice on human resources, human resource development, diversity, succession planning for directors, and officer remuneration by virtue of their experience thus far and their insights

● 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. The Nominating and Compensation Committee members assess human resources

by posing questions to and exchanging opinions with candidates at the RL Miraijuku, as well as through presentations and question-and-answer sessions at Board of Directors meetings in which executive officers report on business operations under their jurisdiction.

Based on these evaluations, the Nominating and Compensation Committee deliberates on candidates for positions such as the next CEO, directors, and executive officers as recommended by the Personnel Committee, which comprises internal directors. Taking into account the candidates' performance, results of 360-degree feedback, and information obtained through reports on business operations at Board of Directors meetings and sundry social gathering opportunities, the Nominating and Compensation Committee reports to the Board of Directors about the final candidates.

● 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.

● Ricoh Leasing Group's Human Rights Policy

Based on our belief that the respect for human rights is an important responsibility for companies in fulfilling their business activities, the Ricoh Leasing Group has endorsed and is a signatory to the United Nations Global Compact (UNGC). We continue to implement activities to achieve UNGC's The Ten Principles in the four areas of human rights, labor, the environment, and anti-corruption. We have formulated and act on our own human rights policy that aims for management that

honors human rights in our business activities, while giving proper attention to human rights issues and changing awareness within the global community. As we aim for the realization of a richer future, the Ricoh Leasing Group joins with our stakeholders in contributing to the sound and stable development of a sustainable society and economy.
https://www.r-lease.co.jp/sustainability/humanrights_policy/ (Japanese only)

● Investment Policy

The Ricoh Leasing Group are contributing to solving social and environmental issues through our businesses and seek to play an active role in creating a sustainable society as based on the Group's Concept for Sustainability. We prohibit or restrict investment, etc., in businesses and companies that have a major negative impact on society.

Regarding sectors and other realms for which there are concerns about the impact on climate change and biodiversity, we take into consideration the acquisition of certifications both international and local, and, through engagement with our business partners, will continue to share an awareness of environmental issues and contribute to the creation of a sustainable society.
https://www.r-lease.co.jp/sustainability/investment_policy/ (Japanese only)

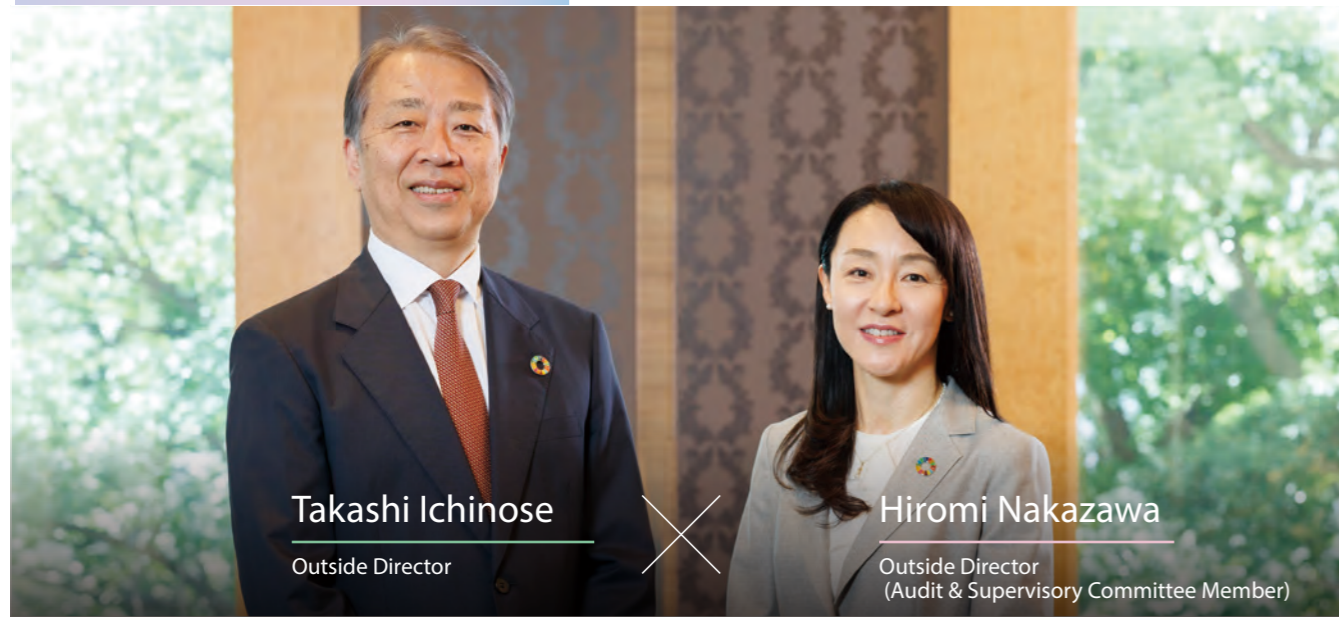
● Introduction of newly appointed directors



Takahiro Irisa
Outside Director

The Ricoh Lease Group's efforts to transform itself into a "business company that not only handles finance but other businesses" under its medium- to long-term vision of becoming a Circulation-Creating Company are of great social significance, and I share this vision. As an outside director of the Company, I will contribute to the implementation of the Company's growth strategy by providing advice based on my understanding of the global trend of the SDGs and by utilizing my knowledge of business development and social contribution through the use of the digital technology developed at Ricoh Company, Ltd.

Two Outside Directors in Conversation



Takashi Ichinose
Outside Director

Hiromi Nakazawa
Outside Director
(Audit & Supervisory Committee Member)

To realize our corporate philosophy, as a board member we will continue to support the “evolution” that blaze the trail forward

Hiromi Nakazawa, who observes the meetings of important bodies such as the Management Meeting as a full-time Audit & Supervisory Committee member, and Takashi Ichinose, who has extensive knowledge about and deep insights into corporate management, were both appointed as outside directors about one year ago in June 2022. In this conversation between them, they touched on the roles and characteristics of the Board of Directors from their own individual perspectives, as well as the uniqueness that serves as the foundation of our business. They also spoke of other matters, such as their expectations in the continuous business evolution that is the theme of the Mid-term Management Plan starting from fiscal 2023, and what they feel is needed as we face the future.

Availability to a forum where it is possible to share the corporate philosophy and have honest and open discussions

Nakazawa Mr. Ichinose and I assumed our positions as outside directors in June 2022. In the following month, the Board members assembled to take part in a retreat in which we were given a progress report on the Mid-term Management Plan and engaged in work on a new Mid-term Management Plan (hereinafter referred to as “the New Mid-term Plan”). This was our first foray into work as Board members. With the Company facing the need to upgrade its business model to meet the changing times and business environment, there was a presentation of new business proposals crafted chiefly by a project team of younger employees. This project team had tapped into the fruits of discussions and considerations up to that point that had been prompted by the question about what new challenges can be taken on by leveraging our own uniqueness. Since I feared this would be little more than a scripted exercise in approving something, what stood out most for me was the way the event played out as a forum for the open, honest, and serious exchange of opinions—and a tremendously animated exchange at that. I left with the conviction that no such event would have been possible had there not been a certain degree of both tension and trust between the executives and outside directors. As a Board

member, it seemed to me that it is important to have availability to a forum where it is possible to exchange frank opinions in a serious fashion.

Ichinose It was a first for me to draft a New Mid-term Plan that involves the assembling of everyone from top management to project members for discussions that include even outside directors. In the stage well in advance of finalizing the framework of the New Mid-term Plan, preparation upon preparation had been made by design in a conscious effort to align strategies with the corporate philosophy as the guiding principle. The underlying driver was to make possible the corporate philosophy. And this was not simply being done at the behest of top management, but was rather a process in which a narrative was crafted to intentionally insert employees as the key players. To witness this firsthand was quite a thrill for me.

Expectations in the creation of new domains through a continuous business evolution

Nakazawa Several terms mentioned stand out for me. First was this mention of adjoining interests cited by the executives as new domains of business to be determined by our own uniqueness. It is an approach to expanding into new businesses that are already linked in some way to the Company. Some

have opined that in order to innovate, there has to be a departure from the practice of pursuing only extensions of existing businesses; that innovation can also only as a result of aiming for moonshots. The intended meaning here is not that the Company should abandon the idea of trying its hand in new areas. I think that the thinking here is tightly linked to the idea of a mutation as evolution that has often been cited by President Nakamura. Having attended various meetings and as well as enjoying one-on-one discussions with him, I feel that I have started to get a sense of his intended meaning. Though an evolution seems to be something that happens suddenly, it is in fact the consequence of continuous and repeated challenges undertaken.

Ichinose In a day and age in which it is getting harder and harder to anticipate what is coming down the pike, it is said that we have entered an era in which we have transitioned from VUCA¹ to BANI.² Human resources who can trigger evolution and make the effort to adapt to evolution are sought now. There is a need for human resources who can lead the Company in new ways by breaking out of their shells. I would like to see ambitious young people make evolution possible. Employees highly motivated to bring about change and able to propose new ideas to management and the business are bound to make for an even more amazing organization.

Nakazawa Circling back to the subject of what we were doing at the retreat about the New Mid-term Plan, there was a proposal made that a nursing care business be pursued as a new business domain when the theme of solving social issues was introduced. We discussed about why nursing care would be a new business domain based on our own uniqueness and that it needed a great cause and determination to drive it. Later on, there in fact was an M&A offer, and after much discussion about what to aim for over the medium- to long-term by engaging in a nursing care business, by the end of 2022, Welfare Suzuran had been made a subsidiary and our nursing care business was started. A defining characteristic of our Group is that we are proactive and know what kind of action to take when embarking on new challenges. Even for the solar power generation business, for instance, a new pillar of revenue has already been secured by using finance as a toehold for inserting ourselves into the power generation business. Evolution of this kind is in our DNA—and that is exactly what gives us uniqueness. So great things can be expected from this.

Ichinose We’re seeing existing businesses recognizing problems and consequently adjusting the way they do things to keep in step with the new businesses. Take IT, for example. As IT wields great power to change society, our Group possesses the need to reform operations through the company-wide promotion of digital transformation (DX). With the move to replace our core system just three years in the offing, the projects underway include the ensuring of security and a redesigning of interfaces between subsystems. On top of that, things such as front-end software to enhance the customer interface through the use of AI are being developed, while standardization and automation in the back office are expected make for more efficient operations and promote initiatives that can make the most of the capacities of our human resources. There are also efforts being channeled into human resource education that promotes the growth of each individual.

Nakazawa Indeed. This is the most crucial factor because each and every employee promotes our businesses and the Company is the sum of all of those parts. One other thing I have my eye on is human resource development programs such as RL Miraijuku that bring together prospective next-generation leaders. Initiatives that make the most of human capital, these are human resource development programs intended to facilitate evolution over the long term.

From what perspective is Ricoh Leasing to view the road ahead?

Nakazawa This notion of evolving in step with changes in technology is sought not only in the field of IT but in all other fields of business as well. And while this compels us that much more to see risk management evolve accordingly, in my leadership role as an Audit & Supervisory Committee member, I feel that I should be mindful of putting in place a system and environment that enable executives to move ahead by keeping a foot squarely on the gas pedal. While KPIs for non-financial targets, including digital transformation, are currently being considered, as a Board member, I hope to nudge the Company in the direction of making early investments in and taking on the challenge of exploring these areas.

Ichinose Based on the financial literacy we possess, our Group has the fundamentals in place to create new business models as extensions to areas in which we already operate. I hope to see our ability to plant seeds that grow into new flowers that bloom be the confidence to open up new paths. We should waste no time in bringing on board and training individuals who have the desire to make a difference and contribute to the Company’s development during the course of the Mid-term Plan, during the next decade, and over the next half century or even one century from now, as well as to create an environment in which we can develop businesses that tap into our uniqueness. To the extent possible, I hope to directly meet with and offer my support to the president, executives, candidates for the next generation of executives, and those with whom the future of the Company rests.

Nakazawa As Ricoh Leasing shifts from a financial services company that handles businesses to a real-world business that also handles finance, it is transcending the realm of leasing and finance and is currently in a transition stage of creating new businesses and a new corporate culture. The Board of Directors needs to now discuss the overall vision for investment and returns in the future, including those of Group companies. I intend on viewing with intent how the Group grapples with the challenges ahead: with the benefit of a review of the business portfolio, determining which businesses are in the seeding stage, how to water and nurture them, and if they are mature businesses, how to make them more efficient through digital transformation, whether to innovate through collaborations with other companies, or whether to withdraw from a particular business.

1. VUCA: Volatility, uncertainty, complexity, ambiguity
2. BANI: Brittle, anxious, non-linear, incomprehensible

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 are building a compliance system 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 2022, 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

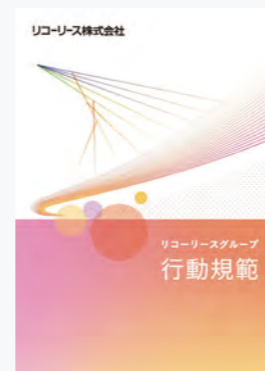
The Ricoh Leasing Group has stipulated the objectives and content of its Code of Conduct as specific provisions in internal rules and operational rules and puts them into practice in all business activities. To ensure that compliance is practiced, all Group employees engage every fiscal year in e-learning that includes topics and other curricular content that is in line with the specifics of law and regulation enforcement and revisions.

Included among the educational activities made available over the intranet is the monthly release of compliance news to raise awareness, as well as the issuance of manuals and other materials that summarize the way to approach and take basic actions for responding to complaints. This enables employees to make the appropriate judgments and provide the right response to customer feedback.

● Formulating the Code of Conduct

The previous Code of Conduct was updated in April 2023 to coincide with the start of the New Mid-term Plan and to keep the document in tune with changes in the times, such as the diversification of values and the increased importance of the roles that companies play in solving social issues. Based on our corporate philosophy and basic stance, the Code of Conduct indicates the specific actions to be taken by officers and employees as applicable to our internal rules and regulations, and thereby defines the standards for conducting business and operational activities. Many organizations and employees were involved in the formulation of the Code, which was accompanied by repeated discussions among management and the Board of Directors, resulting in a process taken on by the entire company. The Code of Conduct not only indicates

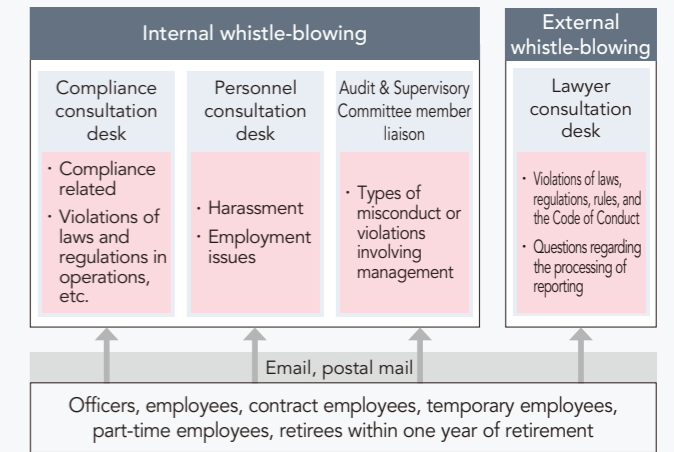
the compliance requirements to be observed, but also articulates matters such as the value to provide and what stance to take in dealing with stakeholders in order to realize our corporate philosophy. To familiarize all officers and employees of the Group with the Code of Conduct, it is posted on our website and also made available and distributed in a handbook format. Going forward, we plan to offer training every year to promote greater familiarity with and practice of this new Code of Conduct.



● Internal whistle-blowing

The Company has established in and outside the Company a whistle-blowing desk for all employees (including officers, employees, part-time workers, contract employees, and temporary employees) 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 Leasing Group Code of Conduct, and has made the points of contact for internal whistle-blowing known to all employees.

Based on the Whistleblower Protection Act, in order to protect whistle-blowers within internal company rules, details of any whistle-blowing are kept confidential, and retaliation against whistle-blowers is prohibited. In fiscal 2022, no whistle-blowing was made regarding fraud.



Message from the General Manager of the Internal Control Office



Increased corporate value through the support of two kinds of internal audits—for operations and organizational management—that result in better-functioning governance

Emi Matsukami
Executive Officer
General Manager of Internal Control Office

The role of the Internal Control Office is to provide monitoring functions (conduct internal audits and SOX audits) and to establish and manage internal control systems.

Internal audits comprise two components: operational audits and organizational management audits. In organizational management audits, a questionnaire is administered beforehand and then interviews are done at the time of the audit to confirm the status of organizational operations and provide opportunities for improvement.

Done in collaboration with the Audit & Supervisory Committee, our internal audits include a unique feature in that Audit & Supervisory Committee members take part in the interviewing process. The questions and opinions from the perspectives of Audit & Supervisory Committee members provide food for thought to not only organizations in the field but also to members of the Internal Control Office. Questions that promote familiarity with our corporate philosophy were included in the FY2022 Questionnaire. Organizational management audits are taking on increasing importance as we work to create a corporate culture of openness in which governance functions well.

At the beginning of each fiscal year, the Internal Control Office drafts the Basic Policy for Internal Control Systems. This is approved by the Board of Directors after soliciting feedback from the Audit & Supervisory Committee and receiving approval from the president. At the end of each fiscal year, instances of application of the Basic Policy throughout that fiscal year are checked and reported on to the Board of Directors. Based on the report regarding application of the Basic Policy, the Board of Directors deliberates on what to do about the Basic Policy for the following fiscal year. In my capacity as personnel in charge of internal reporting, I reviewed the internal whistle-blowing system and its rules in May 2023 with the aim of upgrading this system within the Ricoh Leasing Group.

The Group's business is seeing sudden changes concurrent to changes in the external environment. As the number of subsidiaries increase and the Group is accelerating expansion of its business areas, the Internal Control Office is compelled to duly evolve. At the vanguard, each and every Office member will continue to provide support in the service of achieving improved corporate value, the ultimate goal of internal audits.

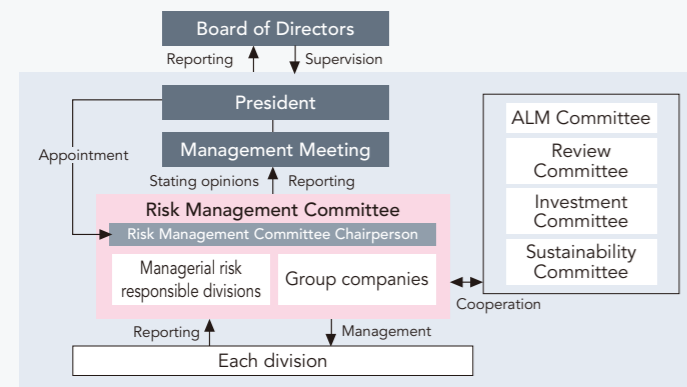
Risk Management

Our approach to risk management

Amid 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 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 promotion structure



- Role of Risk Management Committee**
- Presentation of management risk items and compliance-related items to the Management Meeting
 - Progress monitoring and periodic reporting to the Management Meeting
 - Contact point at the time of occurrence of management risks, etc.

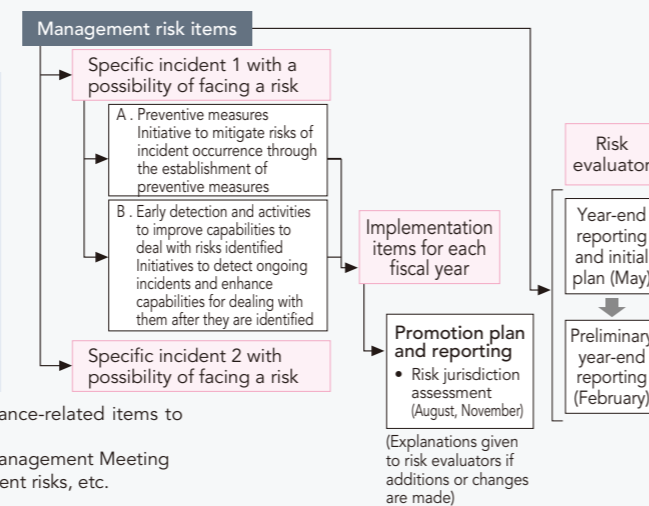
Review of management risk

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 2022, 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 in excess of 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.

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.



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	Personnel Department
Natural disaster risk	Risk Management Committee	General Affairs Department, Corporate Planning Department
Information risk	Risk Management Committee	Group IT Management 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. Upon receiving certification as a model company that promotes staggered returns home, we took steps to ensure that activities could be enabled until the restoration of infrastructure. This meant purchasing sleeping bags and pillows for use at the head office and Toyosu office (and we plan on equipping other sites within FY2023) to add to our usual emergency supplies, and distributing TVs and storage batteries to enable access to disaster information at major sites. We also introduced IP radios as a means of communication with each site, enabling communication regarding the disaster status and consideration of countermeasures at all sites nationwide. In addition, due to the recent more frequent occurrence of localized disasters such as torrential downpours, we are continuing to consider what countermeasures to take by using hazard maps to ascertain each type of disaster risk at each individual site.

Fiscal Year	Major initiatives
2018	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • Ricoh Group disaster prevention training • Conducted disaster response training at Ricoh Leasing sites • Ricoh Group Message Board was upgraded
2020	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • 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 of disaster occurrences (150 at head office and 250 at Toyosu) • Added emergency bags for vehicles to the emergency supplies (food and drinking water was increased from one to three days' worth, toilets, and blankets) • Emergency bags for employees returning home changed in format from shoulder bag to backpack
2022	<ul style="list-style-type: none"> • Introduced IP radio as a communication device for use in times of disaster • Purchased TVs and storage batteries for use during disasters to enable main sites to access disaster information • Purchased sleeping bags and pillows (150 sets for head office and 250 sets for Toyosu) • Initiated sending of disaster assistance messages on the internal bulletin board

Information management and protection system

In 2003, the Company obtained ISMS certification, becoming the first in the leasing industry to do so. In 2005, 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, we have made our information management system more robust and increased employee awareness of the need for information protection and management. As a result,

we have been able to maintain our ISMS certification and 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 laws and regulations and the basic policy on information security and 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. As countermeasures in response to the cyber-attacks that are on the increase globally, we routinely have in place technical security measures and, as a program for personnel, also offer regular email training for the enhancement of employees' skills

to enable the identification of suspicious emails. In addition, we will engage in initiatives to step up our ability to deal with critical situations in ways such as strengthening our Computer Security Incident Response Team (CSIRT) to respond to increasingly sophisticated cyber-security threats.

As a result of the implementation of these measures, no serious information security incidents occurred in fiscal 2022.



List of Officers



● **Directors** (Attendance at Board of Directors meetings is for FY2022. Number of shares held is as of March 31, 2023)

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): 9,472 shares (8,952 shares)
 Term of office as director: 4 years
 Attendance at Board of Directors meetings: 14/14 meetings (100%)
 Reason for appointment
 Tokuharu Nakamura has extensive experience in sales, business and management within the Group and has experience as the Company's Representative Director & President and Chief Executive Officer. The Company believes that he will contribute to strengthening the supervisory functions of the Board of Directors, and enhancing the sustainable growth and corporate value of the Company by leveraging his extensive experience and insight into corporate management.
 Reappointment

Director and Corporate Senior Vice President
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): 5,363 shares (4,433 shares)
 Term of office as director: 4 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 oversees all aspects of the head office as Director and Corporate Senior Vice President. The Company believes that he will contribute via business growth strategies to enhancing the sustainable growth and corporate value of the Group by leveraging his extensive experience and insight.
 Reappointment

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): 3,892 shares (3,427 shares)
 Term of office as director: 2 years
 Attendance at Board of Directors meetings: 14/14 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 and service division, a division which strives to resolve social issues. He currently serves as Director and Corporate Senior Vice President and takes a leading role in building 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

Outside Director
Masaya Futamiya ④
 Number of shares of the Company's stock held: — shares
 Term of office as director: 5 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

Outside Director
Masako Arakawa ⑤
 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
 As a specialist in finance and real estate, Masako Arakawa has extensive experience in domestic and international investments and finance, business development, etc. and also has extensive insight into corporate governance, etc. through her achievements and public activities. Furthermore, as an Outside Director, she appropriately supervises the execution of business by actively providing opinions and suggestions based on her experience and knowledge, and also as a member of the Nominating and Compensation Committee, she contributes to deliberation and decision-making for nominating Directors of the Company, planning successors, and for remuneration of Directors of the Company. The Company believes that she will contribute to strengthening the supervisory function of the Board of Directors and to the realization of fair and highly transparent management through valuable opinions and guidance on the Company's management.
 Reappointment Outside Independent Female

Outside Director
Mari Ebisui ⑥
 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
 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
Takashi Ichinose 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
 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.
 Reappointment Outside Independent

Outside Director
Nobuhisa Zama ⑨
 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
 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.
 Reappointment Outside

Outside Director
Atsumi Harasawa ⑧
 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
 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
Takahiro Irisa ⑩
 Number of shares of the Company's stock held: — shares
 Term of office as director: —
 Attendance at Board of Directors meetings: —
 Reason for appointment
 Takahiro Irisa has experience and knowledge in the area of IT and technology and in management strategy at a major office equipment and precision machinery manufacturer. The Company believes that he will contribute to the enhancement of the supervisory functions of the Board of Directors and the realization of fair and highly transparent management through the provision of valuable opinions and guidance on the Company's management.
 New appointment Outside

● **Directors concurrently serving as Audit & Supervisory Committee Members**
 (Term of office as Audit & Supervisory Committee member is 2 years, each appointed on June 27, 2022)
 (Attendance at Board of Directors and Audit & Supervisory Committee meetings is for FY2022. Number of shares of the Company's stock held is as of March 31, 2023)

Outside Director (Audit & Supervisory Committee Member)
Tokio Kawashima ⑪
 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%)
 Attendance at Audit & Supervisory Committee meetings: 23/23 meetings (100%)
 Reason for appointment
 From working for many years at a large financial institution, Tokio Kawashima has insight into finance and accounting and experience as a full-time auditor at 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.
 Outside Independent

Outside Director (Audit & Supervisory Committee Member)
Hiromi Nakazawa ⑫
 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%)
 Attendance at Audit & Supervisory Committee meetings: 17/17 meetings (100%)
 Reason for appointment
 As a certified public accountant, Hiromi Nakazawa has expert insight into financial and accounting, as well as extensive experience 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.
 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: 1 year
 Attendance at Board of Directors meetings: 12/12 meetings (100%)
 Attendance at Audit & Supervisory Committee meetings: 17/17 meetings (100%)
 Reason for appointment
 As a lawyer, Toru Miyama has expert insight and experience as an outside director of another 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.
 Outside Independent

● **Executive Officers**

President
Tokuharu Nakamura
 Chairperson of the Board of Directors

Director and Corporate Senior Vice President
Hirozumi Sano
 In charge of head office / President, Welfare Suzuran Co., Ltd.

Director and Corporate Senior Vice President
Shinichi Kuroki
 In charge of sales / General Manager of Business Strategy Management Division

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

Managing Executive Officer
Hiroshi Osawa
 General Manager of Corporate Management Division

Executive Officer
Kenji Kurokawa
 General Manager of Area Sales Division

Executive Officer
Emi Matsukami
 General Manager of Internal Control Division

Executive Officer
Kazuya Abe
 General Manager of Examination Division

Executive Officer
Yuichi Araki
 General Manager of Group Human Resources Management Division / Board of Directors Office Head

Executive Officer
Shoichi Ino
 General Manager of Medical & Healthcare Division

Executive Officer
Hidenori Hosoi
 Director, Welfare Suzuran Co., Ltd.

Executive Officer
Hisanao Ikeuchi
 General Manager of Strategic Investment Division / Director, Welfare Suzuran Co., Ltd.

Executive Officer
Mitsuru Kono
 General Manager of Sales Development Division

Executive Officer
Mari Sasaki
 Deputy General Manager of Operations Division

Executive Officer
Tatsuo Yamamoto
 General Manager of Operations Division

Executive Officer
Ryoji Nagai
 General Manager of BPO Division

Executive Officer
Ako Nagata
 General Manager of Corporate Planning Department, Corporate Management Division

Executive Officer
Kentaro Takita
 General Manager of Environment/Energy Sales Division Sales Development Division

Major Financial Data

(Million yen)

Summary of consolidated financial results	2012/3	2013/3	2014/3	2015/3	2016/3	2017/3	2018/3	2019/3	2020/3	2021/3	2022/3	2023/3
Net sales	230,636	234,009	245,904	258,733	275,879	291,116	304,341	313,957	332,256	326,266	303,853	298,889
Cost of sales	200,782	205,423	217,309	228,917	245,507	259,957	273,081	281,013	297,073	288,564	263,812	255,617
Gross profit	29,854	28,586	28,595	29,815	30,371	31,158	31,260	32,943	35,182	37,701	40,040	43,272
Selling, general and administrative expenses	13,022	11,555	12,536	13,308	13,420	13,825	14,708	15,667	18,164	20,229	20,759	22,044
of which provision of allowance for doubtful accounts	431	(1,036)	419	915	797	1,105	1,550	1,632	2,879	3,747	2,615	1,272
Operating profit	16,831	17,030	16,059	16,507	16,951	17,333	16,552	17,276	17,018	17,471	19,280	21,228
Ordinary profit	16,839	16,921	15,884	16,447	16,843	17,180	16,415	17,383	17,087	17,510	19,522	21,573
Profit attributable to owners of parent	9,419	10,215	9,550	10,136	11,049	11,772	11,306	11,943	11,827	12,019	13,481	14,872
Per share (yen)												
Dividend amount	41.00	43.00	45.00	50.00	55.00	60.00	70.00	80.00	90.00	100.00	120.00	145.00
Net income	301.73	327.26	305.94	324.71	353.96	377.12	362.19	382.60	382.80	389.93	437.34	482.48
Net assets amount	3,517.17	3,807.05	4,060.90	4,344.43	4,644.38	4,975.38	5,288.85	5,588.38	5,893.78	6,207.07	6,536.27	6,867.91
Payout ratio	13.6%	13.1%	14.7%	15.4%	15.5%	15.9%	19.3%	20.9%	23.5%	25.6%	27.4%	30.1%
Total assets	640,907	700,504	784,969	828,618	878,526	918,864	968,950	1,040,678	1,150,734	1,160,706	1,177,723	1,236,921
Net assets	110,069	119,186	127,179	136,117	145,562	155,998	165,890	174,449	181,675	191,333	201,480	211,701
Equity ratio	17.1%	17.0%	16.1%	16.4%	16.5%	16.9%	17.0%	16.8%	15.8%	16.5%	17.1%	17.1%
Return on assets (ROA)	1.50%	1.52%	1.29%	1.26%	1.29%	1.31%	1.20%	1.19%	1.08%	1.04%	1.15%	1.23%
Return on equity (ROE)	8.9%	8.9%	7.8%	7.7%	7.9%	7.8%	7.1%	7.0%	6.6%	6.4%	6.9%	7.2%
Operating assets, etc.	2012/3	2013/3	2014/3	2015/3	2016/3	2017/3	2018/3	2019/3	2020/3	2021/3	2022/3	2023/3
Finance leases	428,716	444,268	489,671	508,074	526,990	538,028	551,398	565,113	597,534	528,929	511,493	509,737
Operating leases	9,383	9,740	12,320	15,874	18,759	20,894	23,059	29,058	30,596	30,411	29,505	33,199
Total in leases	438,099	454,008	501,992	523,948	545,749	558,923	574,457	594,172	628,130	559,341	540,998	542,936
Installment sales	43,695	50,806	61,270	72,537	83,706	95,814	111,313	133,163	152,926	161,696	160,814	157,578
Total of leases and installment sales	481,795	504,815	563,262	596,486	629,456	654,737	685,771	727,335	781,056	721,037	701,812	700,514
Loans	92,594	103,994	109,947	114,289	123,127	129,217	143,787	160,627	181,683	200,661	221,951	253,706
Total of Leases & Finance Business	574,389	608,809	673,210	710,775	752,583	783,955	829,557	887,960	962,740	921,699	923,764	954,222
Solar power generation	—	—	—	—	—	—	—	2,659	8,313	16,678	19,089	19,891
Housing rental and real estate	—	—	—	—	—	—	2,087	6,588	23,404	30,283	41,400	45,473
Total of Investment Business	—	—	—	—	—	—	2,087	9,247	31,717	46,962	60,490	65,365
Total operating assets	574,389	608,809	673,210	710,775	752,583	783,955	831,645	897,210	994,458	968,661	984,254	1,019,587

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

4. As accounting procedures for the merger of Welfare Suzuran, which became a subsidiary in the fiscal year ended March 31, 2023, were finalized to be in the first quarter of the fiscal year ending March 31, 2024, the consolidated financial summary figures are partially different from those for the fiscal year ended March 31, 2023, which have already been disclosed.

ESG Data



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.

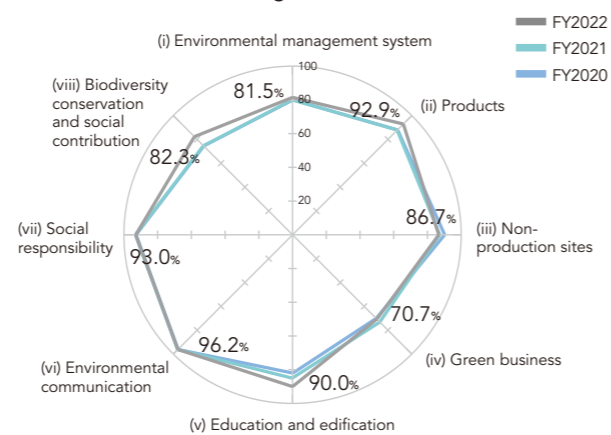
Environmental management evaluation system

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 2022 are as shown below.

In terms of (v) education and edification and (viii) biodiversity conservation and social contribution, we launched our Forests for a Bountiful Future greening activity in fiscal 2022, and employees' families learned about the forest cycle, resulting in an increase in points. On the other hand, (iv) green business was down due to a decrease in handling volume in environment-related fields, such as the solar power generation business, caused by construction delays and other factors.

In light of these results, in fiscal 2023, we will continue to increase activities to improve (viii) biodiversity conservation and social contribution, and aim to increase handling volume in environment-related fields in (iv) green business, with the aim of contributing to the environment through our business.

FY2022 environmental management evaluation results



Percentage of marks = $\frac{\text{Mark}}{\text{Full marks}} \times 100\%$		Total percentage of marks		Level
Full marks: 1,000 marks		2022	86.1	AAA-
Each of the numbers surrounding the radar chart indicate percentage of marks for FY2022.		2021	84.2	AAA-
		2020	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%		

Overall percentage score
86.1%

Environmental targets and actual results in FY2022 Scope of report: Ricoh Leasing Company, Ltd.

Although the introduction of ecocars improved fuel efficiency and reduced gasoline usage, we did not achieve our CO₂ emission reduction target for fiscal 2022 (730 t-CO₂) due to increased electricity and air conditioning usage resulting from increased sales activities. On the other hand, we continued our efforts to conserve resources in our offices, reducing both waste and paper consumption, thereby achieving this target.

Environmental purpose	Environmental target	KPI	Target value	FY2022 results
Environmental burden reduction in business activities	Promotion of energy conservation	CO ₂ emissions	730 t-CO ₂	736 t-CO ₂
		Electricity use	No more than 660,000 kwh	708,777 kwh
		Hours of use of air conditioning	Daytime: 76,000 hours Night hours and holidays: 2,500 hours ¹	Daytime: 84,499 hours Night hours and holidays: 2,016 hours
		Use of gasoline	No more than 125 kl	115.9 kl
		Fuel consumption improvement	20.0 km/ℓ	21.8 km/ℓ
Resources conservation	Resources conservation	Emissions	No more than 35 t	31 t
		Reduction in paper purchases	No more than 4.00 million sheets ²	3.92 million sheets
		Rate of reduction	No less than 20.0%	20.0%
Promotion of 3Rs	Appropriate collection of leased assets	Lease equipment collection rate	No less than 70%	68.4%

We would like to correct the following two errors in the results for fiscal 2021 published in the Integrated Report 2022, and have set the target values for fiscal 2022 based on the corrected results.

- Hours of use of air conditioning Night hours and holidays: Error 1,015 hours → Correction 2,707 hours
- Reduction in paper purchases: Error 3.88 million sheets → Correction 3.98 million sheets

Environmental data

	Unit	FY2019	FY2020	FY2021	FY2022	Remarks (coverage, tabulation method)
Violation of environment-related laws and regulations	Cases	0	0	0	0	
CO ₂ emissions	Total	t-CO ₂ 1,689,371	1,432,690	971,115	1,008,152	
	Scope 1	t-CO ₂ 379	277	292	276	
	Scope 2	t-CO ₂ 590	599	473	189	
CO ₂ emissions: Intensity	Scope 3	t-CO ₂ 1,688,402	1,431,814	970,350	1,007,687	
	Scope 1+2	2.92	2.68	2.52	1.56	Per 1 billion yen of sales
	Scope 3	5.08	4.39	3.19	3.37	Per 1 million yen of sales
Waste output	t	488.2	348.8	359.0	324.9	RL Group
Waste output: Intensity		1.47	1.07	1.18	1.09	Per 1 billion yen of sales
Waste recycling rate	%	98.2	95	93.7	92.6	Non-consolidated basis (RL)
Water use	m ³	6,671	7,067	5,340	5,160	16 business sites of RL Group
Water use: Consumption rate		20.78	21.66	17.57	17.26	Per 1 billion yen of sales
Paper use	Thousand sheets	7,718	6,645	5,253	6,285	RL Group
CO ₂ emissions Emissions for each category under Scope 3	Cat 1	t-CO ₂ 1,163,233	906,258	718,140	737,697	RL Group
	Cat 13	t-CO ₂ 499,420	490,424	242,071	258,617	RL Group
Recycling rate of Ricoh products upon termination of lease contracts	%	99.8	99.8	99.7	99.8	
Recycling rate of products other than Ricoh products upon termination of lease contracts	%	83.3	85.9	87.8	88.2	
Actual results of products introduced that comply with the Green Purchasing Act	Copy machines	%	99.8	98.7	99.5	99.8 Copy machines only
Handling volume in environment-related field/business investment	Billion yen	56.8	58.6	48.0	31.4	

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, 2022–March 31, 2023 Scope of tabulation: Ricoh Leasing Company, Ltd., Techno Rent Co., Ltd.

1 Environmental conservation cost

Classification	FY2021		Content of major initiatives	FY2022	
	Environmental investment	Environmental expenses		Environmental investment	Environmental expenses
1. Costs within business premises	9.95	8.41	—	17.81	10.65
(1) Global environment conservation cost	7.84	6.73	Energy conservation (computer replacement, eco-car replacements)	16.88	9.46
(2) Resource recycling cost	2.11	1.68	Resource saving (reduction of paper use, etc.)	0.93	1.19
2. Upstream and downstream cost	0.00	446.37	Expenses for collection, disposal, etc. of equipment upon termination of lease contracts	0.00	503.89
3. Cost for management activities	0.00	57.97	Cost for environmental activities, integrated report production expenses, EMS (Environmental Management System) accreditation expenses, etc.	0.00	66.39
4. Social activities cost	0.00	2.30	The Green Donation, etc.	0.00	9.92
5. Environmental remediation cost	0.00	0.00	—	0.00	0.00
Total	9.95	515.05	—	17.81	590.85

2 Environmental conservation effect

Item	FY2021	FY2022
	Environmental burden reduction	Environmental burden reduction
CO ₂ emissions (t-CO ₂)	111.90	299.1
NO _x emissions (t)	(0.11)	0.045
Final waste disposal (t) (excluding Techno Rent Co., Ltd.)	(0.31)	(0.25)
Reduction in paper use (vs. previous year, thousand sheets)	671.4	(221.9)

3 Economic impact

Classification	FY2021	Content of major initiatives	FY2022
	Monetary effect		Environmental investment
1. Costs within business premises	(4.04)	—	0.11
(1) Global environment conservation cost	(5.14)	Energy conservation (reduction in gasoline, electricity use, etc.)	(0.56)
(2) Resource recycling cost	1.10	Resource saving (reduction of paper use, etc.)	0.67
2. Upstream and downstream cost	5,751.7	Proceeds from sale of equipment upon lease contract termination	6,253.7
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	5,747.7	—	6,253.8

4 Environmental burden

Item	FY2021	FY2022
	Total volume	Total volume
CO ₂ emissions (t-CO ₂)	764.0	464.9
NO _x emissions (t)	1.35	1.31
Final waste disposal (t) (excluding Techno Rent Co., Ltd.)	2.02	2.27
Volume of paper use (thousand sheets)	5974.2	6196.1
Waste emissions (t)	358.58	320.44
Non-industrial waste (t)	35.14	33.02
Industrial waste (t)	323.44	287.42

5 Environmental management indicators

Indicator	FY2021	FY2022
Ratio of eco profit: Economic impact	11.16	10.58
Environmental conservation cost		

Environmental accounting review

1. Environmental conservation cost

Environmental expenses increased by 75 million yen from the previous fiscal year to 590 million yen, 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

Despite an increase in energy volume due to increased sales activities, CO₂ emissions were reduced by 299 t-CO₂ compared with the previous fiscal year by offsetting the purchase of environmental value created by our solar power generation business through tracked non-fossil certificates.

3. Economic impact

Upstream and downstream impact from end-of-lease equipment sales resulted in an increase of 500 million yen compared to the previous fiscal year based on 3Rs promotion, amounting to 6.253 billion yen.

4. Environmental burden

Waste emissions decreased by 38 tonnes to 320 tonnes compared to the previous fiscal year due to increased remote work and the higher work-from-home ratio, as well as the absence of special factors for industrial waste emissions due to office relocation.

5. Environmental management indicators

The ratio of eco profit in fiscal 2022 was on par with the previous fiscal year, due to greater economic effects of strengthening 3Rs.



Social

Scope of report: Ricoh Leasing Company, Ltd. (excluding consolidated employees)

	Unit	FY2019	FY2020	FY2021	FY2022	Remarks (coverage, data tabulation period, tabulation method)
Number of employees	Total	Persons 899	963	1,025	1,054	As of end of fiscal year
	Male	Persons 473	503	538	555	
	Female	Persons 426	460	487	499	
Number of employees on a consolidated basis	Total	Persons 1,042	1,156	1,227	1,588	As of end of fiscal year
Average age	Total	Years old 41	40.7	40.8	41.1	As of end of fiscal year
	Male	Years old 43.3	43	43	43.3	
	Female	Years old 38.4	38.3	38.4	38.7	
Length of service	Total	Years 13.8	13.7	13.4	13.7	As of end of fiscal year
	Male	Years 15.6	15.4	14.8	15.2	
	Female	Years 11.8	11.6	11.7	12.0	
Average annual salary	Yen	6,935,000	6,805,000	6,931,733	7,147,558	Calculated for the period between April and March for each fiscal year
Number of temporary workers	Persons	65	69	63	62	As of end of fiscal year
Number of foreign workers	Persons	0	0	2	2	As of end of fiscal year
Hiring of new graduates	Total	Persons 17	17	14	15	The column for 2022 indicates new graduates hired in April 2023
	Male	Persons 9	7	6	7	
	Female	Persons 8	10	8	8	
Mid-career recruitment	Total	Persons 64	72	72	40	As of end of fiscal year Limited to full-time employees
	Male	Persons 29	31	43	21	
	Female	Persons 35	41	29	19	
Turnover	Total	Persons 20	14	22	23	As of end of fiscal year Limited to full-time employees
	Male	Persons 9	3	10	11	
	Female	Persons 11	11	12	12	
Turnover rate	Total	% 2.2	1.5	2.1	2.3	
Stability of new graduates hired	Total	Persons 7/9	15/17	13/15	17/17	The column for 2019 indicates new graduates hired in April 2017 and those in the Company's employ as of April 2020. The column for 2020 indicates new graduates hired in April & October 2018 and those in the Company's employ as of April 2021. The column for 2021 indicates new graduates hired in April & October 2019 and those in the Company's employ as of April 2022. The column for 2022 indicates new graduates hired in April 2020 and those in the Company's employ as of April 2023.
	Male	Persons 4/4	8/8	7/8	9/9	
	Female	Persons 3/5	7/9	6/7	8/8	
Managers	Total	Persons 233	250	271	278	Each number indicates that as of April 1 of the following fiscal year.
	Male	Persons 190	199	215	214	
	Female	Persons 43	51	56	64	
of which General Managers or higher positions	Total	Persons 56	55	59	52	Each number indicates that as of April 1 of the following fiscal year.
	Male	Persons 52	52	54	48	
	Female	Persons 4	3	5	4	
Officers	Total	Persons 27	31	30	33	Each number indicates that as of April 1 of the following fiscal year. Including executive officers and corporate associates
	Male	Persons 23	25	25	27	
	Female	Persons 4	6	5	6	
Ratio of female managers	%	18.5	20.4	20.7	23.0	Each number indicates that as of April 1 of the following fiscal year.
Ratio of female leaders (leaders: managerial position + group leader)	%	24.9	26.4	26.1	29.3	Each number indicates that as of April 1 of the following fiscal year.
Ratio of working mothers among all female employees	%	35	35.4	34.5	36.4	As of end of fiscal year
Ratio of working mothers who are in managerial positions	%	5.4	6.8	9.6	11.0	As of end of fiscal year
Employees with disabilities	Persons	15	18	20	21	As of end of fiscal year
Percentage of employees with disabilities	%	2.32	2.37	2.42	2.54	As of end of fiscal year
Number of employees who took maternity leave	Persons	20	19	18	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 30	30	36	47	Persons whose childcare leave started during the period between April 1 and March 31 for each fiscal year
	Male	Persons 11	13	18	24	
	Female	Persons 19	17	18	23	
Ratio of employees who returned to work after childcare leave	%	97	100	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 0	0	0	0	
	Male	Persons 0	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	2	
Number of persons who participated in volunteer activities	Persons	172	12	17	52	Total number of persons
Engagement score		68	71	72	72	2019 (June 2020), 2020 (July 2021), 2021 (June 2022), 2022 (June 2023)
Ratio of employees who took paid leave	%	81.5	67.8	73.9	79.8	Calculated based on the period between January and December (per person average)
Total annual working hours	Hours	1,711	1,689	1,801	1,826	Calculated based on the period between April and March (per person average)
Overtime working hours	Hours	151	136	153	177	Calculated based on the period between April and March (per person average)
Average monthly overtime hours	Hours	12.6	10.4	12.3	14.6	Calculated based on the period between April and March (per person average)
Number of occupational accidents	Cases	2	1	2	2	Including accidents while commuting
Number of employees who took mental health leave	Persons	13	9	5	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	%	97.4	99.1	98.2	91.6	
Uterine cancer screening uptake rate	%	95.5	94.4	97.9	86.6	
Cigarette smoking rate	%	17.6	13.6	13.2	11.9	
Cost of education per person	Yen	56,402	29,838	35,122	39,730	Full-time employees: 1,080
Training period per person	Hours	8.8	10.1	11.8	12.2	Full-time employees: 1,080
Social contribution activities expenditures	Yen	4,400,000	4,200,000	5,030,000	37,701,320	Donations, etc., under the Abundant Future Reserve system from 2022

Governance

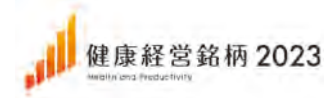
	Unit	FY2019	FY2020	FY2021	FY2022		
Board of Directors	Number of meetings held	Times	14	12	14	14	Fiscal year (April–March)
	Number of directors	Persons	11	13	13	13	Number of directors after the Ordinary General Meeting of Shareholders. Including corporate auditors after 2020
	of which number of independent outside directors	Persons	5	7	8	8	Including corporate auditors after 2020
	Average attendance rate of directors	%	99	100	100	100	Directors who were in office during the fiscal year (April–March). Including corporate auditors after 2020
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	19	18	22	23	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	3	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	211	259	228	228	Including corporate auditors before June 24, 2020	
Number of inquiries to the internal whistle-blowing and consultation desk	Cases	5	3	2	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

- Keidanren Initiative for Biodiversity Conservation
- Keidanren Committee on Nature Conservation
- Council for Better Corporate Citizenship

External evaluations of sustainability



Selected as a Health and Productivity Stock 2023
Selected as a Health and Productivity Stock jointly by the Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange for the sixth consecutive year since 2018.



Certified under the 2023 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 seven consecutive years since 2017.



Selected for Human Capital Leaders 2022
The Company was selected for Human Capital Leaders 2022 in the Human Capital Survey 2022. This survey examines the human capital management initiatives undertaken by companies and organizations in Japan, based on which a panel of experts selects examples of outstanding corporate initiatives.



Received Silver in the PRIDE Indicator 2022
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 for two consecutive years from 2021.)



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.



Selected as a constituent stock of the FTSE Blossom Japan Sector Relative Index
The Company was selected by FTSE Russell, a global index provider, for an index that reflects the performance of Japanese companies with excellent ESG responsiveness in their respective sectors.



Rated 4 stars in Nikkei SDGs Management Survey
The Company received a 4-star rating in the Nikkei SDGs Management Survey for 2022, a survey run by Nikkei Inc., which evaluates companies in initiatives that contribute to achieving the SDGs.



Selected for CDP SER2022 Received B rating in CDP Climate Change Report 2022
The Company received the highest rating in the Supplier Engagement Rating by CDP, an international non-profit organization. In addition, it received a management level B rating in the Climate Change Report 2022.

Corporate Information and Stock Information

(As of March 31, 2023)

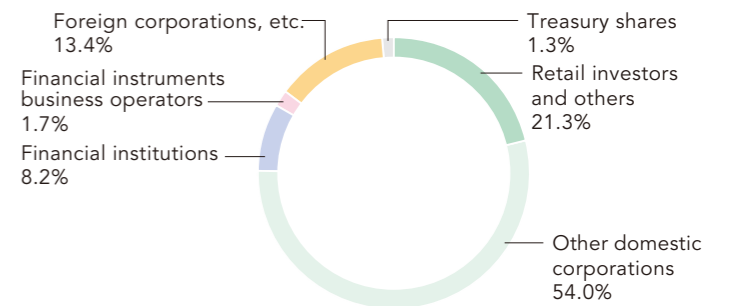
Corporate overview

Trade name Ricoh Leasing Company, Ltd.
Share capital 7,896 million yen
Market Tokyo Stock Exchange Prime Market (Securities Code: 8566)
Number of employees 1,588 (on a consolidated basis)
Founded December 1976
Business description Leases & Finance Business Services Business Investment Business

Status of stock

Total number of issuable shares 120,000,000 shares
Total number of issued shares 31,243,223 shares
Number of shareholders 58,218 (shareholders holding full stock units: 47,635)
Number of shares per unit 100 shares

Shares held by shareholder category



Sales bases

Hokkaido Sapporo
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/Shikoku Hiroshima, Okayama, Takamatsu
Kyushu Fukuoka, Kumamoto and Naha
Group companies Techno Rent Co., Ltd. Enplus Inc. Welfare Suzuran Co., Ltd. Tokyo Business Rent Co., Ltd.

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)	1,832	5.9
Custody Bank of Japan, Ltd. (Trust account)	555	1.8
DFA INTL SMALL CAP VALUE PORTFOLIO	377	1.2
RE FUND 107-CLIENT AC	346	1.1
STATE STREET BANK AND TRUST COMPANY 505001	319	1.0
SMBC Nikko Securities Inc.	290	0.9
BBH FOR FIDELITY LOW-PRICED STOCK FUND (PRINCIPAL ALL SECTOR SUBPORTFOLIO)	286	0.9
THE BANK OF NEW YORK, TREATY JASDEC ACCOUNT	285	0.9

Notes:
1. Treasury stock held by the Company (418,481 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

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/stable	A-2