Consolidated Results for Nine Months Ended December 31, 2020

February 4, 2021
Ricoh Company, Ltd

- Today, I will present Ricoh’s results for third quarters of fiscal 2020.

Forward-Looking Statements

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 judgment 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 investments decisions are your responsibility.

Note: In this document, fiscal years are defined as follows:
FY2020 = Fiscal year ended March 31, 2021, etc.

Business category and other changes
In fiscal 2020, Ricoh shifted some Office Services businesses to the Office Printing and Other categories. We also allocated some headquarters expenses to the relevant departments. We have accordingly retroactively revised numbers for the previous corresponding period.

Overview of FY2020 Third-Quarter Results

Key Indicators

RICOH imagine. change.

Operating profit was effectively ¥11.2 billion from greater office attendance rates (driving recovery in non-hardware demand) , emergency response and additional initiatives.
Notwithstanding impairment losses (¥10.4 billion) , operating profit was ¥0.8 billion which was about ¥10 billion higher than expected

Quarterly statements of income (excluding impairment losses)

(billions of yen)	FY2019 9 months	**FY2020 9 months**	Year-on-year change	Effective change*1	FY2020 Q1	FY2020 Q2	**FY2020 Q3**
Sales	1493.8	**1193.0**	-20.1%	-17.2%	352.3	409.6	**431.1**
Gross profit	549.3	415.7	-24.3%	-20.6%	122.0	140.3	153.3
Selling, general and administrative expenses	479.9	445.4	-9.3%	-5.6%	143.3	149.6	142.0
Operating profit	69.4	**-29.7**		-	-21.2	-9.3	**11.2**
Operating margin	4.6%	-	-	-	-	-	**2.6%**
Profit attributable to owners of the parent	41.4	**-22.4**	-	-	-18.6	-3.5	**7.7**
ROE	4.4%	-			-	-	-
Exchange rate Yen/US$	108.73	106.09	-2.64		107.60	106.21	104.47
Exchange rate Yen/euro	121.11	122.36	+1.25		118.47	124.09	124.49
R&D expenditures	75.6	**66.1**	-9.5				
Capital expenditures	61.0	**29.9**	-31.0				
Depreciation	48.5	**34.2**	-14.3				

Operating profit excluding impairment losses **-19.3** billion yen

Operating profit including impairment losses **0.8** billion yen

* YoY change after excluding forex factor, impacts of share transfers and removals from consolidation in previous fiscal year

- Now, I would like to start with the profit and loss status for the third quarter, from April to December.
- Please take a look at the table on the right side of page 3.
  The results for October to December are on the far right.
  Three-month sales were JPY431.1 billion, and operating profit was JPY11.2 billion.
- However, there were impairment losses of around JPY10.4 billion on development assets in the Commercial Printing business due to business impact from COVID-19.
  Therefore, operating profit including the impairment losses was JPY0.8 billion.
- At the time of the second quarter, we assumed that we would incur operating loss of around JPY10 billion for the third quarter, in October through December, roughly the same level as the loss in the second quarter.
  As a result, we recorded operating profit excluding impairment loss of JPY11.2 billion, which is an upswing of approximately JPY20 billion.
- Even with the inclusion of the impairment losses, we were able to achieve an upswing of approximately JPY10 billion from the forecast at the time of the second-quarter results.
- On a cumulative basis, net sales were JPY1,193 billion, operating loss was JPY29.7 billion, operating loss excluding the impairment losses was JPY19.3 billion, and net loss was JPY22.4 billion.

FY2020 Third-Quarter Results
Segment Operating Profit Changes

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All businesses continuing to recover, with Office Services business boosting earnings in Q3

Office Services
Regaining profitability
- Favorable package sales, particularly in Japan and Europe
- Europe: Synergies with DocuWare boosting results, with that acquired company going global

Commercial Printing
Impairment losses erased profit gains
- Non-hardware demand recovered on e-commerce-related output
- Hardware deployments postponed or reviewed in view of uncertain prospects
- ¥10.4 billion in impairment losses on development assets owing to pandemic

Thermal
Remained profitable despite lower sales
- Demand remained slow for event and travel tickets
- Continued to lower costs through process improvements and other initiatives
- Began selling products that resolve social issues

Office Printing
Significantly improved
- Moderate domestic and overseas non-hardware demand recoveries drove higher earnings
- Hardware demand flat in Q2 and Q3, reflecting fewer business deal opportunities in private sector

Industrial Printing
Near breakeven
- Chinese inkjet head demand continued to recover
- U.S. demand for textile printers increased

Others
Earnings drop mostly from Ricoh Leasing de-consolidation
- De-consolidation cut earnings by ¥13.5 billion
- In industrial products, experienced recovery on domestic automotive market demand
- In Smart Vision, THETA camera and cloud services demand solid

Segment Operating Profit (numbers in parentheses exclude transient factors and impairment losses)

	Office Printing	Office Services	Commercial Printing	Industrial Printing	Thermal	Others	Eliminations and Corporate
9 months	**6.1 (17.2)**	**20.8**	**-3.0 (7.3)**	**-2.0**	**1.5**	**-16.0**	**-37.0**
Q1	-8.0 (-2.7)	3.8	0.8	-1.2	0.5	-6.4	-10.6
Q2	1.7 (6.1)	7.7	1.1	-0.6	0.3	-5.2	-14.5
Q3	**12.4 (13.8)**	**9.2**	**-5.0 (5.3)**	**-0.1**	**0.6**	**-4.3**	**-11.8**

*After factoring out Ricoh Leasing de-consolidation

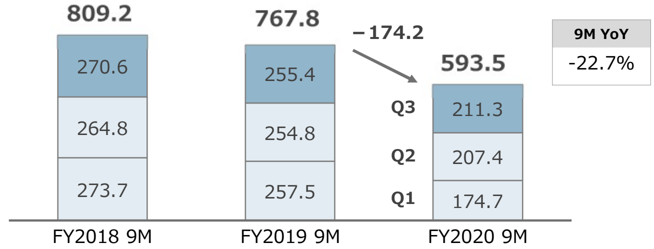
- Q3 operating profits or losses improved in all segments.
- Please see the table at the bottom. The bottom columns show operating profit or loss by each segment, with numbers in parentheses being actual numbers after excluding transient factors and impairment losses. These represent the real earning power.
- Firstly, the Office Printing Business showed a nominal profit of JPY12.4 billion and an actual profit excluding transient factors of JPY13.8 billion in the third quarter.
  In particular, a gradual recovery of non-hardware contributed to the profit. As the actual operating profit in the second quarter was JPY6.1 billion, the profit amount doubled QoQ.
- In the Office Services Business, both sales and profit grew significantly, thanks to the success of solution package deployment in Japan and Europe and the strengthening of sales in Europe. The segment enjoyed the rises in both sales and profit. Its segment operating profit was JPY9.2 billion.
- The Commercial Printing Business showed a profit of JPY5.3 billion excluding the impairment losses. The profit increased significantly from JPY1.1 billion in the second quarter. In particular, non-hardware demand recovered in Commercial Printing.
- In Industrial Printing, sales to domestic demand in China and industrial printers performed well, and the operating loss decreased to only JPY0.1 billion, close to the breakeven point. We feel that we are finally close to be generating profit.
- In the Thermal Business, although the trend did not change, we maintained profitability through cost reductions despite a decrease in sales.
- The decrease in profit in the Others Segment is due to the deconsolidation of Ricoh Leasing.

FY2020 Third-Quarter Results
Office Printing

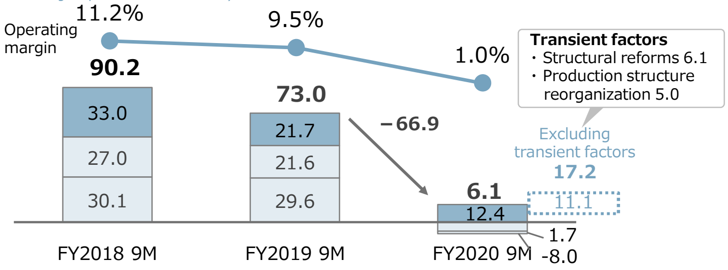
RICOH imagine. change.

Operating profit was ¥12.4 billion from business recoveries, principally in Japan, in return to profitability after 9 months.

Sales *(billions of yen)*



Operating profit *(billions of yen)*
(Excluding corporate and eliminations)



Q3 Overview

- Operating profit was ¥12.4 billion (¥13.8 billion after excluding transient factors)
- Japanese hardware and non-hardware sales off 2% and 4%, respectively
- European and U.S. recoveries delayed owing to worsening pandemic situations and fewer opportunities for negotiating business deals in private sector and others. (hardware demand remained as Q2 level)

excluding forex impact

YoY sales change	Q1	Q2	Q3	9M
Hardware	-31%	-15%	-17%	-21%
Non-hardware	-33%	-23%	-18%	-25%
Japan	83%	87%	94%	88%
Americas	59%	70%	71%	67%
Europe	61%	84%	81%	75%

Year to date

- Operating profit was ¥6.1 billion (¥17.2 billion after stripping out transient factors)
- Hardware earnings down 21% year on year, reflecting, fewer business deal opportunities
- Non-hardware earnings down 25%, reflecting lower office attendance rates.

- In the Office Printing Segment, business performance recovered, principally in Japan.
- In Japan, hardware sales were off 2% YoY. Non-hardware sales recovered to 96% of the year-before level. This means a YoY decrease of only 4%.
- However, the recoveries of hardware demand in Europe and the US delayed due to the worsening pandemic situations, and the sales level was flat from Q2.
- However, the results were almost in line with the expected figures that we mentioned at the time of the announcement of the Q2 results.

FY2020 Third-Quarter Results
Office Printing : Results trends by country and region

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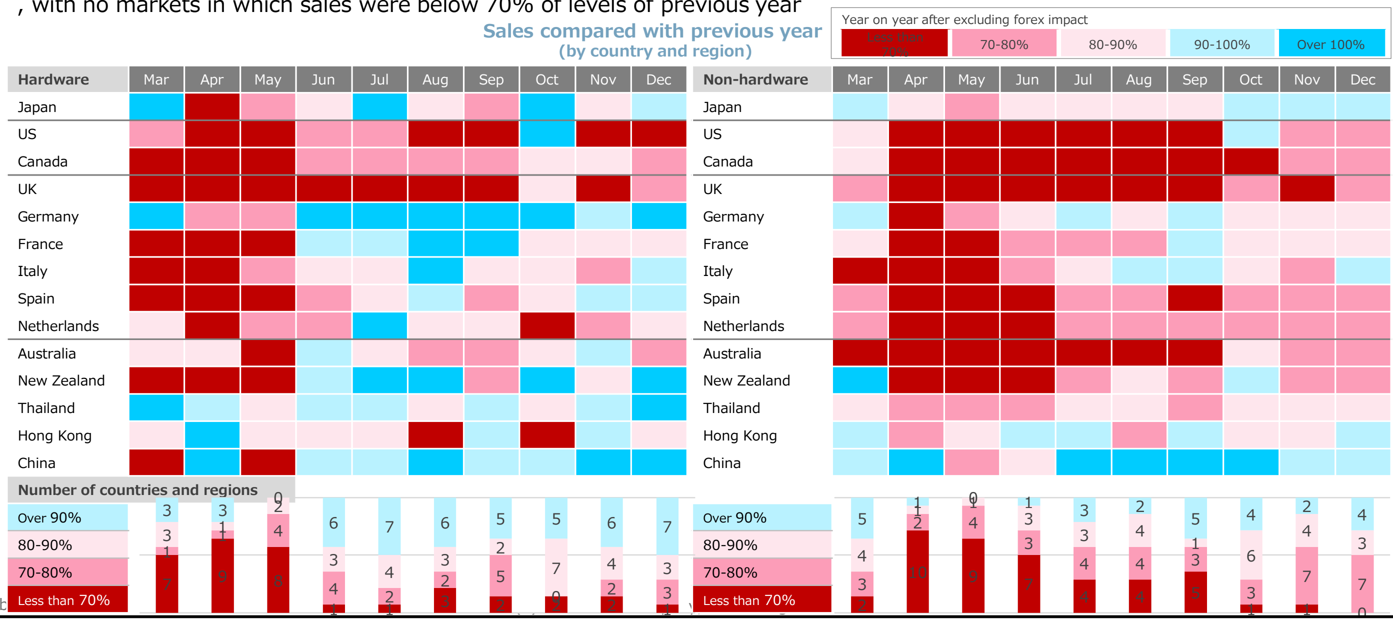
Hardware: On recovery track, centered on countries and regions relaxing lockdowns and social distancing, although situation still adverse in North America and UK

Non-hardware: Despite bottoming in Q1, performances sluggish in North America and European markets; by December, sales returned to more than 90% of prior year levels in markets where there were recoveries (4 of 14 countries and regions) , with no markets in which sales were below 70% of levels of previous year



- Now, I would like to explain the situation by region.
- This is an update of the chart I showed you in the previous briefing.
  In the upper right corner of the right-hand chart, we presented the sales categories in colors.
  The left-hand chart shows hardware data, and the right-hand chart shows non-hardware data.
- The red box is sales of less than 70% of the year-before level, pink is between 70% and 80%, light pink is between 80% and 90%, light blue is between 90% and 100%, and blue is 100% or more.
- Hardware sales are on a recovery track in countries and regions where the lockdowns and social distancing were relaxed. The North America and the UK were in still tough situation.
- Non-hardware sales bottomed out in the first quarter and are recovering.
  You would see that the color gets lighter and lighter as you move your eyes from left to right.
- I mentioned that sales of around 90% of the year-before level are a yardstick in the new normal environment. As of December, 4 out of the 14 countries showed sales of 90% or more of their prior year levels.
- Since mid-December, mutant strains of the novel coronavirus have started to spread mainly in Europe, and the lockdowns have been tightened.
- This has changed the situation. I would like to introduce its effect on the next page.

FY2020 Third-Quarter Results

Office Printing: Pandemic Impact on MFP Printing Volumes

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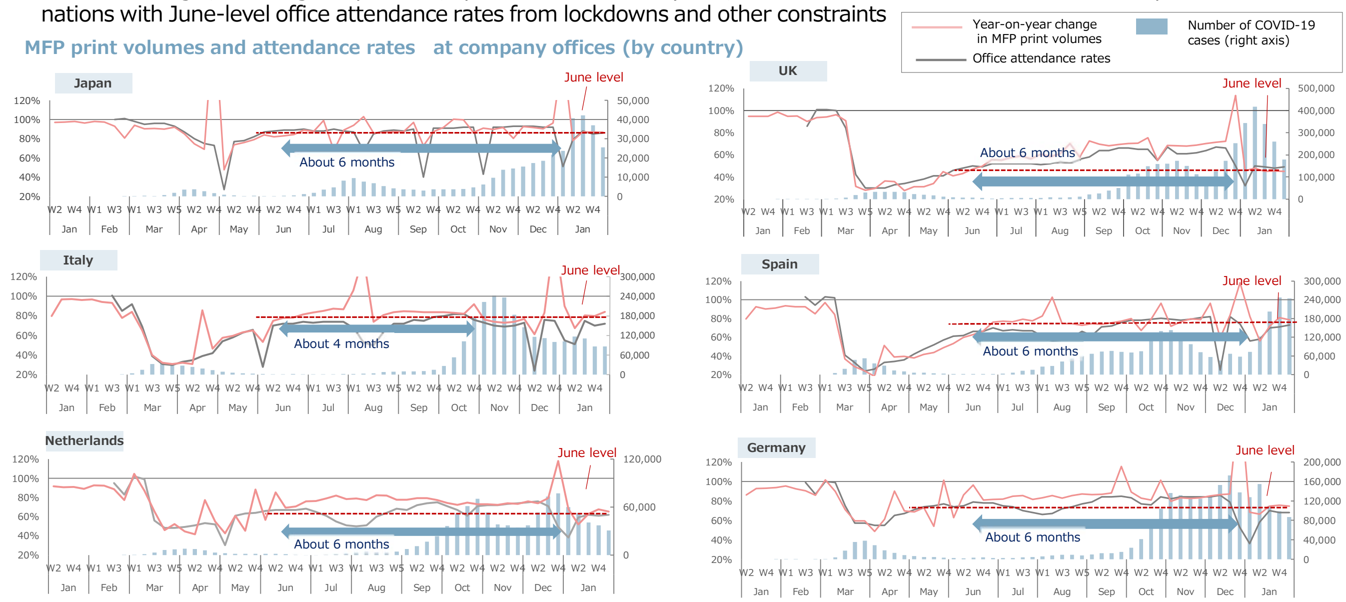
- **Office attendance rates:** Dropped from November owing to lockdowns (falling even further from January in response to new COVID-19 strains), while rates in Japan slipped following emergency declaration in January this year; to take until around June for rates to normalize in United Kingdom, Germany, Italy, the Netherlands, Spain, and Japan
- On announcing Q2 earnings, expected Q4 print volume recovery to Q2 levels but must assume volumes will drop to June level in nations with June-level office attendance rates from lockdowns and other constraints

MFP print volumes and attendance rates at company offices (by country)

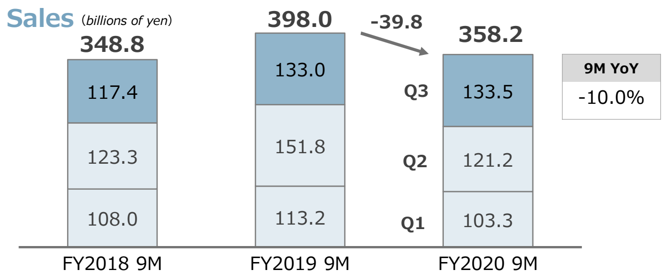


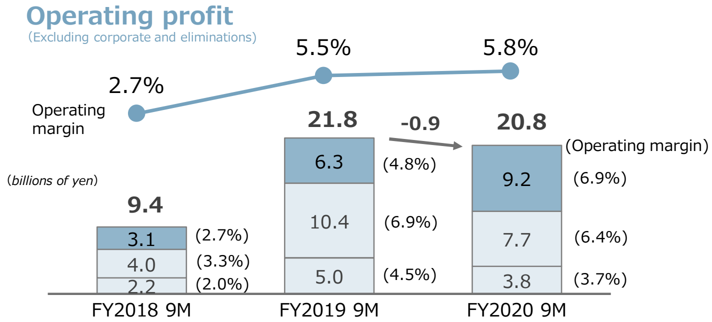
Note: Office attendance rates based on the Google Community Mobility Report, showing rates of change in traffic to workplace since before pandemic. Weekly data published each Tuesday.
Print volumes based on Ricoh @Remote data, with change in MFP print volumes from previous corresponding period. Number of COVID-19 cases from Johns Hopkins University-announced figures.

- This chart shows the relationship between the attendance rates at workplaces and MFP printing volumes. The results through January are available.
- The countries where the infection situation has become more serious are the UK, Germany, Italy, the Netherlands, Spain, and Japan. For these six countries, unfortunately, the situation has been back to that of June last year.
- Therefore, at the time of the second quarter results, we expected that the printing volumes in the third and fourth quarters would be almost on par with the second quarter, but the levels in those countries returned to their levels before the second quarter.
- Accordingly, we have to take the impact into account in forecasting the future.

Office Services

Reinforced structure and good reception for packages led to revenue and earnings recoveries in Q3, with operating margin reaching 6.9%





Q3 overview

- IT Services and Applications:
  In Japan, Scrum Series sales remained buoyant, with revenues surging 93%
  In Europe, revenues rose 44%*1 on effort to strengthen structure in key nations that generated synergies, with DocuWare new contracts climbing 30%
- IT infrastructure: Reduced demand in absence of previous year's Windows 10 transition demand and more GIGA school deals in Japan
- Business Process Services:
  Revenues down from site closures (around 10% of sites for these services closed in United States)

Sales billions of yen	Q3	YoY	9M	YoY
Office services business	**133.5**	**+0.4%**	**358.2**	**-10.0%**
IT infrastructure (hardware and software)	60.3	-3.2%	154.0	-16.4%
IT services (including maintenance and outsourcing)	28.7	+11.8%	78.1	+1.5%
Applications (business-specific apps and in-house apps)	17.0	+14.5%	50.9	+6.0%
Business Process Services	21.5	-21.0%	63.7	-21.2%

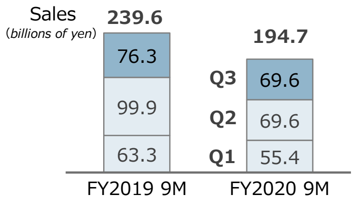
*1 YoY sales change in Europe, Middle East and Africa , excluding forex factor
*2 Ratio of BPS site closured in US

- The Office Services Business turned to YoY rises in both sales and profit in the October-December period due to the strengthening of the sales system and the very strong performance of package sales.
- The operating margin continued to be above 6% following Q2, so the margin in the 6% range has been established.
- In the case of Office Services, the Company fosters its existing workforce without increasing fixed costs and operates the business on their own without any major investment or expense. So, profit increases as sales rise. In that sense, I think it will be important to increase sales mainly through package sales in the future.
- In Japan, sales of the Scrum Series solution package for industries and operations, which includes hardware, software, services, and support, have been performing well. In the third quarter, sales grew 93% YoY, almost doubling the year-before level.
- In Europe, we made various acquisitions to strengthen our structure, and sales grew a significant 44% YoY.
- In terms of IT infrastructure, we were affected by reduced demand in the absence of the previous year's Windows 10 transition demand, however the impact has peaked out.
- In Japan, the government is working on the GIGA school initiative, which aims to create an environment where each student in elementary and junior high schools has his/her own computer. The government is to spend an original three-year budget in a single year and the number of such projects has been increasing.
- The situation has not changed in the Business Process Services, or BPS, in the US. Around 10% of sites for these services remained closed.

FY2020 Third-Quarter Results
Office Services: Regional situations

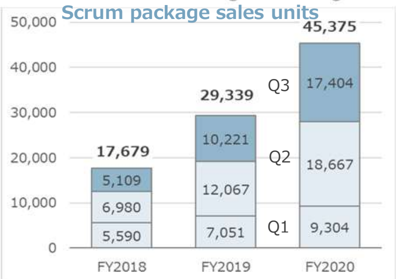
RICOH imagine. change.

Japan

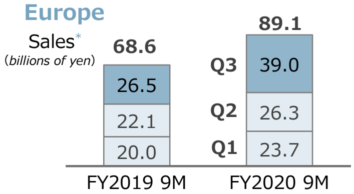


Despite lower revenues in absence of Windows 10 transition, Scrum Series and GIGA school transactions rose (full-fledged demand increased from Q3)

1. Scrum package sales for small and medium-sized enterprises rose 44% YoY in nine months, to ¥29.8 billion, with unit sales increasing 55%
2. Orders of Scrum assets for mid-tier companies rocketed 143% YoY in nine months, to ¥16.3 billion
3. GIGA school deals were ¥8.4 billion in Q3, and we look to secure solid sales in Q4, when demand should peak



Europe

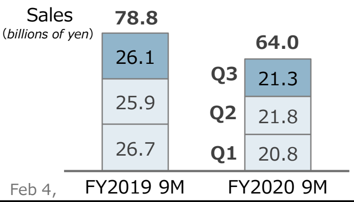


* Includes the Middle East and Africa

Sales increased 30% on strengthened structures and package deployment

1. Demand solid for Work Together, Anywhere solution package
   Q3 orders totaled ¥5.7 billion, with ¥34.4 billion in pipeline
   (¥2.4 billion in orders and ¥16.0 billion in pipeline in Q2)
2. DocuWare demand remained solid (value of orders over nine months jumped 69% YoY from structural reinforcements in key countries; 717 new contracts concluded in Q3, up 63% YoY)
3. Launched a digital human resources development program

Americas



Sales dropped owing to Business Process Services site closures, while business development accelerated to match changing customer needs

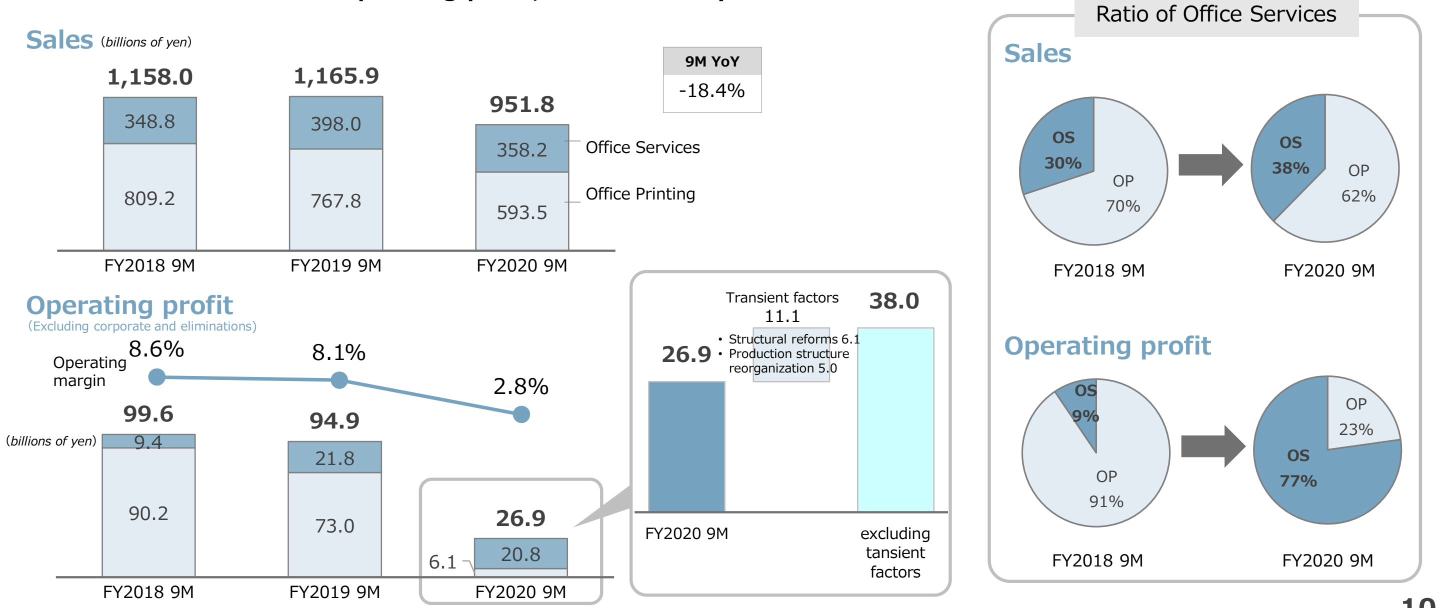
1. Orders grew steadily on DocuWare deployments, with 81 new contracts secured in Q3
2. Accelerated business structure transformation to expand digital services, increasing salesperson skills, changing assessment system, and optimizing personnel setup
3. Continued to develop new print center services for new world of work

- Now, let me explain the regional situations.
- First, the situation in Japan. Scrum package sales for SMEs and Scrum asset sales for mid-tier companies have been growing rapidly.
- GIGA school deals were JPY8.4 billion in the third quarter, but we will enjoy full-scale sales in the fourth quarter. We are now making efforts to ensure that we can reap the benefits of the GIGA school initiative.
- In Europe, we have been growing steadily by strengthening our structure and expanding our solution package deployment. In the package business, the pipeline that I mentioned at the time of the announcement of the Q2 results was expected to be JPY16 billion, but it has now doubled to JPY34.4 billion, and the number of projects has been increasing rapidly. DocuWare has also been doing very well.
- At the same time, the Company has started education to transform itself into a digital services company.
- In the Americas, although the closure of some BPS sites has had an impact, we are steadily making preparations to become a digital services company.
- Sales of DocuWare deployments have started and the results have begun to be seen.
  At the same time, we are taking steps to optimize our workforce, including raising the skills of our sales staff and changing our evaluation system, in order to strengthen our digital services structure for the future.

FY2020 Third-Quarter Results

Office Business Total

- **Office Business revenues and earnings down, but operating profit still ¥26.9 billion (effectively ¥38 billion)**
- **Office Services accounted for 38% of Office Business sales in Q3, from 30% two years earlier, accounting for 77% of Office Business operating profit, from 9% two years before**



- Revenues and earnings were down overall in the Office Business, but operating profit was JPY26.9 billion. After transient factors, operating profit was actually 38.0 billion yen.
- We posted 11.1 billion yen in transient expenses that encompassed structural reforms and production structure reorganizations.
- Office Services accounted for 38% of Office Business sales in the third quarter of FY2020, up from 30% in the third quarter of FY2018.
- The ratio of Office Services operating profit to total Office Business operating profit shot up to 77% from 9% in the third quarter of FY2018, which is somewhat of an abnormal figure amid the COVID-19 pandemic, but it has been rising steadily.

FY2020 Third-Quarter Results
Commercial Printing

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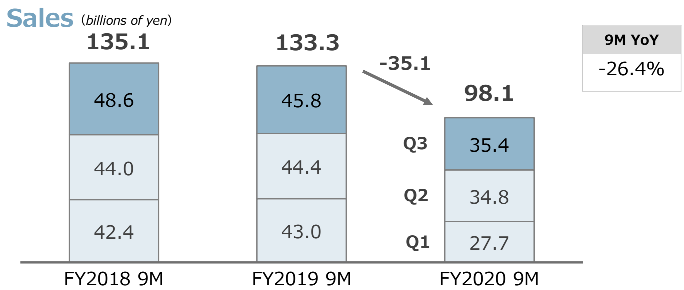
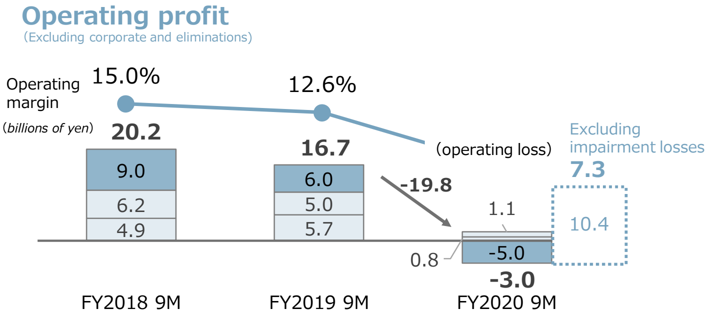
Non-hardware performance recovered gradually, while hardware recovery was weak in Europe and United States, causing revenues and earnings to decline





Q3 overview

- Hardware: Struggled in Europe and United States amid uncertain prospects and constrained investment scales (although new products performed well)
- Non-hardware: Performance recovered on e-commerce-related output demand
- Posted ¥10.4 billion in impairment losses on development assets owing to pandemic;
  earnings after excluding these losses would have been ¥5.3 billion

⇒ Strove to expand process automation solutions and services

excluding forex impact

Sales YoY change	Q1	Q2	Q3
Hardware	-39%	-28%	**-33%**
Non-hardware	-34%	-20%	**-16%**
Americas	66%	71%	**73%**
Europe	56%	78%	**77%**
Japan	85%	101%	**91%**

e-commerce-related output (example; package inserts)

New products RICOH Pro C5300s/C5310s color production printer

- In Commercial Printing, non-hardware sales were gradually recovering, but hardware recovery was weak mainly in Europe and the US, resulting in declines in sales and profit.
- With regard to hardware, the future is uncertain, and customers were hesitant to invest because products in Commercial Printing are large in size and high in unit price. However, we have not lost orders, but the introduction has been postponed.
- On the other hand, non-hardware performance was recovering gradually, which means that e-commerce related output demand was increasing. This is because of stay-at-home demand as more people have been using the Internet to place orders instead of purchasing at real stores.
- So, there has been growing demand for output of labels, packages, coupons, thank you notes, and other items used for shipping, leading to the recovery of non-hardware performance.
- Regarding the topic of impairment, we had tested our financial items for impairment based on the assumption that, from fiscal 2021 onward, there would be no impact on our business performance due to the spread of COVID-19.
- However, it was found that there will be some impact due to COVID-19 in fiscal 2021, so we made an impairment test again based on the new assumption. As a result, we posted the impairment losses on development assets.
- Excluding the impairment losses, we had an effective profit of JPY5.3 billion in Q3.

FY2020 Third-Quarter Results
Industrial Printing

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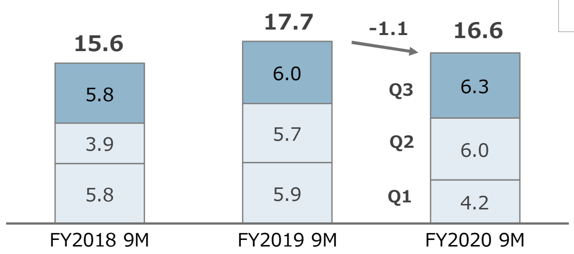
Increased revenues and neared breakeven point on China's inkjet head market recovery and solid industrial printer demand

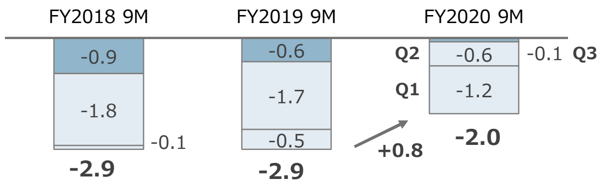
Sales *(billions of yen)*



9M YoY
-6.6%

Operating profit
(Excluding corporate and eliminations)

(billions of yen)



Q3 overview

- Inkjet heads: Demand recovery lags in Japan, United States, and Europe offset favorable demand in China
- Industrial printer sales solid:
  In wide format printers, Ricoh's sales were favorable owing to sales setup improvements
  In textile printers, consumer purchasing shifted online from regular stores, with sales to e-commerce firms expanding

⇒ Challenge will be to cultivate distributors and dealers in promising textiles sector

RICOH TH5241
industrial inkjet head

- In the October-December period, Industrial Printing sales increased due to a recovery of demand for inkjet printheads in China and an increase in sales of industrial printers.
- The segment incurred operating loss of JPY0.1 billion, which means it has come close to a breakeven line.
- As for printheads, China is doing well, but recovery is still delayed in Japan, Europe, and the US.
- As for industrial printers, direct sales of wide format printers have now firmly been established, and we are also seeing growth in textile printers, which we are focusing on even further. Sales of textile printers to e-commerce firms were favorable due to stay-at-home demand.
- In the future, we recognize that seeking distributors and dealers is a particularly major challenge.

FY2020 Third-Quarter Results
Thermal

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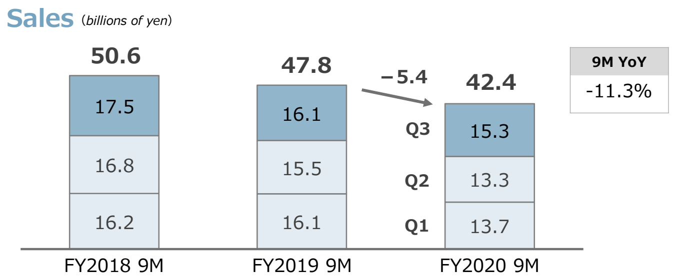
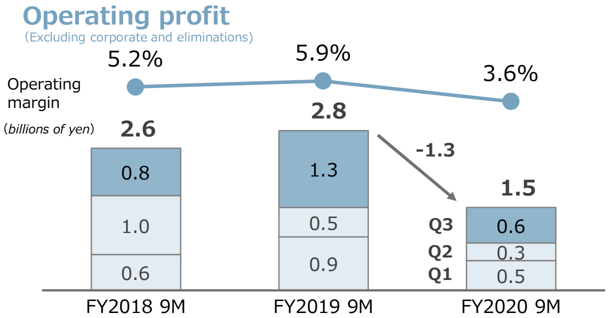
Earnings minimal because of delays n European and U.S. market recoveries and unchanging trends





Q3 overview

- Enjoyed steady recoveries in Japanese and Chinese markets but encountered recovery delays in Europe and United States
- Continued to improve cost structure, making progress through such measures as steadily expanding sales of silicone linerless labels in Japanese market

⇒ Globally deploy products that resolve social issues and secure logistics demand in American market

Year to date

- Revenues and earnings decreased owing to sluggish demand for event and transportation tickets and despite e-commerce demand growth, as labels were smaller and competition intensified

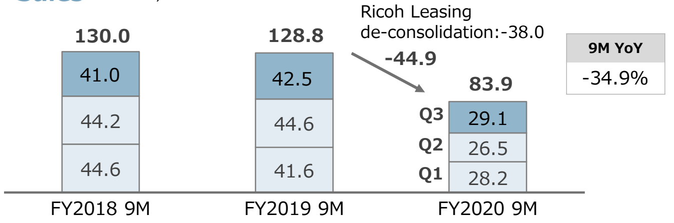
- In the Thermal Business, the recovery of the European and American markets has been delayed, but Japan and China have steadily been recovering.
- We have taken steps to improve the cost structure and reduce expenses, and although sales were down, we were still in the black.
- We are now starting to release products that can differentiate us from other companies and solve social issues, and we would like to expand these products globally.

Others

RICOH imagine. change.

While existing businesses were on recovery track, revenues and earnings down from de-consolidation of leasing business and investments in growth businesses

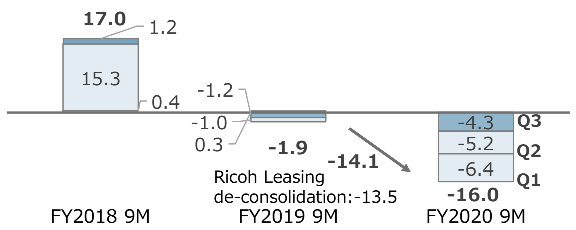
Sales *(billions of yen)*



Operating profit

(Excluding corporate and eliminations)

(billions of yen)



Q3 overview

- Results in existing businesses basically same as year earlier, with performances recovering steadily
  - Smart Vision: Demand solid for THETA and related cloud services amid rising demand in 360° camera market
  - Industrial Products: Benefited from demand recoveries in automobile market and in China (for projectors and industrial equipment)

⇒ Near-term signs of improved demand in existing markets, with sales recoveries and cost constraints driving profit gains

Year to date

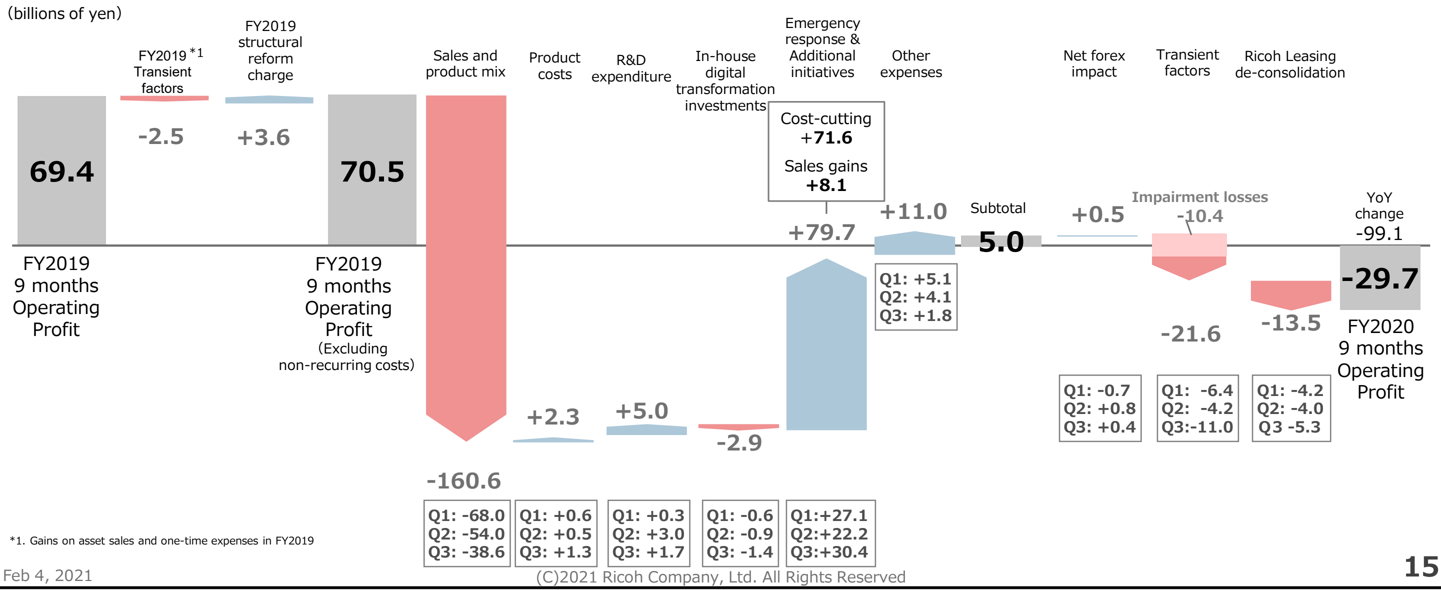
- Leasing business deconsolidation and new businesses investments drove revenues and earnings down
  (Earnings effectively declined by ¥0.6 billion after factoring out the impact of Ricoh Leasing de-consolidation)
- Achieved improvements in existing businesses (Smart Vision and Industrial Products)

- In the Others, existing businesses have been recovering, but the deconsolidation of Ricoh Leasing had a significant impact on revenues and earnings.
- As for the Smart Vision Business, demand for the 360-degree camera, THETA, was doing very well. Furthermore, cloud services were rapidly growing globally due to stay-at-home demand.
- The Industrial Products business, which includes many automotive offerings, returned to profitability in the third quarter because of recoveries in demand for automobiles and for projectors and industrial equipment in China.

FY2020 Third-Quarter Results
Operating Profit Comparisons

RICOH imagine. change.

Performance continued to recover moderately, returning to profitability after excluding one-time and extraordinary factors by accelerating efforts to reap rewards from emergency measures



*1. Gains on asset sales and one-time expenses in FY2019

- Next is operating profit comparisons by factor.
- Excluding transient expenses and impairments, we have returned to profitability, partly because the gradual recovery continued and we were able to reap rewards from emergency measures.
- Excluding non-recurring costs, JPY70.5 billion, the operating profit in April-September 2019, was the starting point. Sales and the product mix had a negative impact of JPY38.6 billion in the third quarter. The negative impact of sales and the product mix has gradually shrunk.
- Progress with product costs, R&D expenses, and internal digital transformation investments were basically as planned.
- Regarding emergency measures, we had an overall positive effect of JPY 79.7 billion, including JPY71.6 billion in cost reduction and JPY8.1 billion in sales gains.
- At the beginning of the current fiscal year, we said that we would aim for a positive effect of JPY70 billion. As we were likely to achieve this aim, when we announced our second-quarter results, we revised the figure upward to JPY80 billion, against the third-quarter result of JPY79.7 billion. We have achieved the almost equal amount to the goal.
- The amount, which includes government subsidies we received, has been faring well, and this led to an improvement in earnings in the third quarter.
- Other expenses are basically the amount of declines in incentives and sales promotion expenses due to decreases in sales volumes, for a total of JPY11 billion.
- These were business-related factors up to this point, and we have barely managed to make a surplus of JPY5 billion.
- From here on, there were impacts of non-business factors, including foreign exchange rates, transient factors, and the deconsolidation of Ricoh Leasing.
- Other than the impairment losses, the transient factors included expenses related to structural reforms, mainly in the US, and production structure reorganization in China.
- As a result of the above, we posted a operating loss of JPY29.7 billion.

Statement of Financial Position as of December 31, 2020

RICOH imagine. change.

Total assets dropped ¥1 trillion from Ricoh Leasing de-consolidation, while financial stability improved

Assets

(Billions of yen)	As of Dec 31, 2020	Change from Mar 31, 2020	
Current Assets	**1016.0**	-1090.1	
Cash & time deposits	**328.7**	+65.8	Sales of Ricoh Leasing shares and increases from financing
Trade and other receivables	**346.3**	-46.3	Decreases in year-end receivables and operating receivables from pandemic impact
Other financial assets	**90.0**	+2.8	
Inventories	**204.6**	+3.3	
Other current assets	**46.2**	+9.8	
Assets classified as held for sale*	**0**	-1125.5	Decrease from Ricoh Leasing de-consolidation
Non-current assets	**830.8**	+69.3	
Property, plant and equipment	**194.4**	-7.0	
Right-of-use assets	**66.2**	+6.8	
Goodwill and intangible assets	**231.5**	-0.3	
Other financial assets	**131.9**	-7.2	
Other non-current assets	**206.7**	+77.2	Ricoh Leasing shares posted as equity method investments
Total Assets	**1846.8**	-1020.7	

Cash pool in Group Impact of balancing

*Transfer of assets held for sale: Transferred related assets and liabilities to assets and liabilities held for sale in line with partial transfer of Ricoh Leasing shares

Exchange rate as of Dec 31, 2020: (change from Mar 31, 2020, rate) US$ 1 = ¥ 103.50 (-5.33) EURO 1 = ¥ 126.95 (+7.40)

Liabilities and Equity

(Billions of yen)	As of Dec 31, 2020	Change from Mar 31, 2020	
Current Liabilities	**588.7**	-960.1	
Bonds and borrowings	**73.5**	+22.0	
Trade and other payables	**256.0**	+10.0	
Lease liabilities	**25.6**	-1.5	
Other current liabilities	**233.4**	-21.6	Bonus reserve decrease
Liabilities directly related to assets held for sale *	**0**	-969.0	Decrease from Ricoh Leasing de-consolidation
Non-current Liabilities	**356.7**	+46.5	
Bonds and borrowings	**168.7**	+40.5	Increase in borrowings for pandemic and other measures
Lease liabilities	**49.1**	+10.3	
Accrued pension & retirement benefits	**94.7**	-5.0	
Other non-current liabilities	**44.1**	+0.6	
Total Liabilities	**945.4**	-913.6	
Total equity attributable to owners of the parent	**897.8**	-22.4	Decrease from net loss and dividend payments
Noncontrolling Interest	**3.5**	-84.6	Decrease from Ricoh Leasing de-consolidation
Total Equity	**901.3**	-107.1	
Total Liabilities and Equity	**1846.8**	-1020.7	
Total Debt	**242.2**	+62.6	

- On the balance sheet, total assets were JPY1,846.8 billion. The deconsolidation of Ricoh Leasing resulted in a decrease of approximately JPY1 trillion in total assets.
- Although cash and time deposits in assets rose by JPY65.8 billion, these were due to the impact of balancing the cash pool in Europe. At the end of March, the actual figure was JPY32.7 billion in surplus.
- Similarly, the amount of total debt appears to have increased by JPY62.6 billion, but this was also due to the double denomination of the cash pool balance.
- As a result of the deconsolidation of Ricoh Leasing, borrowings decreased by approximately JPY700 billion. That means that our financial stability has increased.
- The total amount of bonds and borrowings in non-current liabilities was JPY168.7 billion, an increase of about JPY40 billion, which included JPY30 billion procured for the COVID-19 pandemic and JPY10 billion in an ESG-related Sustainability Linked Loan.

FY2020 9 months Statement of Cash Flows

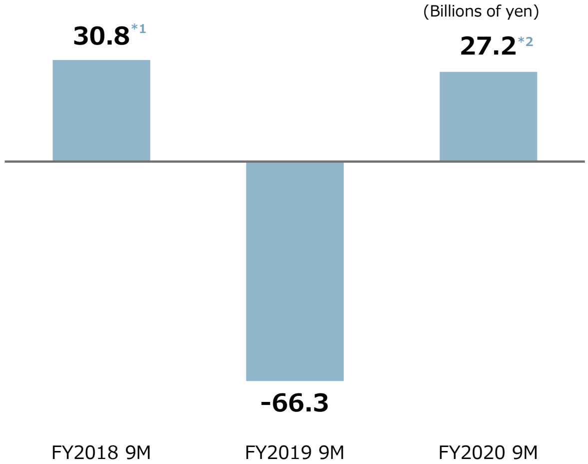
RICOH imagine. change.

Free cash flow entered positive territory owing to working capital improvements and efforts to constrain investments amid declining earnings

(Billions of yen)	FY2019 9 months	**FY2020 9 months**
Profit	46.0	**-22.4**
Depreciation and amortization	91.5	**79.6**
Other operating activities	-78.7	**15.1**
Net cash provided by operating activities	58.8	**72.3**
Plant and equipment	-53.7	**-27.5**
Purchase of business	-16.1	**-8.0**
Other investing activities	-55.3	**-9.5**
Net cash used in investing activities	-125.2	**-45.1**
Increase (Decrease) of debt*	102.0	**75.9**
Dividend paid	-18.8	**-14.8**
Other financing activities	-25.9	**-26.3**
Net cash provided by financing activities	57.3	**34.7**
Effect of exchange rate changes	-1.8	**0.2**
Net increase in cash and cash equivalents	-10.8	**62.1**
Cash and cash equivalents at end of period	229.2	**3,28.5**
Free cash flow (Operating + Investing net cash)	-66.3	**27.2**

*debt: bonds and borrowings

Free cash flow



*1 Including ¥55.9 billion in proceeds from sale of Coca-Cola BCBJ shares

*2 Including ¥7.8 billion from transfer of Ricoh Leasing shares
Net increase by transfer of Ricoh Leasing shares
+¥36.8 billion: total share sales
- ¥28.9 billion: cash in Ricoh Leasing

- Next is the statement of cash flows.
- Although we incurred net loss, we generated more cash from operating activities than in April to December 2019, due to the improvement in working capital.
- In particular, a decrease in lease receivables and fewer inventories contributed to the increase in net cash provided by operating activities.
- Net cash used in investing activities decreased YoY due to a decline in business acquisitions and an improvement in cash flow from the sale of Ricoh Leasing.
- As a result, free cash flow, a total of operating and investing net cash, was a positive JPY27.2 billion, due to the improvement of working capital and controlled investment, though we incurred net loss of JPY22.4 billion.

FY2020 Full-Year Outlook and Actions

Forecasts for FY2020 - Key Indicators

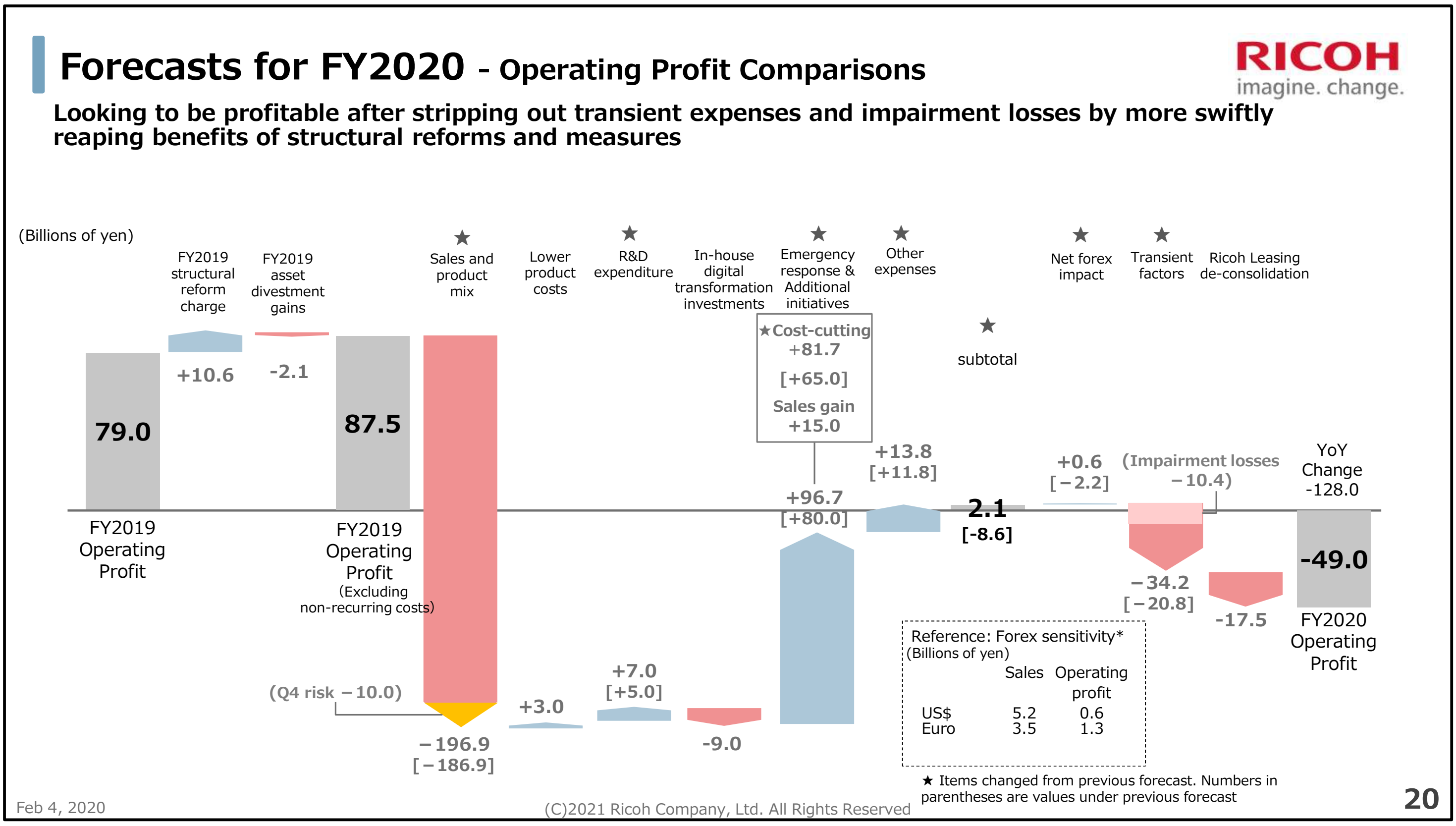
RICOH imagine. change.

Outlook unchanged: Notwithstanding earnings improvement in Q3, factoring in impacts of impairment charges and pandemic lockdowns

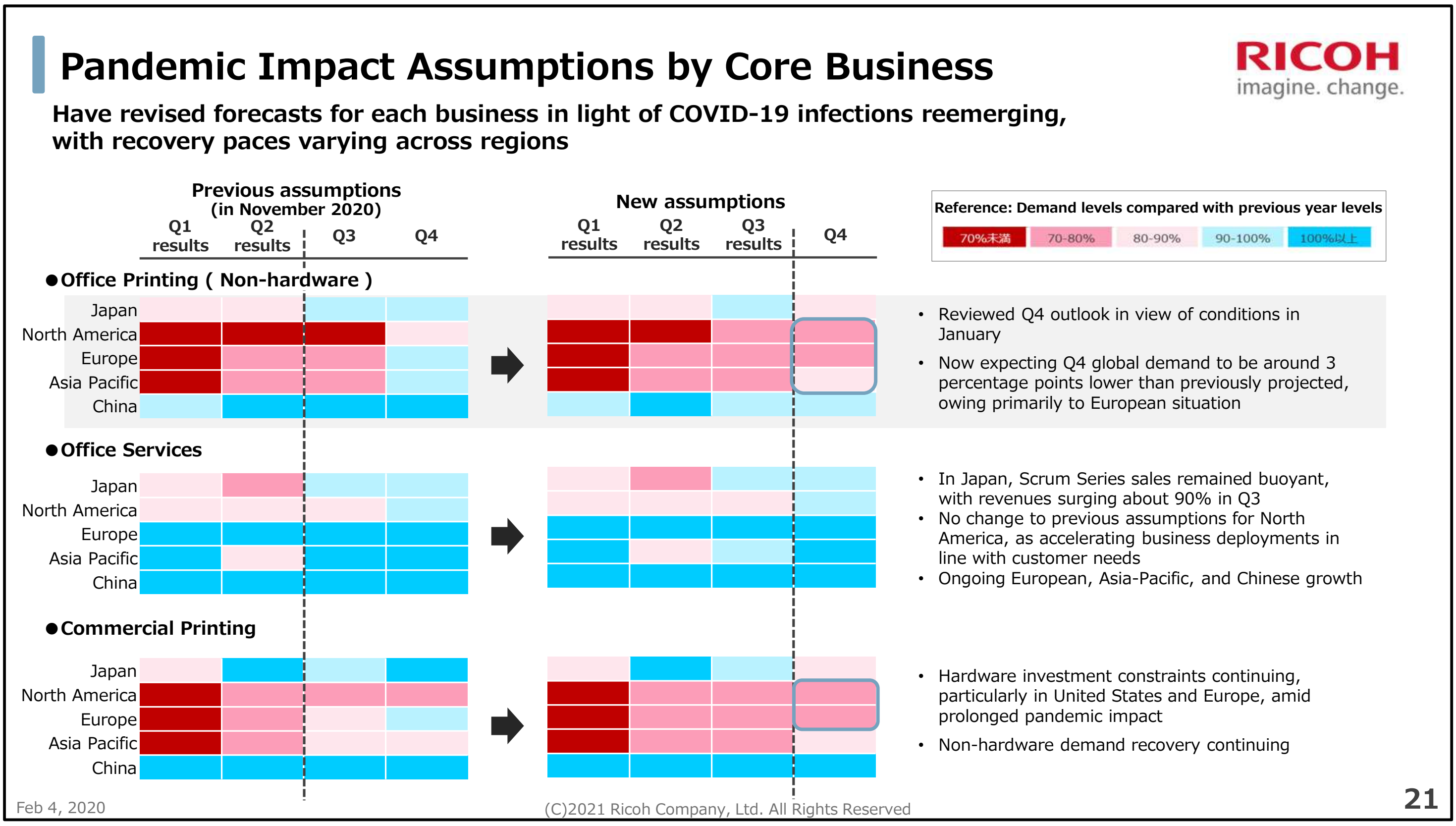
(billions of yen)

	FY2019	FY2020 forecast	YoY Change
Sales	2,008.5	**1,664.0**	-17.2%
Gross profit	721.5	563.6	-21.9%
Selling, general and administrative expenses	642.5	612.6	-4.7%
Operating profit	79.0	**-49.0**	–
Profit attributable to owners of the parent	39.5	**-36.4**	–
ROE	4.3%	–	–
Average exchange rates Yen/US$	108.80	105.82	-2.98
Average exchange rates Yen/euro	120.90	121.77	-0.87
R&D expenditures	102.8	**92.5**	-10.2
Capital expenditures	86.5	**48.0**	-38.5
Depreciation	62.5	**46.0**	-16.5

- I would like to explain the outlook for year-end results.
- This time, despite the improvement in Q3, we have left our forecast unchanged.
- This may sound conservative, but we are not sure what the status of lockdowns and infections will be in Q4 or after January, so we earmarked JPY10 billion against the risk.
- Looking at the January results, there were several countries that returned to the situation around June, so that was why we looked at the risk.
- However, since we have included the impairment losses worth JPY10.4 billion and the forecast remained unchanged, you may well see it as an effective upward revision of JPY10 billion.
- We will work hard to make further upward revisions.



- This chart presents operating profit comparisons in our forecast for FY2020.
- As a result of the accelerated reaping of the benefits of structural reforms and emergency measures, we secure a slight surplus, excluding the transient expenses and impairment losses. That would be JPY2.1 billion in subtotal.
- In sales and the product mix, we had previously expected a negative impact of JPY186.9 billion, but we have increased the negative amount by JPY10 billion as a risk in Q4 to reflect the return to the situation in June in some countries.
- There is the question of whether the current declines will really continue.
  On the other hand, France and the Netherlands are now experiencing a serious infection situation, and it is possible that the situation may worsen further.
- In the meantime, there is also a possibility of improvement in regions such as Germany that are currently in a difficult situation. We therefore included the JPY10 billion risk factor.
- Our assumptions for product lower costs, R&D expenditure, and digital transformation investments are basically unchanged.
- The emergency response and additional initiatives will include JPY81.7 billion for cost reduction and JPY15 billion for sales improvement, for a total of JPY96.7 billion.
- Applying about JPY100 billion in spending for emergency measures, the business operations will make a profit of JPY2.1 billion.
- There are several extraordinary factors: a net foreign exchange impact, transient factors, and the Ricoh Leasing deconsolidation.
- As for the transient factors, in the previous announcement of the second-quarter results, we said that there will be approximately JPY9 billion for the fourth quarter.
  This time, we have added another JPY3 billion to accelerate our transformation into a digital services company.
- Our FY2020 operating loss forecast therefore remains unchanged, at JPY49 billion.



- In order to give you an idea of how the situation has changed, we have prepared the following tables.
- In particular, we lowered non-hardware in Office Printing for the six countries.
- Compared to the year-before level, we expect that global demand in Q4 will be around 3 percentage points lower than previously projected, namely at 77% against 80%.

Progress with Emergency and Permanent Actions

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Look to generate earnings greater than plan by accelerating measure deployments

	Categories	Measures (「●」…Measures generate additional efforts)	9 months results	Full year (at Q2 announcement)	Full year (New)	
Emergency measures	SG&A expense cuts	● Trim SG&A expenses ● Optimize spending in line with activity declines ● Continue furloughs of overseas sales staff ✓ Cut costs through work practice reform ✓ Review benefits and allowances	¥42.9 bn	¥31.0 bn	¥47.7 bn (+¥16.7 bn)	includes government subsidies about ¥19 bn
Permanent measures	SG&A expense cuts and structural reductions	✓ Review development themes aimed at making Ricoh world's top manufacturer ✓ Digitalize headquarters business processes, etc.	¥28.7 bn	¥34.0 bn	¥34.0 bn	Improving 2pt OP business margin than FY19 with next year's earnings (at new normal environment)
Permanent measures	Cost of goods sold reductions	✓ Reinforce digital manufacturing ✓ Optimize production sites to being a digital services company ✓ Enhance service operations productivity ✓ Accelerate global deployment of failure prediction and remote maintenance				
Permanent measures	Sales boost efforts	✓ Tailor services businesses to local needs ✓ Continue rolling out products and services for new normal	¥8.1 bn	¥15.0 bn	¥15.0 bn	Continue Office Services growth
		Total	¥79.7 bn	¥80.0 bn	¥96.7 bn (+¥16.7 bn)	

*Operating profit contributions

- Here, we present our progress with emergency and permanent actions.
- We now expect to generate a combined JPY96.7 billion in earnings due to the progress with emergency and permanent actions.
- As for emergency SG&A expenses cuts, we increased the amount to JPY47.7 billion from the previous forecast of JPY31 billion. These include outsourcing costs, as well as about JPY19 billion in government subsidies.
- Moreover, in permanent measures, we expect cuts in SG&A expenses and structural reductions as well as cuts in the cost of goods sold, for a total of JPY34 billion.
- This amount is mostly the cost of reforming the Office Printing business, which will turn to a positive factor in the next fiscal year and beyond. According to our simulation, the amount will lead to an improvement of around 2% in the operating margin compared to the situation before COVID-19.
- We are making efforts to contribute to the V-shaped recovery in the next fiscal year and beyond, by way of various special expenses we are currently using.
- We originally estimated savings at JPY70 billion, raising that amount to JPY80 billion when announcing our second-quarter results. We have now increased the savings to JPY96.7 billion.

Summary of FY2020 Q3 Results

RICOH imagine. change.

Q3 results	• Office Printing and other businesses recovered on improved office attendance rates • Notwithstanding impairment losses, regained profitability in Q3 owing to impact of urgent measures
Q3 business conditions	• **Office Printing** Achieved gradual recovery in non-hardware business and benefited more swiftly urgent measures, exceeding operating profit target • **Office Services** Performed solidly on package deployments in Japan and Europe, with IT and application services sales rising, for operating margin of 6.9%, a quarterly record Stronger European structure contributed to earnings • **Commercial Printing** Although non-hardware demand recovered from e-commerce-related output, hardware investment appetite lackluster • **Industrial Printing** Near breakeven on demand recovery in China driving robust inkjet head and industrial printer sales
Full-year forecasts	• Forecasts retained in view of uncertain outlook in Q4 owing to COVID-19 mutations spreading in major nations • Including impairment loss not in previous projection (so effectively an upward earnings revision of ¥10.4 billion)
Shareholder returns	• Looking to pay annual dividend of ¥15 per share

- This summary of our third-quarter results shows that all businesses around the world recovered on improved office attendance rates. Notwithstanding impairment losses, we regained profitability in the third quarter.
- I explained earlier each of our businesses.
- We considered revising our full-year forecast upward, but in consideration of the expansion of infections from the middle of December, we have left our forecast unchanged.
- However, even including the JPY10.4 billion in impairment losses that we had not originally planned, I would like you to take this as an upward revision of about JPY10 billion in real terms.
- Annual dividend is as shown in the previous briefing.

ESG update (FY2020 Q3)

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ESG action

- **Joins "30% Club Japan" aiming to increase the ratio of woman executives in companies**

30% Club
GROWTH THROUGH DIVERSITY

- **Started business development of polylactic acid foam from renewable resources**

Major awards and recognition

- **Included in the Dow Jones Sustainability World Index**

Member of
Dow Jones
Sustainability Indices
Powered by the S&P Global CSA

- **Recognized for climate action leadership and included on the CDP climate change "A List" 2020**

CDP
DISCLOSURE INSIGHT ACTION
A LIST
2020
CLIMATE

- **Wins the Grand Prix award at the Nikkei SDGs Management Grand Prix**

- As for ESG, we joined the 30% Club Japan in the third quarter. We also began marketing polylactic acid foam sheets from renewable resources as part of a drive to address the issues of plastics.
- We were included in the Dow Jones Sustainability Index World Index. We scored 90 points, putting us in the top 15 of around 3,200 companies around the globe. We will continue striving to improve our score.
- We received recognition for climate action leadership through our inclusion on the A-List of the Carbon Disclosure Project.
- We also won the top award in the Nikkei SDGs Management Grand Prix.
- In January this year, we won the Chairman's Award, the most prestigious of prizes bestowed, in the Japan Telework Association's Telework Promotion Award.

Direction for FY2021 and Beyond

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Turnaround in FY2021 (looking ¥50bn operating income level)

- **Accelerate reforms to bolster profitability** → Based on effectively regaining profitability in second half of FY2020
- **Continue Office Services growth**
- **Gradually recover from pandemic in Office Printing and Commercial Printing**
- **Lower one-time and extraordinary expenses** (Offsetting cost increasing in FY2021)

Medium-term strategy toward FY2025 to be announced

- **Accelerate transformation into digital services company by adopting business unit structure**
  → Invest in growth (for digital transformation, human capital, technologies, and acquisitions)
- **Manage business portfolio based on returns on investment capital**
- **Maintain capital policies in keeping with optimal capital structure**
- **Execution policy for additional shareholder returns announced on March 27, 2020**

- Finally, I would like to explain our direction for the next fiscal year.
- We are proceeding with structural reforms while spending a variety of expenses, and by doing so, we hope to achieve a V-shaped recovery from FY2021 onward. We are looking operating profit level of around JPY50 billion in the next fiscal year.
- Our approach is to improve profitability through the reforms and to continue to grow Office Services. We also expect that Office Printing and Commercial Printing will probably make a modest recovery from the impact of COVID-19.
- The transient and extraordinary costs will decrease, but on the other hand, there will be a return of the transient costs after the COVID-19 era, and we expect that the offset will have a positive effect.
- So, you can see that we are now preparing the foundation for a solid V-shaped recovery.
- As for the strategy of the mid-term management plan toward 2025, CEO Yamashita is scheduled to make a presentation on March 3rd.
- The content will include a scenario of transformation into a digital services company through a company system. In particular, he will show you our growth strategy and growth investment.
- He will also talk about portfolio management based on ROIC, capital policy, and the concept of additional returns based on the review of the 19th Mid-Term Management Plan, which remains as our pending issue.

Supplementary Information

Capital Policies: Shareholder Returns

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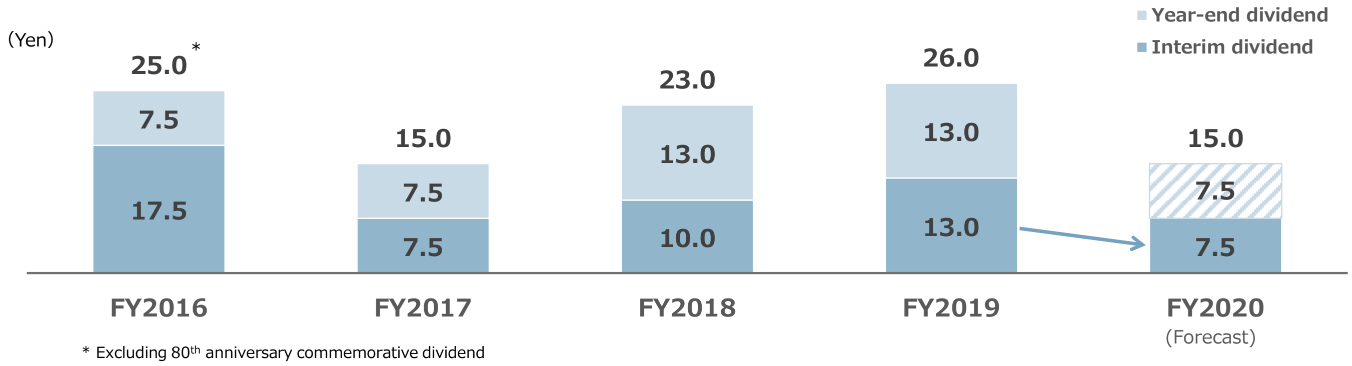
Maintain stable dividends notwithstanding projected losses for year, factoring in changes in cash flow generated and working capital changes



* Excluding 80th anniversary commemorative dividend

Quarterly Operating Profit

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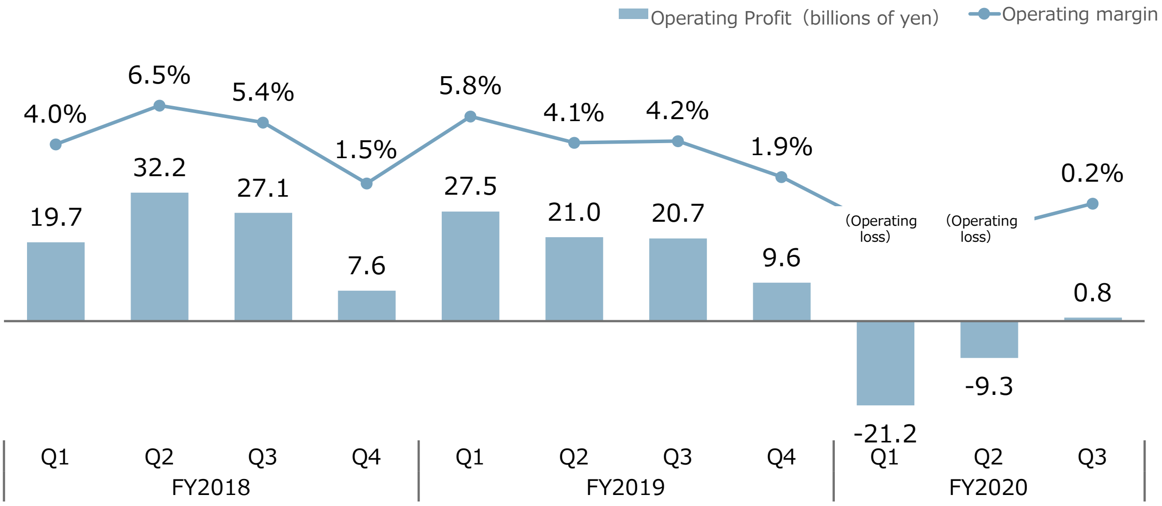

Office Printing: Hardware and Non-Hardware Situation

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◆Unit sales growth rates for MFPs and printers

FY2020 YoY unit sales change	Q1	Q2	Q3	9M
Japan	-21%	-7%	-3%	-11%
Overseas	-32%	-14%	-16%	-20%
MFP total	-30%	-13%	-14%	-19%
LP total	-26%	-12%	-12%	-17%

FY2020 YoY unit sales change	A3 MFP				A4 MFP			
	Q1	Q2	Q3	9M	Q1	Q2	Q3	9M
Japan	-21%	-6%	-4%	-11%	-18%	-19%	+8%	-10%
Overseas	-32%	-16%	-15%	-21%	-32%	-9%	-16%	-19%
MFP total	-30%	-14%	-13%	-19%	-31%	-10%	-15%	-18%

◆Sales growth rates for MFP and printer hardware and non-hardware

excluding forex impact

FY2020 YoY sales change	Hardware				Non-hardware			
	Q1	Q2	Q3	9M	Q1	Q2	Q3	9M
Japan	-21%	-6%	+0%	-10%	-16%	-11%	-8%	-12%
Overseas	-31%	-14%	-19%	-21%	-44%	-30%	-27%	-34%
MFP total	-29%	-13%	-15%	-19%	-35%	-24%	-21%	-27%
LP total	-45%	-34%	-33%	-37%	-25%	-20%	-5%	-17%
MFP + Printer total	-31%	-15%	-17%	-21%	-33%	-23%	-18%	-25%

※ハード/ノンハード売上高伸び率の四半期推移は、別紙の連結経営指標推移（決算参考資料）をご参照ください

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