Consolidated Results for Three Months Ended June 30, 2016

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RICOH MP C2504 color multifunction printer

RICOH MP 9003 high-speed monochrome multifunction printer

August 5, 2016
Ricoh Company, Ltd.

The new RICOH MP C2504 and RICOH MP MP 9003/7503/6503 series are part of an expanded lineup of advanced multifunction printers incorporating the Smart Operation Panel

Forward-looking statements

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The plans, prospects, strategies and other statements, except for the historical events, mentioned in this material are forward-looking statements with respect to future events and business results. Those statements were made based on the judge of RICOH's Directors from the information that is now obtainable. Actual results may differ materially from those projected or implied in such forward-looking statements and from any historical trends. Please refrain from judging only from these forward-looking statements with respect to future events and business results. The following important factors, without limiting the generality of the foregoing, could affect future results and could cause those results to differ materially from those expressed in the forward-looking statements:

a. General economic conditions and business trend
b. Exchange rates and their fluctuations
c. Rapid technological innovation
d. Uncertainty as to RICOH's ability to continue to design, develop, produce and market products and services that achieve market acceptance in hot competitive market

No company's name and/or organization's name used, quoted and/or referenced in this material shall be interpreted as a recommendation and/or endorsement by RICOH.

This material is not an offer or a solicitation to make investments. Please do not rely on this material as your sole source of information for your actual investments, and be aware that decisions regarding investments are the responsibility of themselves.

We have **adopted a net basis for reporting a portion of lease** transactions from this fiscal year in place of gross basis. Past sales figures and related indicators have also been adjusted retroactively to conform to the current year.

Regarding the financial reporting of our overseas affiliated company

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- As disclosed to the Tokyo Stock Exchange (TSE) on May 19, 2016 (Notice titled "Notice relating to the financial reporting of our overseas affiliated company"), our consolidated subsidiary, Ricoh India Limited (Headquarters: New Delhi, Bombay Stock Exchange – referred to as 'Ricoh India' from here) acknowledged the delayed submission of their financial results for the fiscal year 2016 ended March 31.
- We also disclosed to the TSE on July 19, 2016 (Notice titled "Notice relating to the capital increase of our overseas affiliated company"), that Ricoh was in the process of filing a petition to the National Company Law Tribunal in India regarding a capital increase for Ricoh India, after it announced an estimation of the unaudited loss of the fiscal year 2016 ended March 31.
- Ricoh India appointed a new CEO in April. In addition, on July 25, Ricoh India appointed a new chairman of its board of directors, as part of renewing its governance system.
- Under the new management system, Ricoh India proceeded its internal examination and accounting, and was able to complete the announcement of their estimated unaudited financial results for the fiscal year 2016 ended March 31.
- We do not anticipate any revision to the already published consolidated results for the fiscal year 2016 ended March 31. However, in the outlook for the fiscal year 2017 ending March 31, 2017, we have recognized an additional cost of 6.5 billion Japanese yen in after tax profit to reflect the aforementioned event.
- If there is any further information that should be disclosed with regards Ricoh India as the situation develops, it will be shared promptly.

- We would like to start by explaining the financial reporting of our overseas affiliated company.
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Key Indicators

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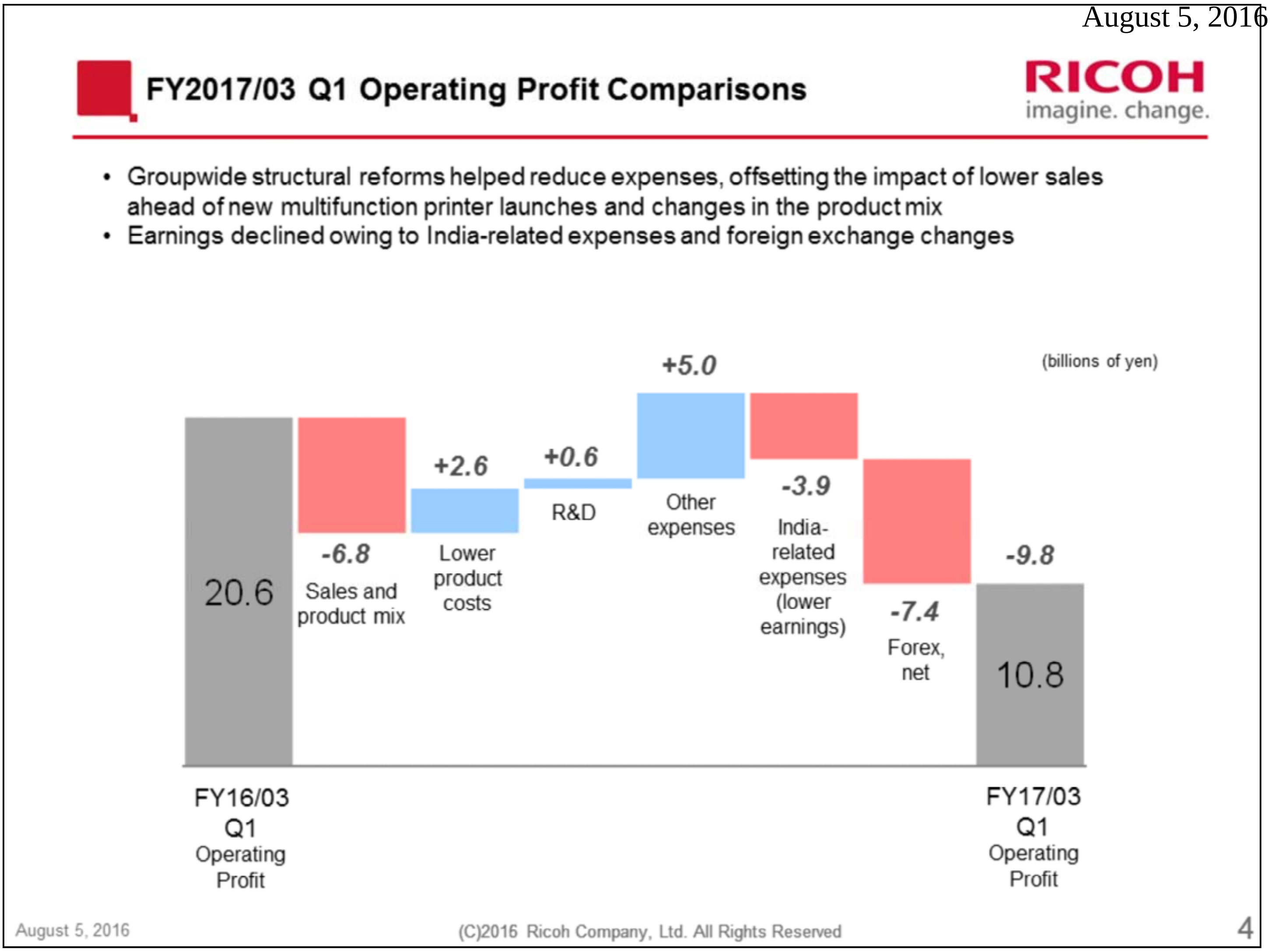
	FY17/03 Q1	Change
Sales	487.7 billion yen	-9.5%
Operating profit	10.8 billion yen	-47.4%
Operating margin	2.2%	-1.6 pt
Profit attributable to owners of the parent	4.7 billion yen	-63.3%
EPS	6.58 yen	-11.33 yen
Free Cash flow Excluding Finance business	17.1 billion yen	+16.0 billion yen
R&D expenditures	26.8 billion yen	-0.1 billion yen
Capital expenditures	16.0 billion yen	-4.5 billion yen
Depreciation	16.3 billion yen	-0.9 billion yen
Exchange rate Yen/US$	108.08 yen	-13.23 yen
Yen/Euro	121.97 yen	-12.25 yen

Sales change excluding forex

Japan	-0.4%
The Americas	-6.2%
EMEA	-1.3%
Other	-3.3%
Consolidated	-2.8%

- Consolidated sales for the first quarter of this fiscal year decreased 9.5%, to ¥487.7 billion, primarily because of foreign exchange fluctuations.
- With that element excluded, the underlying decline was 2.8%. Key factors were generally adverse operating conditions in the office equipment market, as well as slow demand for Ricoh’s core multifunction printer offerings in anticipation of new product launches.
- Operating profit thus fell 47.4%, to ¥10.8 billion. Exacerbating the negative impact of foreign exchange changes, India-related expenses of ¥3.9 billion.
- Profit attributable to owners of the parent was down from the previous corresponding period.
- Free cash flow excluding the finance business was up from a year earlier, reflecting a working capital improvement and solid capital investment management.



- Operating profit was down ¥9.8 billion from a year earlier.
- Key elements in the sales and product mix, cut ¥6.8 billion from operating profit, were lower sales ahead of new multifunction printer launches and changes in that mix as a result of greater demand for A4 multifunction printers.
- Offsetting that factor were lower product costs, greater research and development efficiencies, and progress with cost reductions from companywide structural reforms.
- Downside factors as India-related expenses and foreign exchange fluctuations impacted operating profit.

Progress with Key Initiatives for FY17/03

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Key Initiatives

Reinforce profitability of core businesses

- Launching advanced MFPs to expand sales of high-value-added offerings
  Rolling out six color and three monochrome models

MP C6004

Accelerate profit contributions through new businesses

- participation in drupa 2016
- Reinforcing lineup of inkjet heads for industrial printing

Ricoh's booth at drupa 2016

Improve companywide structure

- Reviewing business processes and shifting personnel into growth fields

- I will now outline progress in the first quarter with key initiatives unveiled in April. These initiatives got off to good starts.

Reinforce profitability of core businesses

✓ June through July saw rollouts on schedule for advanced MFPs to expand sales of high-value-added offerings. The launches encompassed six color and three monochrome models.

✓ As the launches were after the first quarter, we look forward to these systems contributing to results in the second quarter and beyond.

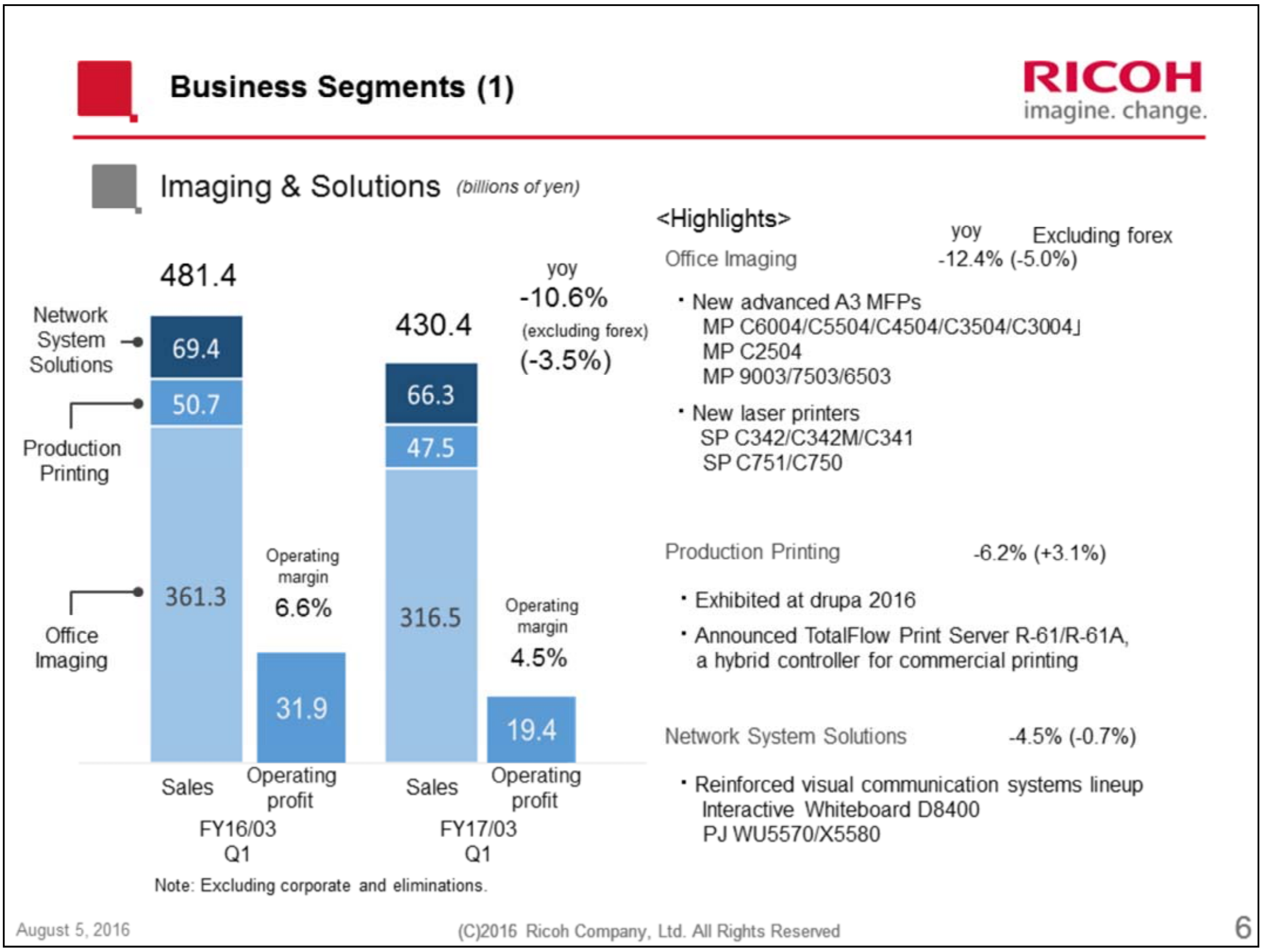
Accelerate profit contributions through new businesses

✓ We exhibited at drupa 2016 to attract prospective new customers as part of our drive to expand our presences in commercial and industrial printing, this 9should also contribute to results from the second quarter.

✓ Also during the term, we announced new inkjet heads for industrial printing.

Improve companywide structure

✓ We continued our drive to review business processes and shift personnel into growth fields, reducing costs significantly more than anticipated at the start of the year.



Imaging & Solutions

- ✓ Revenues and earnings declined owing to foreign exchange fluctuations, lower sales from office imaging, and the impact of India-related expenses.

Office Imaging

- ✓ Revenues declined owing to the foreign exchange impact and reduced revenues for core MFPs. While unit sales of MFPs were flat year-on-year, sales dropped for A3 models ahead of new product launches. At the same time, sales rose for A4 models, particularly in Europe and Asia, so the product mix changed. Non-hardware sales were again down somewhat, reflecting lower unit prices, exacerbating falls in revenues and earnings. From the second quarter, new models released in June should steadily drive performance.

Production Printing

- ✓ Revenues would have risen if not for foreign exchange fluctuations. Hardware sales were down, but this was because they had risen so much a year earlier owing to new product launches. Non-hardware sales again increased steadily, reflecting a machine-in-field expansion a year before. We are set to expand sales from the second quarter in view of solid marketing activities, our participation in drupa 2016 being one such effort, and look to attract orders.

Network System Solutions

- ✓ After factoring out foreign exchange fluctuations, sales declined 0.7%. The downturn was temporary and confined to other regions. We will continue endeavoring to reinforce our position for further expansion, including by bolstering our visual communication lineup.

Business Segments (2)

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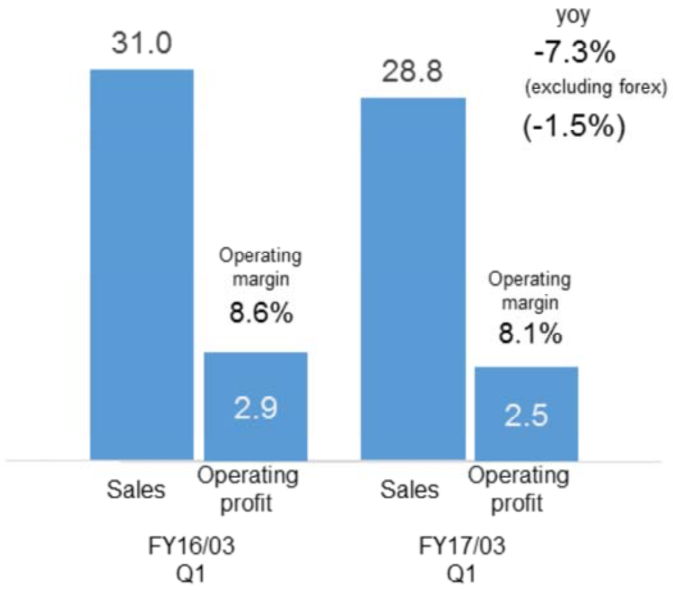
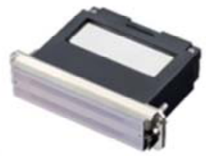
Industrial Products *(billions of yen)*



Note: Excluding corporate and eliminations.

<Highlights>

- Reinforced industrial inkjet product lineup
  RICOH MH5220 inkjet head
  New inkjet print head employing thin-film piezo actuator
- Stronger lineup of camera modules for factory automation
  RICOH SC-10A assembly support camera system FL-BC1618-9M factory automation lens
- Stronger electronic device range
  R5112S power IC for vehicular applications」
  R1580N driver controller IC for LED lighting」



RICOH MH5220 industrial printing inkjet head for high-precision printing and capable of jetting high-viscosity inks

RICOH SC-10A support camera system, which can automatically check assembly work results

- Sales were down for the segment overall. This reflected the impact of foreign exchange fluctuations and temporary downturns in revenues of our thermal media and semiconductor businesses. We enjoyed solid growth in highly promising industry and industrial inkjet businesses.
- Operating profit was down from a year earlier. This was due to higher expenditure to expand the inkjet business. We look for expansion in the second half of the year, with earnings getting back on track.
- We reinforced our lineup in the first quarter to propel businesses in this segment.

  ✓ Inkjet businesses: We announced and launched new inkjet heads to fuel expansion in the industrial printing business

  ✓ Industry businesses: We deployed an assembly support system and high-resolution cameras as part of efforts to reinforce our factory automation lineup

  ✓ Semiconductor businesses: We bolstered our offerings, including an IC for automotive applications

Business Segments (3)

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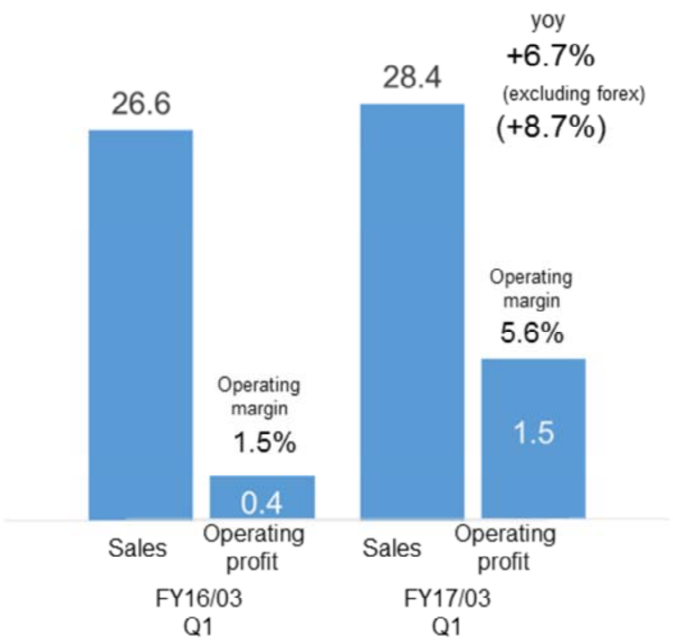
Other *(billions of yen)*



Note: Excluding corporate and eliminations.

<Highlights>

- Bolstered digital SLR camera range
  PENTAX K-70, an all-weather model for outdoor shooting
- Launched non-GPS-based indoor positioning system service
  First offering was service for medical facilities

PENTAX K-70

- Sales and operating profit rose for the segment. Key contributors were a strong performance in the domestic leasing and finance business and solid showings in the digital camera business, with the fully spherical THETA and the PENTAX K-1, a full-frame digital SLR, leading the way.
- We reinforced our lineup in the first quarter with the all-weather PENTAX K-70 digital SLR.
- We also launched our non-GPS-based indoor positioning system, the first offering being a system for medical facilities.

Statement of Financial Position as of June 30, 2016

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Assets

(billions of yen)	As of Jun 30, 2016	Change from Mar 31, '16
Current Assets	**1,232.1**	-41.0
Cash & time deposits	**191.4**	+22.8
Trade and other receivables	**509.8**	-54.3
Other financial assets	**269.7**	-2.6
Inventories	**206.1**	-0.8
Other current assets	**54.9**	-6.0
Non-current assets	**1,450.0**	-53.2
Property, plant and equipment	**265.1**	-11.4
Goodwill and intangible assets	**380.7**	-33.0
Other financial assets	**610.3**	-9.8
Other non-current assets	**193.7**	+1.0
Total Assets	**2,682.1**	-94.3

Exchange rate as of Jun 30, '16 : (Diff.from Mar 31, '16)
US$1 = ¥102.91 (- 9.77)
1 euro = ¥114.39 (-13.31)

Liabilities and Equity

(billions of yen)	As of Jun 30, 2016	Change from Mar 31, '16
Current Liabilities	**807.6**	+0.7
Bonds and borrowings	**297.1**	+36.3
Trade and other payables	**266.0**	-20.0
Other current liabilities	**244.4**	-15.5
Non-current Liabilities	**804.7**	-17.0
Bonds and borrowings	**584.3**	-7.7
Accrued pension&retirement benefits	**130.2**	-8.7
Other non-current liabilities	**90.1**	-0.5
Total Liabilities	**1,612.3**	-16.3
Total equity attributable to owners of the parent	**999.2**	-78.5
Noncontrolling Interest	**70.5**	+0.5
Total Equity	**1,069.7**	-77.9
Total Liabilities and Equity	**2,682.1**	-94.3
Total Debt	**881.4**	+28.6

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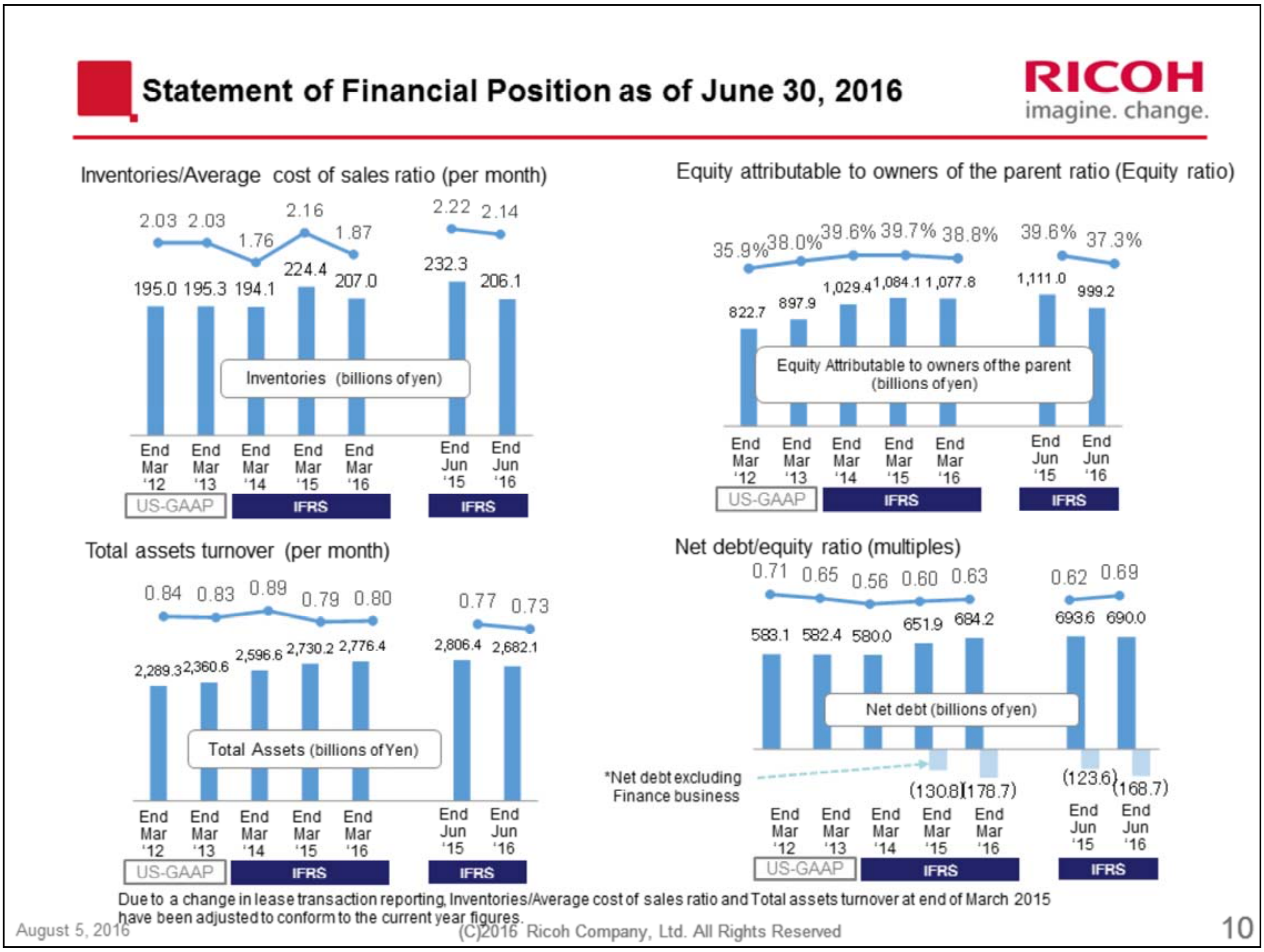
- Total assets declined mainly because of the foreign exchange impact and otherwise would have risen.
- Cash and time deposits were up owing to temporary funds pooling under global cash management. The goals have included enhancing cash management within the Group and minimizing foreign exchange risks.
- At the same time, interest-bearing debt increased.
- Accounts receivable were down, reflecting foreign exchange fluctuations and the seasonal impact of debt collections from sales in the previous year.



• There were no significant changes in financial position during the first quarter.

FY2017/03 Q1 Statement of Cash Flows

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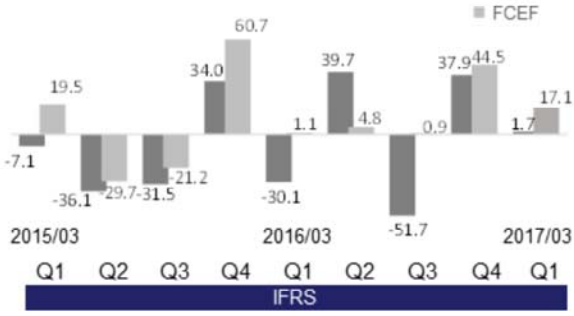
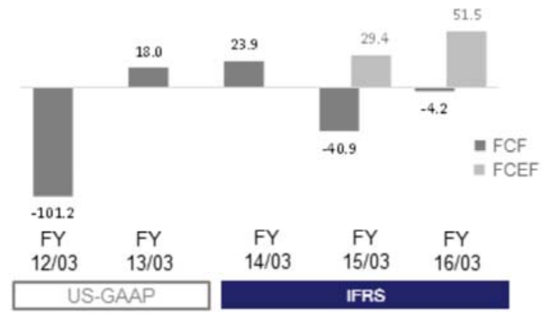
Working capital and other improvements boosted free cash flow excluding finance business by ¥16 billion

(billions of yen)	FY2016/03 Apr-Jun	FY2017/03 Apr-Jun
Profit	14.3	**6.3**
Depreciation and amortization	26.4	**25.8**
[Net profit + Depreciation and amortization]	[40.8]	[32.2]
Other operating activities	-40.4	**-4.5**
Net cash by operating activities	0.3	**27.6**
Plant and equipment	-20.5	**-15.0**
Purchase of business	-0.3	**-0.2**
Other investing activities	-9.6	**-10.6**
Net cash by investing activities	-30.5	**-25.9**
Increase (Decrease) of debt	51.8	**41.9**
Dividend paid	-12.3	**-12.6**
Other financing activities	-0.4	**-0.4**
Net cash by financing activities	39.1	**28.8**
Effect of exchange rate	3.0	**-11.1**
Net increase in cash and equivalents	12.0	**19.4**
Cash and equivalents at end of period	149.7	**186.9**
Free cash flow (Operating + Investing net cash)	-30.1	**1.7**
FCEF (Free cash flow excluding finance business)	1.1	**17.1**

<Quarterly>



<Annual Data>



*FCEF:ファイナンス事業を除くFCF

- Free cash flow excluding the finance business increased ¥16 billion from a year earlier, to ¥17.1 billion, reflecting working capital and other improvements.
- Net cash provided by operating activities was up from a year earlier, as a working capital improvement offset a decline in profit attributable to owners of the parent.
- Net cash used in investing activities was down from a year earlier.
- As a result of these factors, free cash flow was ¥1.7 billion, against negative ¥30.1 billion in the previous corresponding period. Free cash flow excluding the finance business was thus ¥17.1 billion.
- We will continue to generate cash by expanding earnings from our businesses while improving working capital, reviewing our asset portfolio, and scrutinizing investments.

Outlook for FY2017/03

	FY17/03 Forecast	Year-on-year change	Revision from previous forecast
Sales	2,040.0 billion yen	-7.7%	-130.0 billion yen
Operating profit	55.0 billion yen	-46.2%	-22.0 billion yen
Operating margin	2.7 %	-1.9 pt	-0.8 pt
Profit attributable to owners of the parent	30.0 billion yen	-52.4%	-14.0 billion yen
EPS	41.39 yen	-45.48 Yen	-19.31 yen
ROE	3.0%	-2.8 pt	-1.0 pt
FCEF*	20.0 billion yen	-31.5 billion yen	-10.0 billion yen
R&D expenditures	120.0 billion yen	+1.4 billion yen	-8.5 billion yen
Capital expenditures (tangible fixed asset)	85.0 billion yen	+1.2 billion yen	-5.0 billion yen
Depreciation	70.0 billion yen	+1.2 billion yen	-4.0 billion yen
Yen/US$	105.77 yen	-14.35 yen	-4.23 yen
Yen/Euro	116.74 yen	-15.94 yen	-8.26 yen

*FCEF: Free Cash flow Excluding Finance business

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- In April this year, management initially forecast that operating profit for the year would be ¥77 billion. It has lowered that projection to ¥55 billion.
- Management revised its full-year forecast in view of two major subsequent changes in business climate assumptions. One factor was that a large shift in foreign exchange assumptions owing to Brexit and other unforeseen developments. The other was that additional for India-related.
- With those two factors excluded, the initial operating profit outlook would be unchanged.
- From the second quarter, we look for solid growth in the production printing, industrial printing, industry, and other businesses. We also anticipate contributions from advanced MFPs and other new products and further gains from sales of high-value-added offerings.
- We will accelerate structural reform efforts and ensure that we reach our targets.

Full-Year Operating Profit Comparisons

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Previous forecast	+6.2	+10.0	-9.0	+1.0	---	-16.7
New forecast	-18.6	+10.0	-0.5	+17.6	-6.5	-32.4

- After factoring out the impact of ¥16.8 billion in nonrecurring income from gains in divestments of assets, operating profit for the year ended March 2016 would have been ¥85.4 billion.
- Our revision to operating profit for the current term, reflects a reduction in gains from the sales and product mix. This is in light of results in the first quarter, as well as reduced investment appetites among corporations and adverse business conditions for office operations.
- At the same time, we increased the other expenses reduction in view of first quarter results. We aim to benefit further from cost cutting as we accelerate structural reforms.
- The prime factors in our revised operating profit forecast are therefore additional expenses for India-related and a greater foreign exchange impact.

Shareholder Returns

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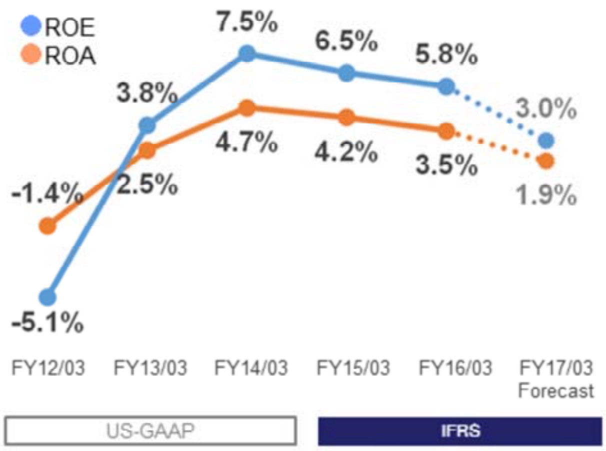
Shareholder returns policy

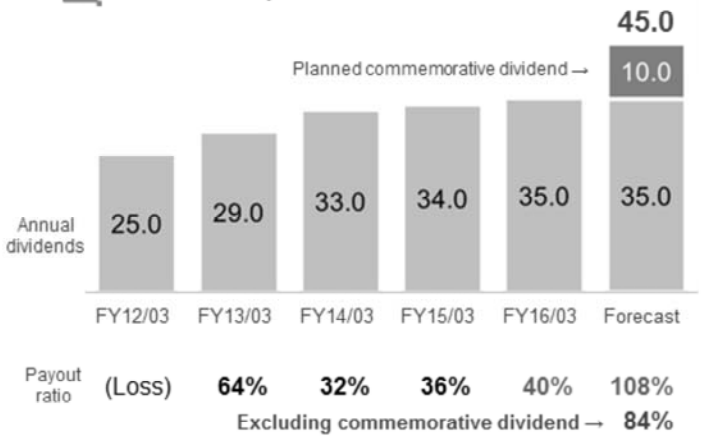
We seek to enrich internal reserves to establish a firmer financial footing and to support new business development. At the same time, we recognize the importance of a good return of profits to shareholders, and will endeavor to stably increase dividends, maintaining a total consolidated payout ratio of 30% to 50%.

ROE／ROA*

*On pretax basis



Dividends per share (Yen)



* Dividends for FY17/03 including ¥10 per share payment to commemorate Ricoh's 80th anniversary.

- We have retained our dividends per share forecast.

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Q&A Session

Q: Why has the sales and product mix deteriorated so much as a key factor in your lowering your operating profit forecast for the full year?

A: Demand weakened after we presented our initial forecast, so we revised our projection in light of significant changes in the mix.

Q: Non-hardware sales are continuing to decline. Around when do you expect these sales to turn around?

A: We anticipate that a rise in the number of production printing machines in field will underpin overall non-hardware sales, but it is too early to tell at this stage when the turnaround will occur.

Q: You forecast a ¥17.6 billion reduction in other expenses as a factor in operating profit changing from a year earlier. Will these expense cuts continue, and what sorts of reductions are involved?

A: Some expenses rise and fall with sales, but most cost reductions are not transient, as they stem from business process changes and other structural reforms. As we are not temporarily shutting off spending, we basically do not expect a rebound in costs.

Q: You have retained your forecast for lower product costs. How can you do that despite a downward revision in your sales and product mix?

A: While the product mix is changing we can maintain certain unit sales levels. We are maintaining good plant capacity utilization rates, and we look to reach our initial targets for lower product costs.