

GREEN BOND / GREEN BOND PROGRAMME INDEPENDENT EXTERNAL REVIEW FORM

Section 1. Basic Information

Issuer name:	Ricoh Leasing Company, Ltd.
Green Bond ISIN or Issuer Green Bond Framework Name, if applicable:	38th unsecured bond
Independent External Review provider's name:	Japan Credit Rating Agency, Ltd.
Completion date of this form:	October 4, 2019
Publication date of review publication:	October 4, 2019

Section 2. Review overview

SCOPE OF REVIEW

The following may be used or adapted, where appropriate, to summarise the scope of the review.

The review assessed the following elements and confirmed their alignment with the GBPs:

- | | |
|--|--|
| <input checked="" type="checkbox"/> Use of Proceeds | <input checked="" type="checkbox"/> Process for Project Evaluation and Selection |
| <input checked="" type="checkbox"/> Management of Proceeds | <input checked="" type="checkbox"/> Reporting |

ROLE(S) OF Independent External REVIEW PROVIDER

- | | |
|---|--|
| <input type="checkbox"/> Second Party Opinion | <input type="checkbox"/> Certification |
| <input type="checkbox"/> Verification | <input checked="" type="checkbox"/> Scoring/Rating |
| <input type="checkbox"/> Other (<i>please specify</i>): | |

Note: In case of multiple reviews / different providers, please provide separate forms for each review.

EXECUTIVE SUMMARY OF REVIEW and/or LINK TO FULL REVIEW *(if applicable)*

Ricoh Leasing Company Ltd. (hereinafter, "Ricoh Leasing") was established in 1976 for supporting the sales of Ricoh Group products financially. Ricoh Company Limited (hereinafter, "Ricoh"), a parent company of Ricoh Leasing (Shareholding ratio at 53.0%) is a manufacturer whose major products are copy machines and medical machineries, etc. Ricoh leasing's major business is to provide leasing and installing office appliances, IT related appliances, medical machinery, to provide financial services for loans to corporate and individuals and commission business.

As a member of the Ricoh Group, Ricoh Leasing has been providing services that contribute to solve environmental and other social issues since 2000's. While sharing its commitment to the environment with its group companies, Ricoh Leasing has established an awareness of environmental issues and action targets that take into account its core business, leasing, and is continuing its activities that contribute to the environment. The bonds subject to evaluation (the "Bonds") are straight bonds issued by Ricoh Leasing. The proceeds of the Bonds are expected to contribute to 19,000 tons or more of annual CO2 emission reductions by refinancing an existing small-scale hydroelectric power generation facilities and solar power generation facilities that Ricoh Leasing acquired as assets subject to installment contracts. Small-scale hydroelectric power generation facilities are to be donated to Ito City, Shizuoka Prefecture after the end of the electricity selling period under the FIT system (feed-in tariff system), contributing not only to the environment but also to local communities. JCR confirmed that the department in charge of the Ricoh Leasing reviewed the facility details and the possibility of any risks for all small hydro and solar PV facilities constructions and operations. As a result, JCR resulted that these projects have little possibilities that the negative impacts on the environment may surpass the positive impacts and JCR considered them as green projects which largely contribute to CO2 emission reduction. JCR also confirmed Ricoh Leasing's solid management and operation system and high transparency in implementing the green projects, as one of its various efforts for environmental issues as a member of Ricoh Group.

Based on the Green Bond Evaluation Methodology, JCR assigns "g1" for the "Greenness Evaluation (Use of Proceeds)" and "m1" for the "Management, Operation and Transparency Evaluation". Consequently, JCR assigns "Green1" for overall "JCR Green Bond Evaluation" to the Bonds. The Bonds are considered to meet the standards for the items required by the Green Bond Principles and the Green Bond Guideline of the Ministry of the Environment of Japan.

<https://www.jcr.co.jp/en/greenfinance/>

Section 3. Detailed review

Reviewers are encouraged to provide the information below to the extent possible and use the comment section to explain the scope of their review.

1. USE OF PROCEEDS

Overall comment on section (if applicable):

a. On the environmental improvement effects of the project

- i. 100% of the proceeds are refinancing small hydroelectric and solar power generation facilities, which are highly effective in reducing CO2.

- ii. Among the Green Bond Principles or the Green Bond Guidelines defined by the Ministry of the Environment, this use of proceeds falls under "Renewable Energy".

b. Negative impact on Environment

Ricoh Leasing conducts preliminary examinations, and takes necessary measures to any possible risks that could have a negative impact on the projects subject to Green Bonds.

Although most project sites do not have any problems in terms of location, some projects are located in sediment warning areas, flooding areas, volcanic hazards, etc. in hazard maps. JCR confirmed that in the event of an unexpected natural disaster, etc., the subject assets have been compensated by insurance and efforts should be made for reconstruction, and that the possibility of replacement of assets should be considered in the case of irreversible reconstruction.

With regard to small hydroelectric power generation, there is no construction of new reservoirs, conduits, etc. The power generation facility uses an existing water storage dam, water purification plant facilities as its reservoirs, and conduits connecting dams and water purification plants. Therefore, there is no significant negative impact on the surrounding environment.

Use of proceeds categories as per GBP:

- | | |
|--|--|
| <input checked="" type="checkbox"/> Renewable energy | <input type="checkbox"/> Energy efficiency |
| <input type="checkbox"/> Pollution prevention and control | <input type="checkbox"/> Environmentally sustainable management of living natural resources and land use |
| <input type="checkbox"/> Terrestrial and aquatic biodiversity conservation | <input type="checkbox"/> Clean transportation |
| <input type="checkbox"/> Sustainable water and wastewater management | <input type="checkbox"/> Climate change adaptation |
| <input type="checkbox"/> Eco-efficient and/or circular economy adapted products, production technologies and | <input type="checkbox"/> Green buildings |
| <input type="checkbox"/> Unknown at issuance but currently expected to conform with GBP categories, or other eligible areas not yet stated in GBPs | <input type="checkbox"/> Other (<i>please specify</i>): |

If applicable please specify the environmental taxonomy, if other than GBPs:

2. PROCESS FOR PROJECT EVALUATION AND SELECTION

Overall comment on section (if applicable):

The Company has established clear environmental objectives, project selection criteria, and processes for the use of proceeds.
Such matters are disclosed in the JCR's evaluation report.

Evaluation and selection

- | | |
|--|---|
| <input checked="" type="checkbox"/> Credentials on the issuer's environmental sustainability objectives | <input checked="" type="checkbox"/> Documented process to determine that projects fit within defined categories |
| <input checked="" type="checkbox"/> Defined and transparent criteria for projects eligible for Green Bond proceeds | <input checked="" type="checkbox"/> Documented process to identify and manage potential ESG risks associated with the project |
| <input checked="" type="checkbox"/> Summary criteria for project evaluation and selection publicly available | <input type="checkbox"/> Other (please specify): |

Information on Responsibilities and Accountability

- | | |
|---|---|
| <input type="checkbox"/> Evaluation / Selection criteria subject to external advice or verification | <input checked="" type="checkbox"/> In-house assessment |
| <input type="checkbox"/> Other (please specify): | |

3. MANAGEMENT OF PROCEEDS

Overall comment on section (if applicable):

According to the prospectus, proceeds are used for refinancing of CP issued for purchasing small hydroelectric and solar power generation facilities. JCR confirmed that any other purposes are not expected.
About the account management, an account for proceeds and an account for CP financing are specified. Since the proceeds are promptly allocated to redemption of the commercial papers, JCR confirmed that it would be enough to track the account of the proceeds only one time, when it would be used for CP redemption.
Ricoh leasing shall allocate the proceeds to CP redemption with the approval of the responsible executive officer. In addition, it plans to conduct internal audit for internal control purpose.

Tracking of proceeds:

- | |
|---|
| <input checked="" type="checkbox"/> Green Bond proceeds segregated or tracked by the issuer in an appropriate manner |
| <input checked="" type="checkbox"/> Disclosure of intended types of temporary investment instruments for unallocated proceeds |
| <input type="checkbox"/> Other (please specify): |

Additional disclosure:

- | | |
|--|--|
| <input type="checkbox"/> Allocations to future investments only | <input type="checkbox"/> Allocations to both existing and future investments |
| <input type="checkbox"/> Allocation to individual disbursements | <input type="checkbox"/> Allocation to a portfolio of disbursements |
| <input type="checkbox"/> Disclosure of portfolio balance of unallocated proceeds | <input checked="" type="checkbox"/> Other (please specify):
<i>Allocations only to existing investments</i> |

4. REPORTING

Overall comment on section (if applicable):

a. Reporting on proceeds allocation

As was described in the previous section, no reporting during the past year about unallocated portion is planned, since all the proceeds are promptly allocated to CP redemption.

However, if any unallocated portion may occur due to the clients of installment contract purchasing the hydroelectric and solar power generation facilities, Ricoh leasing will promptly select an alternative facility to allocate the unallocated portion. If such unallocated portion may occur, Ricoh leasing will report such allocated situation changes in its reporting.

b. Impact reporting for environmental benefits

Ricoh Leasing will report CO2 emission reduction by using theoretical value of power generations and coefficients after adjustment. These reporting shall be disclosed in its website.

Use of proceeds reporting:

Project-by-project

On a project portfolio basis

Linkage to individual bond(s)

Other *(please specify)*:

Information reported:

Allocated amounts

Green Bond financed share of total investment

Other *(please specify)*:

frequency:

Annual

Semi-annual

Other *(please specify)*:

Impact reporting:

Project-by-project

On a project portfolio basis

Linkage to individual bond(s)

Other *(please specify)*:

frequency:

Annual

Semi-annual

Other *(please specify)*:

Information reported (expected or ex-post):

GHG Emissions / Savings

Energy Savings

Decrease in water use

Other ESG indicators *(please specify)*:

Means of Disclosure

- | | |
|--|---|
| <input type="checkbox"/> Information published in financial report | <input type="checkbox"/> Information published in sustainability report |
| <input type="checkbox"/> Information published in ad hoc documents | <input checked="" type="checkbox"/> Other (<i>please specify</i>):
Show on the website |
| <input checked="" type="checkbox"/> Reporting reviewed | |

Where appropriate, please specify name and date of publication in the useful links section.

USEFUL LINKS (*e.g. to review provider methodology or credentials, to issuer's documentation, etc.*)

Ricoh Leasing Company's website about CSR efforts	http://www.r-lease.co.jp/csr/index.html (Provided in Japanese only)
JCR's website about green bond evaluation methodology	https://www.jcr.co.jp/en/greenfinance/

SPECIFY OTHER EXTERNAL REVIEWS AVAILABLE, IF APPROPRIATE

Type(s) of Review provided:

- | | |
|---|--|
| <input type="checkbox"/> Second Party Opinion | <input type="checkbox"/> Certification |
| <input type="checkbox"/> Verification | <input checked="" type="checkbox"/> Scoring/Rating |
| <input type="checkbox"/> Other (<i>please specify</i>): | |

Review provider(s): Japan Credit Rating Agency, Ltd.

Date of publication: October 4, 2019

ABOUT ROLE(S) OF INDEPENDENT REVIEW PROVIDERS AS DEFINED BY THE GBP

- 1. Second Party Opinion:** An institution with environmental expertise, that is independent from the issuer may issue a Second Party Opinion. The institution should be independent from the issuer's adviser for its Green Bond framework, or appropriate procedures, such as information barriers, will have been implemented within the institution to ensure the independence of the Second Party Opinion. It normally entails an assessment of the alignment with the Green Bond Principles. In particular, it can include an assessment of the issuer's overarching objectives, strategy, policy and/or processes relating to environmental sustainability, and an evaluation of the environmental features of the type of projects intended for the Use of Proceeds. 1.
- 2. Verification:** An issuer can obtain independent verification against a designated set of criteria, typically pertaining to business processes and/or environmental criteria. Verification may focus on alignment with internal or external standards or claims made by the issuer. Also, evaluation of the environmentally sustainable features of underlying assets may be termed verification and may reference external criteria. Assurance or attestation regarding an issuer's internal tracking method for use of proceeds, allocation of funds from Green Bond proceeds, statement of environmental impact or alignment of reporting with the GBP, may also be termed verification.
- 3. Certification:** An issuer can have its Green Bond or associated Green Bond framework or Use of Proceeds certified against a recognised external green standard or label. A standard or label defines specific criteria, and alignment with such criteria is normally tested by qualified, accredited third parties, which may verify consistency with the certification criteria.
- 4. Green Bond Scoring/Rating:** An issuer can have its Green Bond, associated Green Bond framework or a key feature such as Use of Proceeds evaluated or assessed by qualified third parties, such as specialised research providers or rating agencies, according to an established scoring/rating methodology. The output may include a focus on environmental performance data, the process relative to the GBP, or another benchmark, such as a 2-degree climate change scenario. Such scoring/rating is distinct from credit ratings, which may nonetheless reflect material environmental risks.