

## FLASH REPORT

Year ended March 31, 2020

(Results for the Period from April 1, 2019 to March 31, 2020)

### Performance Outline (Consolidated)

(1) Year ended March 31, 2019 and 2020 (Actual result) and Year ending March 31, 2021 (Forecast)

				(Billions of yen)	
	Year ended March 31, 2019 Results	Year ended March 31, 2020 Results	Change	Year ending March 31, 2021 Forecast	Change
Domestic sales	805.7	872.3	8.3%	-	-%
Overseas sales	1,207.4	1,136.2	(5.9%)	-	-%
Sales	2,013.2	2,008.5	(0.2%)	-	-%
Gross profit	766.8	721.5	(5.9%)	-	-%
Operating profit (loss)	86.8	79.0	(9.0%)	-	-%
Profit (loss) before income tax expenses	83.9	75.8	(9.6%)	-	-%
Profit (loss) attributable to owners of the parent	49.5	39.5	(20.2%)	-	-%
Exchange rate (Yen/US\$)	110.95	108.80	(2.15)	-	-
Exchange rate (Yen/EURO)	128.46	120.90	(7.56)	-	-
Earnings per share attributable to owners of the parent-basic (yen)	68.32	54.58	(13.74)	-	-
Earnings per share attributable to owners of the parent-diluted (yen)	-	54.58	-	-	-
Profit (loss) on equity attributable to owners of the parent (%)	5.4	4.3	(1.1)	-	-
Profit (loss) before income tax expenses on total assets (%)	3.1	2.7	(0.4)	-	-
Operating profit (loss) on sales (%)	4.3	3.9	(0.4)	-	-
Cash flows from operating activities	81.9	116.7	34.7	-	-
Cash flows from investing activities	(45.9)	(164.5)	(118.6)	-	-
Cash flows from financing activities	42.4	75.7	33.3	-	-
Cash and cash equivalents at end of year	240.0	262.8	22.7	-	-
Capital expenditures*	72.4	86.5	14.1	-	-
Depreciation*	65.4	62.5	(2.9)	-	-
R&D expenditures	111.0	102.8	(8.1)	-	-
Number of employee (Japan) (thousand people)	31.9	31.6	(0.2)	-	-
Number of employee (Overseas) (thousand people)	60.7	58.4	(2.2)	-	-
	March 31, 2019	March 31, 2020	Change		
Total assets	2,725.1	2,867.6	142.5		
Equity attributable to owners of the parent	932.5	920.3	(12.2)		
Interest-bearing debt**	933.4	179.6	(753.7)		
Equity attributable to owners of the parent ratio (%)	34.2	32.1	(2.1)		
Equity per share attributable to owners of the parent (yen)	1,286.56	1,270.47	(16.09)		

\*The amounts presented in capital expenditures and depreciation are for property, plant and equipment.

\*\*The amounts are shown bonds and borrowings.

#### Ricoh Company, Ltd.

\* The forecast for the fiscal year ending March 31, 2021 has yet to be determined at this point, because of the effect of the worldwide spread of the novel coronavirus (COVID-19). We will carefully assess the impact and announce it promptly when we can disclose reasonable forecast. For the assumptions for forecast and other related information, please refer to "Forecast for the coming fiscal year" on page 8.

## (2) Three months ended March 31, 2019 and 2020

(Billions of yen)

	Three months ended March 31, 2019 Results	Three months ended March 31, 2020 Results	Change
Domestic sales	218.0	235.2	7.9%
Overseas sales	305.6	279.4	(8.6%)
Sales	523.7	514.6	(1.7%)
Gross profit	191.8	172.2	(10.2%)
Operating profit (loss)	7.6	9.6	25.7%
Profit (loss) before income tax expenses	7.0	7.4	5.0%
Profit (loss) attributable to owners of the parent	(1.1)	(1.9)	-
Exchange rate (Yen/US\$)	110.22	109.01	(1.21)
Exchange rate (Yen/EURO)	125.16	120.26	(4.90)
Earnings per share attributable to owners of the parent-basic (yen)	(1.53)	(2.65)	(1.12)
Earnings per share attributable to owners of the parent-diluted (yen)	-	(2.65)	-
Profit (loss) on equity attributable to owners of the parent (%)	(0.1)	(0.2)	(0.1)
Profit (loss) before income tax expenses on total assets (%)	0.3	0.3	(0.0)
Operating profit (loss) on sales (%)	1.5	1.9	0.4
Capital expenditures*	21.9	25.5	3.5
Depreciation*	15.8	13.9	(1.8)
R&D expenditures	30.6	27.2	(3.4)

\*The amounts presented in capital expenditures and depreciation are for property, plant and equipment.

# Ricoh Company, Ltd. and Consolidated Subsidiaries

Financial Highlights for the Year Ended March 31, 2020

[Prepared on the basis of International Financial Reporting Standards]

## 1. Results for the Period from April 1, 2019 to March 31, 2020

### (1) Operating Results

	(Millions of yen)	
	Year ended March 31, 2019	Year ended March 31, 2020
Sales	2,013,228	2,008,580
(% change from the previous corresponding period)	(2.4)	(0.2)
Operating profit (loss)	86,839	79,040
(% change from the previous corresponding period)	-	(9.0)
Profit (loss) before income tax expenses	83,964	75,891
(% change from the previous corresponding period)	-	(9.6)
Profit (loss)	55,377	44,413
(% change from the previous corresponding period)	-	(19.8)
Profit (loss) attributable to owners of the parent	49,526	39,546
(% change from the previous corresponding period)	-	(20.2)
Comprehensive income (loss)	36,136	11,614
(% change from the previous corresponding period)	-	(67.9)
Earnings per share attributable to owners of the parent-basic (yen)	68.32	54.58
Earnings per share attributable to owners of the parent-diluted (yen)	-	54.58
Profit (loss) on equity attributable to owners of the parent (%)	5.4	4.3
Profit (loss) before income tax expenses on total assets (%)	3.1	2.7
Operating profit (loss) on sales (%)	4.3	3.9

Notes:

- i. Share of profit of investments accounted for using the equity method: ¥ 244 million (¥ 492 million in previous corresponding period)
- ii. Earnings per share attributable to owners of the parent (basic and diluted) are based on Profit (loss) attributable to owners of the parent.

### (2) Financial Position

	(Millions of yen)	
	March 31, 2019	March 31, 2020
Total assets	2,725,132	2,867,645
Total equity	1,018,988	1,008,527
Equity attributable to owners of the parent	932,577	920,371
Equity attributable to owners of the parent ratio (%)	34.2	32.1
Equity per share attributable to owners of the parent (yen)	1,286.56	1,270.47

### (3) Cash Flows

	(Millions of yen)	
	Year ended March 31, 2019	Year ended March 31, 2020
Cash flows from operating activities	81,947	116,701
Cash flows from investing activities	(45,931)	(164,591)
Cash flows from financing activities	42,424	75,757
Cash and cash equivalents at end of year	240,099	262,834

## 2. Dividend Information

	Year ended March 31, 2019	Year ended March 31, 2020	Year ending March 31, 2021
	(Actual)	(Actual)	(Forecast)
Cash dividends, applicable to the year (yen)	23.00	26.00	-
Interim (yen)	10.00	13.00	-
Year-end (yen)	13.00	13.00	-
Total annual dividends (millions of yen)	16,671	18,846	-
Payout Ratio (%)	33.7	47.6	-
Dividends on equity attributable to owners of the parent (%)	1.8	2.0	-

Notes:

The forecast of cash dividends for the fiscal year ending March 31, 2021 has yet to be determined at this point. For the details on dividend information, please refer to "Dividend Policy" on page 8.

### 3. Forecast of Operating Results from April 1, 2020 to March 31, 2021

The forecast for the fiscal year ending March 31, 2021 has yet to be determined at this point, because of the effect of the worldwide spread of the novel coronavirus (COVID-19). We will carefully assess the impact and announce it promptly when we can disclose reasonable forecast.

### 4. Others

- (1) Changes in significant subsidiaries: No
- (2) Changes in accounting policies and accounting estimate
  - (i) Changes in accounting policies required by IFRS: Yes
  - (ii) Other changes: No
  - (iii) Changes in accounting estimate: No

\* For details, please refer to "3. Consolidated Financial Statements (6) Changes in accounting policies" on page 20.
- (3) Number of common stock outstanding (including treasury stock):  
As of March 31, 2020: 744,912,078 shares; As of March 31, 2019: 744,912,078 shares
- (4) Number of treasury stock:  
As of March 31, 2020: 20,478,528 shares; As of March 31, 2019: 20,049,430 shares
- (5) Average number of common stock:  
Year ended March 31, 2020: 724,595,697 shares; Year ended March 31, 2019: 724,867,249 shares

Notes: The Company has established the Board Incentive Plan trust in which beneficiaries include Directors and Executive Officers. The shares owned by the trust account relating to this trust are accounted for as treasury stock. (421,500 shares as of March 31, 2020)

### (Reference) Non-consolidated information

Results for the period from April 1, 2019 to March 31, 2020

#### (1) Operating Results

	(Millions of yen)	
	Year ended March 31, 2019	Year ended March 31, 2020
Sales	889,341	891,192
(% change from the previous corresponding period)	3.1	0.2
Operating profit (loss)	(21,070)	(31,104)
(% change from the previous corresponding period)	-	-
Profit (loss) from ordinary operations	1,399	(10,085)
(% change from the previous corresponding period)	(91.7)	-
Profit (loss)	50,958	4,215
(% change from the previous corresponding period)	-	(91.7)
Profit (loss) per share-basic (yen)	70.30	5.81
Profit (loss) per share-diluted (yen)	-	5.81

#### (2) Financial Position

	(Millions of yen)	
	March 31, 2019	March 31, 2020
Total assets	963,455	923,360
Total equity	478,233	461,015
Equity ratio (%)	49.6	49.9
Equity per share (yen)	659.76	636.38

\*Equity capital      March 31, 2020: ¥461,015 million      March 31, 2019: ¥478,233 million

# 1. Performance

## (1) Qualitative Information on Consolidated Business Results

### \* Overview of the Year of Fiscal 2019 (April 1, 2019 – March 31, 2020)

#### Business Environment

In fiscal 2019, ended March 2020, the outlook became increasingly uncertain owing to intensifying trade friction and rising geopolitical tensions. The economic climate deteriorated rapidly toward the end of the term, particularly overseas, with a global spread of COVID-19 infections from the start of 2020 prompting governments in numerous countries to impose lockdowns or requests to voluntarily constrain activities. The average exchange rate for the yen in fiscal 2019 was ¥108.80 to the U.S. dollar, down ¥2.15 from a year earlier, and ¥120.90 to the euro, down ¥7.56.

It was against that backdrop that demand for the Ricoh's mainstay office equipment was again down slightly in developed nations but expanded in emerging markets. In March 2020, however, demand plummeted in response to the COVID-19 pandemic. In the fourth quarter, corporate demand for consumables fell as office operations shrank. Demand for office IT services continued to grow during the year in line with progress in information and communication technology and changing work practices. It is also worth noting that Ricoh's targeted the collaboration services and contents market is expected to grow around 10% annually. Even amid the pandemic, demand for IT services continued to expand steadily, reflecting greater IT demand relating to teleworking and other aspects of business continuity.

#### Results for the Year

Fiscal 2019 was the final year of Ricoh's 19th Mid-Term Management Plan and the second year of the Ricoh Ignite growth strategy. It was in that year that Ricoh endeavored to reinforce the profitability of core businesses and expand growth businesses, executing growth strategies in preparation for the Ricoh Liftoff stage from fiscal 2020 while endeavoring to improve returns on capital and overhaul corporate governance.

Consolidated sales for fiscal 2019 declined 0.2%, to ¥2,008.5 billion. Although sales rose in the Office Service and Industrial Printing segments, they were down in the Office Printing, Commercial Printing, and Thermal segments. The Office Printing revenue downturn reflected lower hardware and consumables demand owing to the COVID-19 pandemic.

There was a narrowing down of deals in keeping with a strategic focus on profitable sales and a reduction in the number of machines in field from ongoing contract reviews. In Office Service, sales surged, particularly in Japan, for solutions packages that integrate IT equipment, software, and services to support small and medium-sized enterprises by resolving industry- and business-specific issues and help streamline business processes.

Overseas, we selected countries in which we would prioritize building an IT sales and services infrastructure, constructing a structure that included acquisitions. These factors contributed to a significant rise in Office Service sales. Consolidated sales would have risen 2.5% after factoring out transfer of stocks and the adoption of equity method accounting for consolidated logistics subsidiaries whose shares we transferred and sales reductions owing to the removal from consolidation of Ricoh India Limited, expenses associated with Ricoh India Limited and foreign exchange impacts.

In Japan, sales rose 8.3% from a year earlier. This was on steady growth, particularly in Office Service, reflecting expanded demand for IT equipment as domestic companies overhauled work practices and higher revenues in such areas as industry solutions services.

Sales in the Americas were down 5.9% from a year earlier. Although Industrial Printing sales grew, this reflected a focus on profitable deals and lower Office Printing revenues owing to the COVID-19 pandemic.

Sales in Europe, the Middle East, and Africa were off 4.9% but were up 1.0% after stripping out the foreign exchange impact. The principal factors here were, as in the Americas, a focus on profitable deals and lower Office Printing revenues owing to the pandemic. These factors outstripped Office Service growth from the acquisitions of DocuWare GmbH and other IT services sales firms to expand in the promising digital business area. Sales in Other regions were down 8.6%. This was due to an Office Printing decline that overshadowed growth in Industrial Printing sales.

Overseas, as a result of these factors, sales were down 5.9% from a year earlier.

Gross profit decreased 5.9%, to ¥721.5 billion. The drop was despite an earnings contribution from the Office Service business, and reflected a downturn in the Office Printing business. Key factors here were an ongoing emphasis on more profitable business deal sales, which led to a reduction in the number of machines in field, lower hardware sales owing to the pandemic, and lockdowns and requests to voluntarily constrain activities that restricted customer business activities and dampened sales of highly profitable related consumables.

In the Other segment, earnings were down owing to the adoption of equity method accounting for logistics subsidiaries and removals from consolidation.

Selling, general and administrative expenses decreased 6.3%, to ¥658.4 billion. This reflected ongoing progress in constraining expenditure through structural and business process reforms. We posted ¥10.6 billion in structural reform expenses for the year. Structural reforms generated savings of ¥18.1 billion, which progressed ahead of schedule.

As a result of these factors, Ricoh posted ¥79.0 billion in operating profit, down 9.0% from a year earlier. After factoring out the previous year's gain on sales of shares of subsidiaries and the foreign exchange impact, there would have been a 1.9% rise. After excluding structural reform expenses, one-time income, and other transient factors, operating profit would have been ¥103.2 billion. This was lower than the previous year's effective profitability of ¥105.1 billion, as Ricoh was unable to absorb a downside foreign exchange impact and the effects of tariffs between the United States and China.

Although the net finance income after stripping out the foreign exchange gain and loss increased than a year earlier due to the increment of Interest income, profit before income tax expenses declined 9.6%, to ¥75.8 billion, but would have risen 2.5% after factoring out one-time gain and the foreign exchange impact.

Corporate income tax expenses increased 10.1% from a year earlier, to ¥31.4 billion. This was because management determined the timing for eliminating temporary differences relating to investments in keeping with the conclusion of an agreement to transfer shares in Ricoh Leasing Company, Ltd., and recorded deferred tax liabilities.

As a result of these factors, profit attributable to owners of the parent was ¥39.5 billion, down 20.2% from a year earlier. After excluding corporate income tax expense increase associated with the Ricoh Leasing share transfer, profit attributable to owners of the parent would have risen 6.5%.

Comprehensive income decreased 67.9% to ¥11.6 billion due to a decrease of exchange differences on translation of foreign operations and profit decline.

## \* Review by Business Segment

### Office Printing

In the Office Printing field, we endeavored under the 19th Mid-Term Management Plan to focus away from sales toward profitability, strategically transforming and optimizing our structure and boosting earnings to generate new value.

In fiscal 2019, we endeavored worldwide to expand sales of the RICOH IM C series of advanced MFPs, which we launched in January 2019. In striving to enhance sales of advanced MFPs, we cultivated sales of packages combining applications and cloud services that we tailored to customer industries and businesses, creating new customer value.

Office Printing sales for the year decreased 7.4%, to ¥1,006.2 billion. Through the third quarter, they kept solid and unit sales of color A3 MFPs rose 3% reflecting the impact of new models. Hardware sales declined in the fourth quarter, however, owing to the COVID-19 pandemic, as lockdowns, requests to voluntarily constrain activities, and other factors constrained customer business activities and caused sales of related consumables to fall. Segment operating profit dropped from ¥117.9 billion posted a year earlier to ¥90.3 billion. This was because the pandemic caused sales and gross profit to decrease, offsetting progress in cutting operating expenses on the strength of structural reforms.

### Office Service

In the Office Service field, we pursue business growth by enhancing the value we offer customers, notably by leveraging our global customer base to deliver solutions services that support work practice reforms.

In fiscal 2019, sales surged, particularly in Japan, for solutions packages that integrate IT equipment, software, and services to digitize workflows for customer industries and businesses, centered on small and medium-sized enterprises. Overseas, we selected countries in which we would prioritize building an IT sales and services infrastructure, constructing a structure that included acquisitions. We moved to expand our digital business by purchasing DocuWare GmbH, which maintains a cloud and on-premise content services platform to support the automation of corporate document management and workflows, primarily in Europe and the United States.

Office Service sales in fiscal 2019 increased 18.2%, to ¥568.9 billion. In Japan, we sold personal computers, deployed IT systems, and offered support solutions in line with demand for transitioning to Windows 10. We also offered industry- and business-specific solutions packages. Toward the end of the year under review, sales surged from packages that help companies create teleworking frameworks to overcome the impact of the COVID-19 pandemic. Overseas, we expanded sales of IT services and other offerings in Europe, the Middle East, and Africa.

Segment operating profit jumped from ¥14.7 billion posted a year earlier, to ¥29.0 billion, as profitability improved with sales expansion. The operating profit on sales in Office Service rose from 3.1%, to 5.1%, reflecting steady progress in constructing business foundations to transform away from being an office automation manufacturer toward becoming a digital services company.

### Commercial Printing

We expect the Commercial Printing market to grow on the strength of the high image quality and productivity and broad paper support of our offerings and a rising need for systems that can deliver high-value-added printed materials that open doors to new business opportunities. We aim to expand our business by catering to the needs of customers while helping them to develop their businesses.

In fiscal 2019, we promoted sales of the RICOH Pro C9210/C9200 and RICOH Pro VC70000, which we launched in fiscal 2018 for commercial printing customers. The RICOH Pro C9210/C9200 has earned a solid reputation among customers for delivering image quality that is comparable to that of offset printers while saving labor and stabilizing print quality. The RICOH Pro VC70000 has won top marks for delivering outstanding productivity and image quality and for being more compact and entailing lower initial costs than offset printers.

Fiscal 2019 segment sales dropped 3.7%, to ¥178.3 billion. We enjoyed double-digit growth year-on-year in sales of hardware through the third quarter on the strength of products introduced during that period, principally in Europe and the United States. Hardware sales declined from the fourth quarter, however, owing to the COVID-19 pandemic. Sales of consumables for transactional printers were also down, reflecting decline in demand for those systems.

Operating profit was ¥23.1 billion, less than the ¥27.2 billion posted a year earlier, owing to lower sales of transactional printer consumables and a gross profit decline.

### Industrial Printing

In this segment, we seek to capture new markets and customers based on our strong position in inkjet heads that offer superior durability and are compatible with an array of inks. Furthermore, we can generate new value by drawing on our printing technologies, good examples being additive manufacturing and bioprinting in 3D printers.

In fiscal 2019, we expanded sales of the RICOH MH5320/5340/5320 Type A (the latter being without an ink port) inkjet heads, which we launched at the end of the previous fiscal year. These heads offer greater productivity, durability, image quality, and ink compatibility, and offer potential for cultivating new customers and expanding beyond regular sign graphics to encompass textiles and other applications.

Segment sales for the year increased 11.2%, to ¥23.0 billion. This was because while the COVID-19 pandemic hampered sales activity in the key Chinese market in the fourth quarter, overseas revenues grew on higher demand for new advanced industrial inkjet heads and expanded sales of industrial printers.

The operating loss was ¥4.9 billion, down ¥2.1 billion from a year earlier, reflecting higher product development expenses to fuel business growth and such transient factors as new product inventory allocations.

### Thermal Media

Demand has risen solidly in this area on growth in e-commerce, which has driven demand growth worldwide for shipping labels. It is against this backdrop that we have drawn on the materials technologies that we amassed over the years to steadily expand our business, notably by supplying thermal paper, ribbons, and other products that ensure outstanding resistance to heat and abrasion resistance and deliver superior print definition and storage capabilities. We have also endeavored to broaden new value through such offerings as our proprietary rewritable contactless laser system.

In fiscal 2019, we strove to expand product supplies and cut costs to overcome intensifying competition in the Chinese market and cater to changing customer needs, one being for smaller labels. We also cultivated new customers and applications, one example being the provision of eco-friendly, release paper-free label seals.

Sales for the year declined 6.7%, to ¥61.8 billion. Prime factors in that downturn were intensifying competition in the Chinese market, customer cost-cutting measures, and the COVID-19 pandemic in the fourth quarter. Segment operating profit was ¥3.2 billion, less than the ¥4.2 billion posted a year earlier, as the downside impact of the pandemic overshadowed progress in reducing raw materials costs to stabilize their supplies while improving processes to lower cost rates.

## Other

This segment encompasses the Industrial Products business, which focuses on the automotive sector, and the Smart Vision business, which is expanding its customer base by drawing on our strengths in capturing and image processing technologies to supply optical devices, primarily for the real estate sector. In Smart Vision, we launched the THETA 360.biz official partner program. Our application for virtual property tours has expanded business applications for our 360° camera, and has been very well received. The Other businesses segment also covers finance and other operations among affiliates.

Fiscal 2019 sales dropped 1.7%, to ¥170.0 billion. This reflected the impact of Ricoh Logistics System transitioning to an equity method affiliate, which offset a steady expansion in the finance business and higher sales of optical modules in the Industrial Products business. Sales would have risen if not for the removal from consolidation of that subsidiary.

Operating profit fell from ¥17.3 billion posted a year earlier to ¥2.3 billion, in the absence of the previous year's gain on sales of shares in Ricoh Logistics System. After excluding that factor, operating profit would have been basically unchanged.

## (2) Financial Position

### Assets, Liabilities, and Equity at Year-End

	March 31, 2019	March 31, 2020	(Billions of yen) Change
Total assets	2,725.1	2,867.6	142.5
Total equity	1,018.9	1,008.5	(10.4)
Equity attributable to owners of the parent	932.5	920.3	(12.2)
Equity attributable to owners of the parent ratio (%)	34.2	32.1	(2.1) points

Total assets rose ¥142.5 billion from the end of fiscal 2018, to ¥2,867.6 billion. For assets, Ricoh began recognizing right-of-use assets by applying International Financial Reporting Standard (IFRS) 16 'Leases'. At year-end, other financial assets, including those assets classified as held for sale, were up from a year earlier.

Total liabilities were up ¥152.9 billion, to ¥1,859.1 billion. Lease liabilities surged owing to the application of IFRS 16 'Leases'. The liabilities of related subsidiaries rose in line with the expansion of the finance business. At year-end, therefore, there was an increase from a year earlier in bonds and borrowings included in liabilities directly related to assets held for sale.

In March 2020, the Company concluded an agreement to transfer some Ricoh Leasing shares to Mizuho Leasing Company, Limited. Under this agreement, Ricoh Leasing-related assets and directly related liabilities are being presented as assets classified as held for sale and as liabilities directly related to assets held for sale until the share transfer completion.

Total Ricoh shareholders' equity at the end of the term was down ¥10.4 billion from a year earlier, at ¥1,008.5 billion. Although there was a decrease in other components of equity in keeping with a decrease in exchange differences on translation of foreign operations, retained earnings were up owing to higher profit.

As a result of these factors, equity attributable to owners of the parent was ¥920.3 billion, down ¥12.2 billion from a year earlier. The equity attributable to owners of the parent ratio remained stable, at 32.1%.

Ricoh aims to materialize new growth businesses by strengthening profitability in core businesses and investing extensively while pursuing returns that exceed capital costs to sustainably enhance corporate value. Under the 19th Mid-Term Management Plan, management remained conscious of the need to use shareholders' equity effectively, carefully investing in growth strategies that lift corporate value over the medium and long terms while seeking to boost capital efficiency.

In fiscal 2019, the final year of our current mid-term management plan, we endeavored to raise Return on equity (ROE) to more than 6.5%. Profit attributable to owners of the parent was below our initial forecast. This was despite efforts to strengthen profitability in core businesses and generated growth in new businesses while bearing fruit from structural reform efforts earlier than planned. Key factors in the downturn were the downside earnings impact of the COVID-19 pandemic and corporate income tax expenses caused by the determination of a timing for eliminating temporary differences relating to investments in keeping with the conclusion of an agreement to transfer shares in Ricoh Leasing. ROE for fiscal 2019 was thus less than targeted, at 4.3%. After excluding a ¥10.2 billion corporate income tax expense increase associated with the Ricoh Leasing share transfer, ROE would have been basically unchanged from a year earlier, at 5.3%.

Ricoh has set ROE target as the most important key performance indicator in the management plan. Our benchmark is ROE target of more than 9.0% by fiscal 2022.

### (3) Cash flows

	(Billions of yen)		
	March 31, 2019	March 31, 2020	Change
Cash flows from operating activities	81.9	116.7	34.7
Cash flows from investing activities	(45.9)	(164.5)	(118.6)
Cash flows from financing activities	42.4	75.7	33.3
Cash and cash equivalents at end of year	240.0	262.8	22.7

At the end of fiscal 2019, net cash provided by operating activities was ¥116.7 billion, up ¥34.7 billion from a year earlier. This reflected a decrease in trade and other receivables and inventories than in the previous year.

Net cash used in investing activities increased ¥118.6 billion, to ¥164.5 billion. A key factor in that rise was acquisitions of DocuWare GmbH and other European IT services enterprises. Also, there was transient cash income in the previous year from divestments of shares in Coca-Cola Bottlers Japan Holdings Inc. and Ricoh Logistics System Co., Ltd., and expenditures on investment activities overall increased dramatically.

As a result of these factors, Ricoh posted a negative free cash flow (net cash provided by operating activities plus net cash used in investing activities) of ¥47.8 billion, decreased by ¥83.9 billion from a year earlier. This was despite efforts to reinforce business profitability from structural reform initiatives and operational reviews. After factoring out the Coca-Cola Bottlers Japan Holdings Inc. and Ricoh Logistics System Co., Ltd. share divestments of the previous year, the free cash flow decline would have been ¥17.7 billion.

Net cash provided by financing activities was ¥75.7 billion, up ¥33.3 billion. This was because while there was an increase in dividends paid owing to an increase in outlays for such payments at the end of the previous fiscal year, proceeds by related subsidiaries increased in line with the expansion of the finance business.

As a result of these factors, cash and cash equivalents at the end of year were ¥262.8 billion, up ¥22.7 billion from a year earlier.

Ricoh seeks to transform its business structure and grow over the medium and long terms by reinforcing the profitability of core businesses to generate cash while investing in new cash-producing businesses. In fiscal 2019, the final year of its 19th Mid-Term Management Plan, the Group targeted an aggregate free cash flow excluding the finance business of ¥100 billion for the three years of that initiative. It greatly exceeded that objective by generating a total of ¥209.7 billion.

#### (Reference) Cash Flow Indices

	Year ended March 31, 2017	Year ended March 31, 2018	Year ended March 31, 2019	Year ended March 31, 2020
Equity attributable to owners of the parent / Total assets	37.8%	34.4%	34.2%	32.1%
Market capitalization / Total assets	24.1%	28.8%	30.8%	20.1%
Interest bearing debt / Operating cash flow	9.7	8.0	11.4	9.1
Operating cash flow / Interest expense	12.8	18.8	17.3	25.5

Notes:

i. All indices are calculated based on consolidated data.

ii. Operating cash flow is shown in consolidated statement of cash flow. Interest bearing debt are bonds and borrowings.

### (4) Forecast for the coming fiscal year

The COVID-19 pandemic has affected Ricoh's business activities in various ways since becoming a pandemic in February 2020.

We have stepped up our use of email, teleconferencing, telemarketing, and other tools in response to expanded teleworking and halts in visits to customers. It has become difficult, however, to expand sales of new products and services owing to such factors as declining purchasing demand and an inability to install machines in field. On top of that, lower business activity in offices reduced the usage of mainstay multifunctional printers (MFPs), cutting sales of consumables and other offerings.

The pandemic will affect our fiscal 2020 performance until an end is in sight for the COVID-19 pandemic. The forecast for the fiscal year ending March 31, 2021 has yet to be determined, because it is difficult to reasonably estimate the impact of the COVID-19.

We will carefully assess the impact and announce it promptly when we can disclose reasonable forecast.

### (5) Dividend Policy

With regard to shareholder returns, we believe it is important to increase shareholder returns through sustainable growth that yields medium to long-term stock price increases and stable dividends. To this end, we are working to increase profits through strategic investments for sustainable growth. In addition, we will maintain a stable financial base in order to respond to the large economic fluctuations that may occur in light of the spread of the COVID-19 that we are currently facing. We will make efforts to provide stable dividends with the benchmark of dividend payout ratio of 30%, and will make final decisions by taking into comprehensive consideration our profit forecast, investment plans, and financial strength with an awareness of ratings, etc.

The total dividend per share for the fiscal year ended March 31, 2020 will be ¥26.00.

Since it is difficult to provide a reasonable financial forecast for the next one year at this point due to the spread of the COVID-19 and the convergence is still unclear, we will promptly make an announcement of the cash dividends forecast for the fiscal year ending March 31, 2021 as soon as the disclosure of the forecast becomes possible.

In keeping with our endeavors under the 19th Mid-Term Management Plan and our desire to return some of the fruits of our efforts to shareholders, in addition to regular dividends, we have decided to on policy of the additional shareholder returns up to ¥100.0 billion under the 20th Mid-Term Management Plan (from April 2020 to March 2023). Management will determine the specific means and timing after evaluating the near-term financial market climate and economic situation.



## **(6) Issues to be Solved**

### **Reviewing the 19th Mid-Term Management Plan: Resurgent and Ignite Initiatives**

Following the global financial crisis of 2008, Ricoh failed to fully address business climate changes, and its performances long languished. The resulting concerns prompted management to formulate the 19th Mid-Term Management Plan to transform the Ricoh over three years through fiscal 2019.

Under this initiative, we rolled out RICOH Resurgent in 2017 to do away with our long-held strategy of prioritizing market share and machine-in-field expansion and embark on efforts to overhaul our cost structure and boost the profitability of our office products and services. At the same time, we leveraged Group strengths to focus on growth businesses that could drive market expansion, invested for the future, and improved our management systems.

In February 2018, we announced RICOH Ignite as our growth strategy. Under this initiative we made Sustainable Development Goals central to management, formulating business strategies linked to five materiality efforts. These are to create knowledge, enhance productivity, improve the quality of life, decarbonize economies, and materialize circular economies while establishing key performance indicators to help materialize sustainable development goals for each business and launching an administrative framework for all this. We have undertaken business initiatives to contribute to progress in these five materiality efforts and help attain Sustainable Development Goals while enhancing corporate value.

We formulated growth strategies #0, #1, and #2 to leverage our strengths under RICOH Ignite. Growth Strategy #0 entails expanding customer value and streamlining operations to become more profitable. We are combining the optical, image processing, mechanical, electrical, chemical, control, and other technologies that we have amassed in core businesses over the years to broaden the value that printing can provide. We created Growth Strategy #1 and #2 to draw on advanced combinations of these technologies with our printing technology and our base of 1.4 million corporate customers worldwide and cultivate fields that can become new earnings sources.

In fiscal 2017, the first year of the 19th Mid-Term Management Plan, we embarked on structural reforms in which we transitioned away from expanding sales in our core Office Printing business to become more profit-centric. We accordingly focused on changing our structure and rationalizing fixed and other costs. We integrated and shut down operations to enhance asset efficiency and stepped up business selectivity by removing the leasing, semiconductor, logistics, and tourism businesses from consolidation. We undertook painful reforms to break from previous management practices, notably by booking impairment charges and changing our policy of supporting Ricoh India Limited. As a result of these endeavors, we generated structural reform savings of ¥106.6 billion under the 19th Mid-Term Management Plan, exceeding our initial target of ¥100.0 billion.

Under Growth Strategy #0, we pursued operational excellence and become more profitable by undertaking extensive structural reforms, cutting costs, and managing prices. We launched advanced MFPs as platforms for delivering new added value, bringing new value to these models and evolving the value we provide to customers. Under Growth Strategy #1, while we enhanced profitability in the Commercial Printing, Industrial Printing, and Thermal businesses we did not undertake sufficient strategic investments to materialize the growth we sought, due to making investment management focusing on the capital costs. Business growth was particularly short of expectations in the Industrial Printing business. Under Growth Strategy #2, we identified earnings prospects in the Office Service business and made it profitable. We translated market opportunities into growth and undertook strategic investments as needed in keeping with market needs in each country and our capabilities and strengths. We also expanded our business scale while enhancing profitability. In addition, we boosted the profitability of our Industrial Products and Smart Vision businesses.

At the same time, we endeavored to reinforce corporate governance to underpin our efforts to generate value and grow sustainably. Our overall approach on strengthening our position comprised three elements. The first was to improve corporate and shareholder value by taking prudent risks and managing them. The second was to reinforce supervisor and auditing independence. The third was to engage in disclosure and dialogue with stakeholders.

Numerous initiatives included reviewing director terms, ensuring that outside and non-executive members account for half of the Board of Directors, selecting chairs from outside directors in both the Nomination Committee and the Compensation Committee (each consisting of a majority of outside directors), strictly evaluating CEO or in-house directors, deploying the stock compensation system for directors, and setting up five committees, including the Investment, ESG, and Risk Management Committees. For overseas subsidiaries, we began periodically auditing their balance sheets and reviewing the standards for selecting audit firms. We also held IR Day events to strengthen investor and shareholder relations and reviewed information disclosure process. One outcome of our efforts is that our Investment Committee advises on acquisition investment decisions.

As a result, while investments in acquisitions did not reach the ¥200.0 billion targeted under our growth strategies, the Investment Committee that we created as part of governance reforms performed as we envisaged, focusing on returns on invested capital and making solid investment decisions.

Through the Resurgent and Ignite initiatives under the 19th Mid-Term Management Plan, the Ricoh strengthened its operational structure and progressed with business structure reforms, thereby enhancing its ability to generate profits. Due to the reorganization of affiliated companies by undertaking business selectivity, and the rapid deteriorate of business climate caused by the COVID-19 pandemic, consolidated operating profit in fiscal 2019, the last year of the 19th Mid-Term Management Plan, was ¥79.0 billion. This was unfortunately short of the ¥100.0 billion target. Return on equity was 4.3%, against a targeted 6.9%. At the same time, we progressed in efforts to strengthen cash flow creation to invest sustainably in growth.

We sought to generate ¥100.0 billion in free cash flow excluding the finance business during the three years of the 19th Mid-Term Management Plan. We significantly exceeded that goal, producing ¥209.7 billion on efforts to boost profitability and undertake business and asset selectivity.

In keeping with our endeavors under the 19th Mid-Term Management Plan and our desire to return some of the fruits of our efforts to shareholders, in addition to regular dividends, we have decided to on policy of the additional shareholder returns up to ¥100.0 billion under the 20th Mid-Term Management Plan (from April 2020 to March 2023). This three-year initiative began in April this year. Management will determine the specific means and timing after evaluating the near-term financial market climate and economic situation.

## **Current Challenges and Approach**

The Ricoh faces three key challenges in an increasingly uncertain world, and is addressing them accordingly.

Challenges	Ricoh Initiatives
1. Deteriorating results in a global recession that is worse than expected	Implement measures to stabilize performance in the near term amid the impact of the COVID-19 pandemic
2. The business climate changing dramatically over the medium and long terms	Enhance corporate value over the medium and long terms in view of changing conditions as mindsets and work practices evolve
3. Growing demand to make the entire supply chain compatible with environmental, social, and governance requirements and Sustainable Development Goals	Accelerate efforts to meet stakeholder expectations regarding environmental, social, and governance (ESG) requirements and Sustainable Development Goals (SDGs)

It remains unclear when the COVID-19 pandemic that spread after February 2020 will abate. We expect the world economy to continue stagnating as economic activity contracts. We have accordingly positioned fiscal 2020 as an emergency period in which we will undertake urgent improvement efforts. In view of the economic environment, we do not anticipate significant sales growth. We will accordingly do our best to generate earnings by implementing fast-acting measures, generate cash for business continuity, optimize human resources and business sites, further reform business processes, and undertake extensive business selectivity.

Changes in the business climate will likely be far greater than expected. We will announce our new mid-term management plan after carefully evaluating the extent to which the pandemic abates and subsequent changes in the operating climate. That plan will nonetheless transition to the RICOH Liftoff stage as we endeavor to become a digital services provider and sustainably improve our corporate value. The pandemic will probably change the social fabric in terms of sentiment, values, and work practices. By providing digital services, we will scrutinize our strategies to increase our corporate value and capabilities in each business. We will also strive to increase the value of each business and transform our business structure. We will accordingly execute growth strategies that make us more competitive while engaging in management that focuses on enhancing capital returns to bolster corporate value.

We will endeavor to improve corporate value over the medium and long terms, capitalize on business opportunities, and avoid operational risks by formulating targets relating to our previously mentioned transformation into a digital services provider and our ESG requirements and SDGs in view of stakeholder expectations, disclosing specific initiatives and their outcomes.

We will address climate change, which has significantly hampered socioeconomic progress, by reviewing our greenhouse gas reduction goals and stepping up efforts in that regard while sharing information better in keeping with the recommendations of the Task Force on Climate-related Financial Disclosures\*.

We will also set goals for other social issues and expand ESG investing while ensuring that the value chain overall addresses ESG and SDG demands from stakeholders, particularly our customers worldwide.

\*The Financial Stability Board established the Task Force on Climate-related Financial Disclosures to manage the physical and transition risks associated with climate change. The TCFD encourages businesses and organizations committed to its principles to disclose the risks and opportunities of climate change. It also aims to stabilize financial markets to streamline transitions to low-carbon economies

## **2. Basic policies in selecting accounting policies**

Ricoh has decided on voluntary adoption of IFRS from fiscal year ended on March 31, 2014 as Ricoh concluded that an implementation of IFRS as a global standard and unifying accounting standards across the group will enable Ricoh to enhance accuracy for the management of the entire group.

### 3. Consolidated Financial Statements

#### (1) Consolidated Statement of Financial Position

##### Assets

	(Millions of yen)		
	March 31, 2019	March 31, 2020	Change
<b>Current Assets</b>			
Cash and cash equivalents	240,099	262,834	22,735
Time deposits	70	50	(20)
Trade and other receivables	604,804	392,780	(212,024)
Other financial assets	294,351	87,226	(207,125)
Inventories	207,748	201,248	(6,500)
Other current assets	40,107	36,428	(3,679)
Subtotal	1,387,179	980,566	(406,613)
Assets classified as held for sale	2,583	1,125,582	1,122,999
<b>Total Current Assets</b>	1,389,762	2,106,148	716,386
<b>Non-current assets</b>			
Property, plant and equipment	250,287	201,569	(48,718)
Right-of-use assets	-	59,425	59,425
Goodwill and intangible assets	219,806	231,898	12,092
Other financial assets	708,295	139,181	(569,114)
Investments accounted for using the equity method	12,521	14,305	1,784
Other investments	22,443	14,951	(7,492)
Other non-current assets	38,006	29,550	(8,456)
Deferred tax assets	84,012	70,618	(13,394)
<b>Total Non-current Assets</b>	1,335,370	761,497	(573,873)
<b>Total Assets</b>	2,725,132	2,867,645	142,513

##### Liabilities and Equity

	(Millions of yen)		
	March 31, 2019	March 31, 2020	Change
<b>Current Liabilities</b>			
Bonds and borrowings	266,957	51,492	(215,465)
Trade and other payables	306,189	246,055	(60,134)
Lease liabilities	-	27,230	27,230
Other financial liabilities	521	-	(521)
Income tax payables	15,455	9,455	(6,000)
Provisions	12,277	11,686	(591)
Other current liabilities	242,799	233,909	(8,890)
Subtotal	844,198	579,827	(264,371)
Liabilities directly related to assets held for sale	-	969,069	969,069
<b>Total Current Liabilities</b>	844,198	1,548,896	704,698
<b>Non-current Liabilities</b>			
Bonds and borrowings	666,462	128,172	(538,290)
Lease liabilities	-	38,741	38,741
Other financial liabilities	3,420	-	(3,420)
Accrued pension and retirement benefits	105,288	99,795	(5,493)
Provisions	6,610	6,458	(152)
Other non-current liabilities	77,619	34,143	(43,476)
Deferred tax liabilities	2,547	2,913	366
<b>Total Non-current Liabilities</b>	861,946	310,222	(551,724)
<b>Total Liabilities</b>	1,706,144	1,859,118	152,974
<b>Equity</b>			
Common stock	135,364	135,364	-
Additional paid-in capital	186,086	186,173	87
Treasury stock	(37,394)	(37,795)	(401)
Other components of equity	73,645	41,768	(31,877)
Other comprehensive income related to disposal group held for sale	-	130	130
Retained earnings	574,876	594,731	19,855
Equity attributable to owners of the parent	932,577	920,371	(12,206)
Non-controlling interests	86,411	88,156	1,745
<b>Total Equity</b>	1,018,988	1,008,527	(10,461)
<b>Total Liabilities and Equity</b>	2,725,132	2,867,645	142,513

## (2) Consolidated Statement of Profit or Loss and Consolidated Statement of Comprehensive Income

### Consolidated Statement of Profit or Loss

Year ended March 31, 2019 and 2020

	(Millions of yen)			
	Year ended March 31, 2019	Year ended March 31, 2020	Change	%
Sales	2,013,228	2,008,580	(4,648)	(0.2)
Cost of sales	1,246,345	1,287,003	40,658	3.3
Percentage of sales (%)	61.9	64.1		
Gross profit	766,883	721,577	(45,306)	(5.9)
Percentage of sales (%)	38.1	35.9		
Selling, general and administrative expenses	702,912	658,435	(44,477)	(6.3)
Percentage of sales (%)	34.9	32.8		
Other income	23,449	15,911	(7,538)	(32.1)
Percentage of sales (%)	1.1	0.8		
Impairment of goodwill	581	13	(568)	(97.8)
Percentage of sales (%)	0.0	0.0		
Operating profit (loss)	86,839	79,040	(7,799)	(9.0)
Percentage of sales (%)	4.3	3.9		
Finance income	4,598	4,926	328	7.1
Percentage of sales (%)	0.3	0.2		
Finance costs	7,965	8,319	354	4.4
Percentage of sales (%)	0.4	0.4		
Share of profit (loss) of investments accounted for using the equity method	492	244	(248)	(50.4)
Percentage of sales (%)	0.0	0.0		
Profit (loss) before income tax expenses	83,964	75,891	(8,073)	(9.6)
Percentage of sales (%)	4.2	3.8		
Income tax expenses	28,587	31,478	2,891	10.1
Percentage of sales (%)	1.4	1.6		
Profit (loss)	55,377	44,413	(10,964)	(19.8)
Percentage of sales (%)	2.8	2.2		
Profit (loss) attributable to:				
Owners of the parent	49,526	39,546	(9,980)	(20.2)
Percentage of sales (%)	2.5	2.0		
Non-controlling interests	5,851	4,867	(984)	(16.8)
Percentage of sales (%)	0.3	0.2		

  

	Year ended March 31, 2019	Year ended March 31, 2020	Change
Earnings per share attributable to owners of the parent-basic (yen)	68.32	54.58	(13.74)
Earnings per share attributable to owners of the parent-diluted (yen)	-	54.58	-

\* Gain on sales of property, plant, equipment and others were included in "other income." As for the year ended March 31, 2019, gain on sales of shares of Ricoh Logistics System Co., Ltd was included in "other income."

\* As for the year ended March 31, 2019, gain arising from the removal from consolidation of Ricoh India Limited with loss of control, provision of allowance for doubtful accounts for receivable for Ricoh India Limited and others were included in "selling, general and administrative expenses".

Three months ended March 31, 2019 and 2020

(Millions of yen)

	Three months ended March 31, 2019	Three months ended March 31, 2020	Change	%
Sales	523,777	514,698	(9,079)	(1.7)
Cost of sales	331,963	342,469	10,506	3.2
Percentage of sales (%)	63.4	66.5		
Gross profit	191,814	172,229	(19,585)	(10.2)
Percentage of sales (%)	36.6	33.5		
Selling, general and administrative expenses	183,958	171,176	(12,782)	(6.9)
Percentage of sales (%)	35.1	33.3		
Other income	385	8,585	8,200	-
Percentage of sales (%)	0.1	1.7		
Impairment of goodwill	581	13	(568)	(97.8)
Percentage of sales (%)	0.1	0.0		
Operating profit (loss)	7,660	9,625	1,965	25.7
Percentage of sales (%)	1.5	1.9		
Finance income	2,252	565	(1,687)	(74.9)
Percentage of sales (%)	0.4	0.1		
Finance costs	2,830	2,768	(62)	(2.2)
Percentage of sales (%)	0.6	0.5		
Share of profit (loss) of investments accounted for using the equity method	(15)	1	16	-
Percentage of sales (%)	(0.0)	0.0		
Profit (loss) before income tax expenses	7,067	7,423	356	5.0
Percentage of sales (%)	1.3	1.4		
Income tax expenses	6,698	9,103	2,405	35.9
Percentage of sales (%)	1.2	1.8		
Profit (loss) for the period	369	(1,680)	(2,049)	-
Percentage of sales (%)	0.1	(0.3)		
Profit (loss) attributable to:				
Owners of the parent	(1,107)	(1,923)	(816)	-
Percentage of sales (%)	(0.2)	(0.4)		
Non-controlling interests	1,476	243	(1,233)	(83.5)
Percentage of sales (%)	0.3	0.0		

	Three months ended March 31, 2019	Three months ended March 31, 2020	Change
Earnings per share attributable to owners of the parent-basic (yen)	(1.53)	(2.65)	(1.12)
Earnings per share attributable to owners of the parent-diluted (yen)	-	(2.65)	-

\* Gain on sales of property, plant, equipment and others were included in "other income".

\* As for three months ended March 31, 2019, provision of allowance for doubtful accounts for receivable for Ricoh India Limited and others were included in "selling, general and administrative expenses".

Consolidated Statement of Comprehensive Income

Year ended March 31, 2019 and 2020

	(Millions of yen)		
	Year ended March 31, 2019	Year ended March 31, 2020	Change
Profit (loss)	55,377	44,413	(10,964)
Other comprehensive income (loss):			
Components that will not be reclassified subsequently to profit or loss:			
Remeasurement of defined benefit plan	(6,389)	(2,481)	3,908
Net changes in fair value of financial assets measured through other comprehensive income	(1,929)	(946)	983
Total components that will not be reclassified subsequently to profit or loss	(8,318)	(3,427)	4,891
Components that will be reclassified subsequently to profit or loss:			
Net changes in fair value of cash flow hedges	56	190	134
Exchange differences on translation of foreign operations	(10,979)	(29,562)	(18,583)
Total components that will be reclassified subsequently to profit or loss	(10,923)	(29,372)	(18,449)
Total other comprehensive income (loss)	(19,241)	(32,799)	(13,558)
Comprehensive income (loss)	36,136	11,614	(24,522)
Comprehensive income (loss) attributable to:			
Owners of the parent	30,304	6,949	(23,355)
Non-controlling interests	5,832	4,665	(1,167)

Three months ended March 31, 2019 and 2020

	(Millions of yen)		
	Three months ended March 31, 2019	Three months ended March 31, 2020	Change
Profit (loss) for the period	369	(1,680)	(2,049)
Other comprehensive income (loss):			
Components that will not be reclassified subsequently to profit or loss:			
Remeasurement of defined benefit plan	(6,389)	(571)	5,818
Net changes in fair value of financial assets measured through other comprehensive income	1,138	(2,294)	(3,432)
Total components that will not be reclassified subsequently to profit or loss	(5,251)	(2,865)	2,386
Components that will be reclassified subsequently to profit or loss:			
Net changes in fair value of cash flow hedges	4	645	641
Exchange differences on translation of foreign operations	(5,000)	(19,704)	(14,704)
Total components that will be reclassified subsequently to profit or loss	(4,996)	(19,059)	(14,063)
Total other comprehensive loss	(10,247)	(21,924)	(11,677)
Comprehensive income (loss)	(9,878)	(23,604)	(13,726)
Comprehensive income (loss) attributable to:			
Owners of the parent	(11,400)	(23,323)	(11,923)
Non-controlling interests	1,522	(281)	(1,803)

Consolidated Sales by Product Category

Year ended March 31, 2019 and 2020

	(Millions of yen)			
	Year ended March 31, 2019	Year ended March 31, 2020	Change	%
<Office Printing>	1,086,428	1,006,274	(80,154)	(7.4)
Percentage of sales (%)	54.0	50.1		
<Office Service>	481,392	568,955	87,563	18.2
Percentage of sales (%)	23.9	28.3		
<Commercial Printing>	185,292	178,396	(6,896)	(3.7)
Percentage of sales (%)	9.2	8.9		
<Industrial Printing>	20,692	23,006	2,314	11.2
Percentage of sales (%)	1.0	1.1		
<Thermal Media>	66,368	61,896	(4,472)	(6.7)
Percentage of sales (%)	3.3	3.1		
<Other>	173,056	170,053	(3,003)	(1.7)
Percentage of sales (%)	8.6	8.5		
Grand Total	2,013,228	2,008,580	(4,648)	(0.2)
Percentage of sales (%)	100.0	100.0		

Three months ended March 31, 2019 and 2020

	(Millions of yen)			
	Three months ended March 31, 2019	Three months ended March 31, 2020	Change	%
<Office Printing>	277,215	245,308	(31,907)	(11.5)
Percentage of sales (%)	52.9	47.7		
<Office Service>	132,557	160,302	27,745	20.9
Percentage of sales (%)	25.3	31.1		
<Commercial Printing>	50,145	45,021	(5,124)	(10.2)
Percentage of sales (%)	9.6	8.7		
<Industrial Printing>	5,078	5,212	134	2.6
Percentage of sales (%)	1.0	1.0		
<Thermal Media>	15,760	14,000	(1,760)	(11.2)
Percentage of sales (%)	3.0	2.7		
<Other>	43,022	44,855	1,833	4.3
Percentage of sales (%)	8.2	8.7		
Grand Total	523,777	514,698	(9,079)	(1.7)
Percentage of sales (%)	100.0	100.0		

\* Each category includes the following product line:

Office Printing	MFPs (multifunctional printers), copiers, laser printers, digital duplicators, wide format printers, facsimile machine, scanners, related parts & supplies, services, support and software
Office Service	Personal computers, servers, network equipment, related services, support, software and service & solutions related to documents
Commercial Printing	Cut sheet printers, continuous feed printer, related parts & supplies, services, support and software
Industrial printing	Inkjet heads, imaging systems and industrial printers
Thermal Media	Thermal paper and thermal media
Other	Industrial optical component/module, electronic components, precision mechanical component, digital cameras, 3D printing, ECO, healthcare and financial services

Consolidated Sales by Geographic Area

Year ended March 31, 2019 and 2020

	(Millions of yen)			
	Year ended March 31, 2019	Year ended March 31, 2020	Change	%
<Domestic>	805,799	872,378	66,579	8.3
Percentage of sales (%)	<i>40.0</i>	<i>43.4</i>		
<Overseas>	1,207,429	1,136,202	(71,227)	(5.9)
Percentage of sales (%)	<i>60.0</i>	<i>56.6</i>		
The Americas	567,442	534,181	(33,261)	(5.9)
Percentage of sales (%)	<i>28.2</i>	<i>26.6</i>		
Europe, Middle East and Africa	458,856	436,458	(22,398)	(4.9)
Percentage of sales (%)	<i>22.8</i>	<i>21.7</i>		
Other	181,131	165,563	(15,568)	(8.6)
Percentage of sales (%)	<i>9.0</i>	<i>8.2</i>		
Grand Total	2,013,228	2,008,580	(4,648)	(0.2)
Percentage of sales (%)	<i>100.0</i>	<i>100.0</i>		

Three months ended March 31, 2019 and 2020

	(Millions of yen)			
	Three months ended March 31, 2019	Three months ended March 31, 2020	Change	%
<Domestic>	218,094	235,265	17,171	7.9
Percentage of sales (%)	<i>41.6</i>	<i>45.7</i>		
<Overseas>	305,683	279,433	(26,250)	(8.6)
Percentage of sales (%)	<i>58.4</i>	<i>54.3</i>		
The Americas	147,078	131,371	(15,707)	(10.7)
Percentage of sales (%)	<i>28.1</i>	<i>25.5</i>		
Europe, Middle East and Africa	118,129	114,623	(3,506)	(3.0)
Percentage of sales (%)	<i>22.6</i>	<i>22.3</i>		
Other	40,476	33,439	(7,037)	(17.4)
Percentage of sales (%)	<i>7.7</i>	<i>6.5</i>		
Grand Total	523,777	514,698	(9,079)	(1.7)
Percentage of sales (%)	<i>100.0</i>	<i>100.0</i>		



### (3) Consolidated Statement of Changes in Equity

(Millions of Yen)

	Common Stock	Additional paid-in capital	Treasury stock	Other components of equity		
				Remeasurement of defined benefit plan	Net changes in fair value of financial assets measured through other comprehensive income	Net changes in fair value of cash flow hedges
Balance as of April 1, 2018	135,364	186,463	(37,329)	-	51,581	(13,261)
Cumulative effects of changes in accounting policy	-	-	-	-	(41,149)	13,293
Opening Balance reflecting changes in accounting policy	135,364	186,463	(37,329)	-	10,432	32
Profit (loss)						
Other comprehensive income (loss)				(6,385)	(2,001)	27
Comprehensive income (loss)	-	-	-	(6,385)	(2,001)	27
Net change in treasury stock			(10)			
Dividends declared and approved to owners						
Transfer from other components of equity to retained earnings				6,385	(616)	
Equity transactions with non-controlling shareholders		(377)				
Other			(55)			
Total transactions with owners	-	(377)	(65)	6,385	(616)	-
Balance as of March 31, 2019	135,364	186,086	(37,394)	-	7,815	59

	Other components of equity		Retained earnings	Equity attributable to owners of the parent	Non-controlling interests	Total equity
	Exchange differences on translation of foreign operations	Total other components of equity				
Balance as of April 1, 2018	76,634	114,954	510,113	909,565	79,190	988,755
Cumulative effects of changes in accounting policy	-	(27,856)	33,691	5,835	-	5,835
Opening Balance reflecting changes in accounting policy	76,634	87,098	543,804	915,400	79,190	994,590
Profit (loss)			49,526	49,526	5,851	55,377
Other comprehensive income (loss)	(10,863)	(19,222)		(19,222)	(19)	(19,241)
Comprehensive income (loss)	(10,863)	(19,222)	49,526	30,304	5,832	36,136
Net change in treasury stock				(10)		(10)
Dividends declared and approved to owners			(12,685)	(12,685)	(1,101)	(13,786)
Transfer from other components of equity to retained earnings		5,769	(5,769)	-		-
Equity transactions with non-controlling shareholders				(377)	2,490	2,113
Other				(55)		(55)
Total transactions with owners	-	5,769	(18,454)	(13,127)	1,389	(11,738)
Balance as of March 31, 2019	65,771	73,645	574,876	932,577	86,411	1,018,988

(Millions of Yen)

	Common Stock	Additional paid-in capital	Treasury stock	Other components of equity			
				Remeasurement of defined benefit plan	Net changes in fair value of financial assets measured through other comprehensive income	Net changes in fair value of cash flow hedges	Exchange differences on translation of foreign operations
Balance as of April 1, 2019	135,364	186,086	(37,394)	-	7,815	59	65,771
Profit (loss)							
Other comprehensive income (loss)				(2,473)	(776)	255	(29,603)
Comprehensive income (loss)	-	-	-	(2,473)	(776)	255	(29,603)
Net change in treasury stock			(401)				
Dividends declared and approved to owners							
Share-based payment transactions		43					
Share-based payment transactions of subsidiaries							
Transfer from other components of equity to retained earnings				2,473	(1,623)		
Equity transactions with non-controlling shareholders		44					
Transfer to other comprehensive income related to disposal group held for sale					(225)	95	
Total transactions with owners	-	87	(401)	2,473	(1,848)	95	-
Balance as of March 31, 2020	135,364	186,173	(37,795)	-	5,191	409	36,168

	Other components of equity	Other comprehensive income related to disposal group held for sale	Retained earnings	Equity attributable to owners of the parent	Non-controlling interests	Total equity
	Total other components of equity					
Balance as of April 1, 2019	73,645	-	574,876	932,577	86,411	1,018,988
Profit (loss)			39,546	39,546	4,867	44,413
Other comprehensive income (loss)	(32,597)			(32,597)	(202)	(32,799)
Comprehensive income (loss)	(32,597)	-	39,546	6,949	4,665	11,614
Net change in treasury stock				(401)		(401)
Dividends declared and approved to owners			(18,841)	(18,841)	(1,227)	(20,068)
Share-based payment transactions				43		43
Share-based payment transactions of subsidiaries				-	31	31
Transfer from other components of equity to retained earnings	850		(850)	-		-
Equity transactions with non-controlling shareholders				44	(1,724)	(1,680)
Transfer to other comprehensive income related to disposal group held for sale	(130)	130		-		-
Total transactions with owners	720	130	(19,691)	(19,155)	(2,920)	(22,075)
Balance as of March 31, 2020	41,768	130	594,731	920,371	88,156	1,008,527

**(4) Consolidated Statement of Cash Flows**

	(Millions of yen)	
	Year ended March 31, 2019	Year ended March 31, 2020
<b>I. Cash Flows from Operating Activities:</b>		
Profit (loss)	55,377	44,413
Adjustments to reconcile profit to net cash provided by operating activities—		
Depreciation and amortization	94,288	120,688
Impairment of property, plant and equipment and intangible assets	2,138	909
Impairment of goodwill	581	13
Other income	(23,449)	(6,748)
Share of profit (loss) of investments accounted for using the equity method	(492)	(244)
Finance income and costs	3,367	3,393
Income tax expenses	28,587	31,478
(Increase) decrease in trade and other receivables	(6,595)	16,408
(Increase) decrease in inventories	(30,097)	3,158
(Increase) decrease in lease receivables	(13,527)	(33,953)
Increase (decrease) in trade and other payables	10,024	(18,987)
Increase (decrease) in accrued pension and retirement benefits	(6,937)	(6,805)
Other, net	553	(4,966)
Interest and dividends received	4,123	4,557
Interest paid	(5,007)	(4,429)
Income taxes paid	(30,987)	(32,184)
<b>Net cash provided by (used in) operating activities</b>	<b>81,947</b>	<b>116,701</b>
<b>II. Cash Flows from Investing Activities:</b>		
Proceeds from sales of property, plant and equipment	9,707	8,615
Expenditures for property, plant and equipment	(72,462)	(86,596)
Proceeds from sales of intangible assets	969	221
Expenditures for intangible assets	(29,589)	(27,188)
Payments for purchases of investment securities	(8,639)	(14,982)
Proceeds from sales of investment securities	63,830	3,985
Net increase (decrease) of time deposits	458	12
Purchase of business, net of cash acquired	(5,133)	(16,462)
Net increase (decrease) due to loss of control of subsidiaries	10,223	-
Other, net	(15,295)	(32,196)
<b>Net cash provided by (used in) investment activities</b>	<b>(45,931)</b>	<b>(164,591)</b>
<b>III. Cash Flows from Financing Activities:</b>		
Net increase (decrease) of short-term debt	26,236	6,068
Proceeds from long-term debt	152,234	292,885
Repayments of long-term debt	(139,399)	(200,950)
Proceeds from issuance of bonds	50,000	72,119
Repayments of bonds	(35,000)	(42,148)
Repayments of lease liabilities	-	(30,065)
Dividends paid	(12,685)	(18,841)
Payments for purchase of treasury stock	(10)	(401)
Proceeds from sales of shares of subsidiaries which does not involve changes in the scope of consolidation	3,006	-
Other, net	(1,958)	(2,910)
<b>Net cash provided by (used in) financing activities</b>	<b>42,424</b>	<b>75,757</b>
<b>IV. Effect of Exchange Rate Changes on Cash and Cash Equivalents</b>	<b>1,091</b>	<b>(4,278)</b>
<b>V. Net Increase (decrease) in Cash and Cash Equivalents</b>	<b>79,531</b>	<b>23,589</b>
<b>VI. Cash and Cash Equivalents at Beginning of Year</b>	<b>160,568</b>	<b>240,099</b>
<b>VII. Cash and Cash Equivalents at End of Year</b>	<b>240,099</b>	<b>263,688</b>
Cash and cash equivalents reclassified to assets held for sale	-	(854)
Cash and Cash Equivalents at End of Year (Consolidated statements of financial position)	240,099	262,834

## (5) Notes on premise going concern

Not applicable

## (6) Changes in accounting policies

Significant accounting policies which apply in the Consolidated Statement of Financial Position are same as previous fiscal year excepting the table below.

IFRSs	Title	Summaries of new IFRSs/amendments
IFRS 16	Leases	Changes in accounting for leases

### Adoption of IFRS 16 ‘Leases’

Ricoh implemented IFRS 16 ‘Leases’ as of April 1, 2019. Ricoh applied this standard retrospectively with the cumulative effect of initially applying this standard recognized at the date of initial application. In applying IFRS 16, Ricoh uses a practical expedient, in which an entity is not required to reassess whether a contract is or contains a lease at date of initial application, and Ricoh also uses practical expedients to the contracts that were previously identified as operating leases stipulated in the previous accounting standard.

For leases that Ricoh as lessee previously classified as operating leases applying IAS 17, right-of-use assets and lease liabilities were recognized at the date of initial application. Lease liabilities have been measured at the present value of outstanding lease payments discounted using the lessee’s incremental borrowing rate at the date of initial application. The weighted average of the lessee’s incremental borrowing rate is 1.6%. Right-of-use assets are initially measured at the initial measurement amount of the lease liability adjusted for the prepaid lease payments and other factors. Ricoh has elected the exemptions that allow a lessee not to apply the requirements of IFRS 16 to short-term leases (with a lease term of 12 months or less) and leases for low-value assets.

For leases that Ricoh as lessee previously classified as finance leases applying IAS 17, the carrying amounts of right-of-use assets and lease liabilities at the date of initial application were the carrying amounts of lease assets and lease liabilities, respectively, immediately before the date measured applying IAS 17.

The following is a reconciliation of non-cancellable operating lease contracts applying IAS 17 as of March 31, 2019 and lease liabilities recognized in the Consolidated Statement of Financial Position at the date of initial application.

	(Millions of Yen)
Non-cancellable operating lease contracts as of March 31, 2019	49,522
Finance lease liabilities as of March 31, 2019	3,397
Cancellable operating lease contracts, etc.	30,359
Lease liabilities as of April 1, 2019	83,278

Right-of-use assets recognized at the beginning of the current fiscal year was ¥79,807 million. There was no material impact on profit and loss of the current fiscal year from the changes.

## (7) Notes to Consolidated Financial Statements

### (a) Segment Information Operating Segment Information

Year ended March 31, 2019 and 2020

	(Millions of yen)			
	Year ended March 31, 2019	Year ended March 31, 2020	Change	%
<b>Office Printing:</b>				
Sales:				
Unaffiliated customers	1,086,428	1,006,274	(80,154)	(7.4)
Intersegment	-	-	-	-
Total	1,086,428	1,006,274	(80,154)	(7.4)
Operating expenses	968,429	915,931	(52,498)	(5.4)
Operating profit (loss)	117,999	90,343	(27,656)	(23.4)
Operating profit on sales in Office Printing (%)	10.9	9.0		
<b>Office Service:</b>				
Sales:				
Unaffiliated customers	481,392	568,955	87,563	18.2
Intersegment	-	-	-	-
Total	481,392	568,955	87,563	18.2
Operating expenses	466,653	539,865	73,212	15.7
Operating profit (loss)	14,739	29,090	14,351	97.4
Operating profit on sales in Office Service (%)	3.1	5.1		
<b>Commercial Printing:</b>				
Sales:				
Unaffiliated customers	185,292	178,396	(6,896)	(3.7)
Intersegment	-	-	-	-
Total	185,292	178,396	(6,896)	(3.7)
Operating expenses	158,069	155,244	(2,825)	(1.8)
Operating profit (loss)	27,223	23,152	(4,071)	(15.0)
Operating profit on sales in Commercial Printing (%)	14.7	13.0		
<b>Industrial Printing:</b>				
Sales:				
Unaffiliated customers	20,692	23,006	2,314	11.2
Intersegment	-	-	-	-
Total	20,692	23,006	2,314	11.2
Operating expenses	27,819	27,956	137	0.5
Operating profit (loss)	(7,127)	(4,950)	2,177	-
Operating loss on sales in Industrial Printing (%)	(34.4)	(21.5)		
<b>Thermal Media:</b>				
Sales:				
Unaffiliated customers	66,368	61,896	(4,472)	(6.7)
Intersegment	-	-	-	-
Total	66,368	61,896	(4,472)	(6.7)
Operating expenses	62,138	58,683	(3,455)	(5.6)
Operating profit (loss)	4,230	3,213	(1,017)	(24.0)
Operating profit on sales in Thermal Media (%)	6.4	5.2		
<b>Other:</b>				
Sales:				
Unaffiliated customers	173,056	170,053	(3,003)	(1.7)
Intersegment	45,024	27,528	(17,496)	(38.9)
Total	218,080	197,581	(20,499)	(9.4)
Operating expenses	200,775	195,250	(5,525)	(2.8)
Operating profit (loss)	17,305	2,331	(14,974)	(86.5)
Operating profit on sales in Other (%)	7.9	1.2		
<b>Corporate and Eliminations:</b>				
Sales:				
Intersegment	(45,024)	(27,528)	17,496	
Total	(45,024)	(27,528)	17,496	-
Operating expenses:				
Intersegment	(45,024)	(27,528)	17,496	
Corporate	87,530	64,139	(23,391)	
Total	42,506	36,611	(5,895)	-
Operating profit (loss)	(87,530)	(64,139)	23,391	-
<b>Consolidated:</b>				
Sales:				
Unaffiliated customers	2,013,228	2,008,580	(4,648)	(0.2)
Intersegment	-	-	-	-
Total	2,013,228	2,008,580	(4,648)	(0.2)
Operating expenses	1,926,389	1,929,540	3,151	0.2
Operating profit (loss)	86,839	79,040	(7,799)	(9.0)
Operating profit on consolidated sales (%)	4.3	3.9		

(Supplemental information)

Finance business included in the above is as follows:

	(Millions of yen)			
	Year ended March 31, 2019	Year ended March 31, 2020	Change	%
Sales	159,192	169,684	10,492	6.6
Operating expenses	127,547	136,275	8,728	6.8
Operating profit (loss)	31,645	33,409	1,764	5.6
Operating profit on sales in Finance Business (%)	<i>19.9</i>	<i>19.7</i>		

Three months ended March 31, 2019 and 2020

(Millions of yen)

	Three months ended March 31, 2019	Three months ended March 31, 2020	Change	%
<b>Office Printing:</b>				
Sales:				
Unaffiliated customers	277,215	245,308	(31,907)	(11.5)
Intersegment	-	-	-	-
Total	277,215	245,308	(31,907)	(11.5)
Operating expenses	249,464	233,936	(15,528)	(6.2)
Operating profit (loss)	27,751	11,372	(16,379)	(59.0)
Operating profit on sales in Office Printing (%)	10.0	4.6		
<b>Office Service:</b>				
Sales:				
Unaffiliated customers	132,557	160,302	27,745	20.9
Intersegment	-	-	-	-
Total	132,557	160,302	27,745	20.9
Operating expenses	127,230	150,139	22,909	18.0
Operating profit (loss)	5,327	10,163	4,836	90.8
Operating profit on sales in Office Service (%)	4.0	6.3		
<b>Commercial Printing:</b>				
Sales:				
Unaffiliated customers	50,145	45,021	(5,124)	(10.2)
Intersegment	-	-	-	-
Total	50,145	45,021	(5,124)	(10.2)
Operating expenses	43,158	39,924	(3,234)	(7.5)
Operating profit (loss)	6,987	5,097	(1,890)	(27.1)
Operating profit on sales in Commercial Printing (%)	13.9	11.3		
<b>Industrial Printing:</b>				
Sales:				
Unaffiliated customers	5,078	5,212	134	2.6
Intersegment	-	-	-	-
Total	5,078	5,212	134	2.6
Operating expenses	9,206	7,602	(1,604)	(17.4)
Operating profit (loss)	(4,128)	(2,390)	1,738	-
Operating loss on sales in Industrial Printing (%)	(81.3)	(45.9)		
<b>Thermal Media:</b>				
Sales:				
Unaffiliated customers	15,760	14,000	(1,760)	(11.2)
Intersegment	-	-	-	-
Total	15,760	14,000	(1,760)	(11.2)
Operating expenses	14,168	13,716	(452)	(3.2)
Operating profit (loss)	1,592	284	(1,308)	(82.2)
Operating profit on sales in Thermal Media (%)	10.1	2.0		
<b>Other:</b>				
Sales:				
Unaffiliated customers	43,022	44,855	1,833	4.3
Intersegment	9,888	7,912	(1,976)	(20.0)
Total	52,910	52,767	(143)	(0.3)
Operating expenses	52,668	53,435	767	1.5
Operating profit (loss)	242	(668)	(910)	-
Operating profit (loss) on sales in Other (%)	0.5	(1.3)		
<b>Corporate and Eliminations:</b>				
Sales:				
Intersegment	(9,888)	(7,912)	1,976	
Total	(9,888)	(7,912)	1,976	-
Operating expenses:				
Intersegment	(9,888)	(7,912)	1,976	
Corporate	30,111	14,233	(15,878)	
Total	20,223	6,321	(13,902)	-
Operating profit (loss)	(30,111)	(14,233)	15,878	-
<b>Consolidated:</b>				
Sales:				
Unaffiliated customers	523,777	514,698	(9,079)	(1.7)
Intersegment	-	-	-	-
Total	523,777	514,698	(9,079)	(1.7)
Operating expenses	516,117	505,073	(11,044)	(2.1)
Operating profit (loss)	7,660	9,625	1,965	25.7
Operating profit on consolidated sales (%)	1.5	1.9		

(Supplemental information)

Finance business included in the above is as follows:

	(Millions of yen)				
	Three months ended	Three months ended			
	March 31, 2019	March 31, 2020	Change	%	
Sales	43,790	45,105	1,315	3.0	
Operating expenses	36,212	37,700	1,488	4.1	
Operating profit (loss)	7,578	7,405	(173)	(2.3)	
Operating profit on sales in Finance Business (%)	<i>17.3</i>	<i>16.4</i>			



(b) Per share data

	(Yen)	
	Year ended March 31, 2019	Year ended March 31, 2020
Equity per share attributable to owners of the parent	1,286.56	1,270.47
Earnings per share attributable to owners of the parent-basic	68.32	54.58
Earnings per share attributable to owners of the parent-diluted	-	54.58

A reconciliation of the numerator and the denominators of the basic and diluted per share computations for profit is as follows:

	(Millions of yen)	
	Year ended March 31, 2019	Year ended March 31, 2020
Profit (loss) attributable to owners of the parent	49,526	39,546
Effect of dilutive securities	-	-
Diluted profit (loss) attributable to owners of the parent	49,526	39,546

	(Shares)	
	Year ended March 31, 2019	Year ended March 31, 2020
Weighted average common shares outstanding	724,867,249	724,595,697
Effect of dilutive securities	-	14,850
Diluted common shares outstanding	724,867,249	724,610,547

(c) Subsequent events

(Partial share transfer of Ricoh Leasing Co., Ltd.)

At a meeting on March 9, 2020, the Board of Directors of Ricoh agreed to sell a portion of Ricoh's shares in Ricoh Leasing Co., Ltd. (referred to as "RicoH Leasing") to Mizuho Leasing Company, Ltd. (referred to as "Mizuho Leasing").

Therefore, in accordance with IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations", Ricoh reclassified assets and liabilities owned by Ricoh Leasing and its subsidiaries to "Assets classified as held for sale" and "Liabilities directly related to assets held for sale". Ricoh measured the disposal group classified as held for sale at the lower of its carrying amount and fair value less costs to distribute. As a result, the disposal group is recorded at carrying amount at the time. The carrying amount of "Assets classified as held for sale" and "Liabilities directly related to assets held for sale" are ¥1,125,582 million and ¥969,069 million as of March 31, 2020.

As of April 23, 2020, Ricoh concluded the partial transfer of common shares in Ricoh Leasing to Mizuho Leasing. As a result of the share transfer, Ricoh's voting rights in Ricoh Leasing changed to the ownership ratio of 33.7%, and Ricoh Leasing moved from being a consolidated subsidiary of Ricoh to an equity-method affiliate.

Cumulative other comprehensive income (net of taxes) related to disposal group held for sale amounted to ¥130 million (credit) and were included in equity in the consolidated statements of financial position as of March 31, 2020. Net changes in fair value of financial assets measured through other comprehensive income amounted to ¥225 million (credit) are directly reclassified to retained earnings and net changes in fair value of cash flow hedges amounted to ¥95 million (debit) are reclassified to profit or loss when the asset is sold.

The sales, operating profit and profit of Ricoh Leasing and its subsidiaries recorded in the consolidated statement of profit or loss for the year ended March 31, 2020 are ¥144,710 million, ¥18,482 million and ¥12,400 million, respectively.

**-APPENDIX- Year ended March 31, 2020**

**1. Consolidated Quarterly Performance Outline**

(1) Financial Statements Summary (Quarterly)

	(Billions of yen)				
	Q1	Q2	Q3	Q4	Change (%)
Sales	477.6	517.1	499.1	514.6	(1.7)
Gross profit	184.4	182.9	181.9	172.2	(10.2)
Operating profit	27.5	21.0	20.7	9.6	25.7
Profit before income tax expenses	26.0	20.7	21.6	7.4	5.0
Profit (loss) attributable to owners of the parent	15.6	13.6	12.2	(1.9)	-
Earnings per share attributable to owners of the parent-basic (yen).	21.55	18.81	16.86	(2.65)	-
Earnings per share attributable to owners of the parent-diluted (yen).	-	18.81	16.86	(2.65)	-
Total assets	2,777.6	2,851.9	2,873.3	2,867.6	-
Equity attributable to owners of the parent	921.2	923.9	943.6	920.3	-
Equity attributable to owners of the parent per share (yen)	1,270.89	1,275.36	1,302.64	1,270.47	-
Cash flows from operating activities	23.3	6.8	28.6	57.8	-
Cash flows from investing activities	(29.4)	(54.4)	(41.3)	(39.3)	-
Cash flows from financing activities	4.6	60.6	(7.9)	18.4	-
Cash and cash equivalents at end of period	234.0	245.9	229.2	262.8	-

(2) Capital expenditures and Depreciation

	(Billions of yen)			
	Q1	Q2	Q3	Q4
Capital expenditures	14.7	23.3	22.8	25.5
Depreciation	15.3	17.1	16.0	13.9

(3) R&D Expenditures

	(Billions of yen)			
	Q1	Q2	Q3	Q4
R&D expenditures	23.5	28.0	24.0	27.2
R&D expenditures/ Total Sales (%)	4.9	5.4	4.8	5.3

(4) Exchange Rate

	Q1	Q2	Q3	Q4
Exchange rate (Yen/US\$)	110.07	107.39	108.76	109.01
Exchange rate (Yen/EURO)	123.55	119.43	120.39	120.26

## 2. Consolidated Sales by Product Category

Year ended March 31, 2019 and 2020

	(Millions of yen)					
	Year ended March 31, 2019	Year ended March 31, 2020	Change	%	Change excluding exchange impact	%
<Office Printing>						
Office Printing	1,086,428	1,006,274	(80,154)	(7.4)	(53,849)	(5.0)
Percentage of sales (%)	54.0	50.1				
Domestic	346,032	337,995	(8,037)	(2.3)	(8,037)	(2.3)
Overseas	740,396	668,279	(72,117)	(9.7)	(45,812)	(6.2)
The Americas	331,007	305,976	(25,031)	(7.6)	(19,008)	(5.7)
Europe, Middle East and Africa	299,841	263,197	(36,644)	(12.2)	(20,191)	(6.7)
Other	109,548	99,106	(10,442)	(9.5)	(6,613)	(6.0)
<Office Service>						
Office Service	481,392	568,955	87,563	18.2	96,503	20.0
Percentage of sales (%)	23.9	28.3				
Domestic	272,644	346,363	73,719	27.0	73,719	27.0
Overseas	208,748	222,592	13,844	6.6	22,784	10.9
The Americas	111,218	107,042	(4,176)	(3.8)	(2,068)	(1.9)
Europe, Middle East and Africa	80,250	99,206	18,956	23.6	25,158	31.3
Other	17,280	16,344	(936)	(5.4)	(306)	(1.8)
<Commercial Printing>						
Commercial Printing	185,292	178,396	(6,896)	(3.7)	(1,496)	(0.8)
Percentage of sales (%)	9.2	8.9				
Domestic	25,896	25,397	(499)	(1.9)	(499)	(1.9)
Overseas	159,396	152,999	(6,397)	(4.0)	(997)	(0.6)
The Americas	96,761	93,257	(3,504)	(3.6)	(1,661)	(1.7)
Europe, Middle East and Africa	50,172	47,686	(2,486)	(5.0)	499	1.0
Other	12,463	12,056	(407)	(3.3)	165	1.3
<Industrial Printing>						
Industrial Printing	20,692	23,006	2,314	11.2	2,668	12.9
Percentage of sales (%)	1.0	1.1				
Domestic	2,819	4,154	1,335	47.4	1,335	47.4
Overseas	17,873	18,852	979	5.5	1,333	7.5
The Americas	6,127	6,243	116	1.9	256	4.2
Europe, Middle East and Africa	5,134	5,034	(100)	(1.9)	106	2.1
Other	6,612	7,575	963	14.6	971	14.7
<Thermal Media>						
Thermal Media	66,368	61,896	(4,472)	(6.7)	(2,336)	(3.5)
Percentage of sales (%)	3.3	3.1				
Domestic	13,658	12,896	(762)	(5.6)	(762)	(5.6)
Overseas	52,710	49,000	(3,710)	(7.0)	(1,574)	(3.0)
The Americas	19,461	18,864	(597)	(3.1)	(225)	(1.2)
Europe, Middle East and Africa	17,800	16,372	(1,428)	(8.0)	(404)	(2.3)
Other	15,449	13,764	(1,685)	(10.9)	(945)	(6.1)
<Other>						
Other	173,056	170,053	(3,003)	(1.7)	(2,530)	(1.5)
Percentage of sales (%)	8.6	8.5				
Domestic	144,750	145,573	823	0.6	823	0.6
Overseas	28,306	24,480	(3,826)	(13.5)	(3,353)	(11.8)
The Americas	2,868	2,799	(69)	(2.4)	(14)	(0.5)
Europe, Middle East and Africa	5,659	4,963	(696)	(12.3)	(408)	(7.2)
Other	19,779	16,718	(3,061)	(15.5)	(2,931)	(14.8)
Grand Total	2,013,228	2,008,580	(4,648)	(0.2)	38,960	1.9
Percentage of sales (%)	100.0	100.0				
Domestic	805,799	872,378	66,579	8.3	66,579	8.3
Percentage of sales (%)	40.0	43.4				
Overseas	1,207,429	1,136,202	(71,227)	(5.9)	(27,619)	(2.3)
Percentage of sales (%)	60.0	56.6				
The Americas	567,442	534,181	(33,261)	(5.9)	(22,720)	(4.0)
Percentage of sales (%)	28.2	26.6				
Europe, Middle East and Africa	458,856	436,458	(22,398)	(4.9)	4,760	1.0
Percentage of sales (%)	22.8	21.7				
Other	181,131	165,563	(15,568)	(8.6)	(9,659)	(5.3)
Percentage of sales (%)	9.0	8.2				

\* Each category includes the following product line:

Office Printing	MFPs (multifunctional printers), copiers, laser printers, digital duplicators, wide format printers, facsimile machine, scanners, related parts & supplies, services, support and software
Office Service	Personal computers, servers, network equipment, related services, support, software and service & solutions related to documents
Commercial Printing	Cut sheet printers, continuous feed printer, related parts & supplies, services, support and software
Industrial printing	Inkjet heads, imaging systems and industrial printers
Thermal Media	Thermal paper and thermal media
Other	Industrial optical component/module, electronic components, precision mechanical component, digital cameras, 3D printing, ECO, healthcare and financial services

Three months ended March 31, 2019 and 2020

	(Millions of yen)					
	Three months ended March 31, 2019	Three months ended March 31, 2020	Change	%	Change excluding exchange impact	%
<Office Printing>						
Office Printing	277,215	245,308	(31,907)	(11.5)	(27,662)	(10.0)
Percentage of sales (%)	52.9	47.7				
Domestic	90,353	83,808	(6,545)	(7.2)	(6,545)	(7.2)
Overseas	186,862	161,500	(25,362)	(13.6)	(21,117)	(11.3)
The Americas	85,840	74,733	(11,107)	(12.9)	(10,292)	(12.0)
Europe, Middle East and Africa	76,885	66,727	(10,158)	(13.2)	(7,373)	(9.6)
Other	24,137	20,040	(4,097)	(17.0)	(3,452)	(14.3)
<Office Service>						
Office Service	132,557	160,302	27,745	20.9	29,492	22.2
Percentage of sales (%)	25.3	31.1				
Domestic	80,568	100,771	20,203	25.1	20,203	25.1
Overseas	51,989	59,531	7,542	14.5	9,289	17.9
The Americas	27,563	26,516	(1,047)	(3.8)	(755)	(2.7)
Europe, Middle East and Africa	20,785	29,076	8,291	39.9	9,614	46.3
Other	3,641	3,939	298	8.2	430	11.8
<Commercial Printing>						
Commercial Printing	50,145	45,021	(5,124)	(10.2)	(4,253)	(8.5)
Percentage of sales (%)	9.6	8.7				
Domestic	6,434	6,574	140	2.2	140	2.2
Overseas	43,711	38,447	(5,264)	(12.0)	(4,393)	(10.1)
The Americas	26,709	23,846	(2,863)	(10.7)	(2,590)	(9.7)
Europe, Middle East and Africa	13,545	11,758	(1,787)	(13.2)	(1,300)	(9.6)
Other	3,457	2,843	(614)	(17.8)	(503)	(14.6)
<Industrial Printing>						
Industrial Printing	5,078	5,212	134	2.6	200	3.9
Percentage of sales (%)	1.0	1.0				
Domestic	796	1,038	242	30.4	242	30.4
Overseas	4,282	4,174	(108)	(2.5)	(42)	(1.0)
The Americas	1,588	1,341	(247)	(15.6)	(232)	(14.6)
Europe, Middle East and Africa	1,120	1,588	468	41.8	518	46.3
Other	1,574	1,245	(329)	(20.9)	(328)	(20.8)
<Thermal Media>						
Thermal Media	15,760	14,000	(1,760)	(11.2)	(1,446)	(9.2)
Percentage of sales (%)	3.0	2.7				
Domestic	3,166	2,879	(287)	(9.1)	(287)	(9.1)
Overseas	12,594	11,121	(1,473)	(11.7)	(1,159)	(9.2)
The Americas	4,748	4,354	(394)	(8.3)	(349)	(7.4)
Europe, Middle East and Africa	4,504	4,382	(122)	(2.7)	67	1.5
Other	3,342	2,385	(957)	(28.6)	(877)	(26.2)
<Other>						
Other	43,022	44,855	1,833	4.3	1,891	4.4
Percentage of sales (%)	8.2	8.7				
Domestic	36,777	40,195	3,418	9.3	3,418	9.3
Overseas	6,245	4,660	(1,585)	(25.4)	(1,527)	(24.5)
The Americas	630	581	(49)	(7.8)	(45)	(7.1)
Europe, Middle East and Africa	1,290	1,092	(198)	(15.3)	(159)	(12.3)
Other	4,325	2,987	(1,338)	(30.9)	(1,323)	(30.6)
Grand Total	523,777	514,698	(9,079)	(1.7)	(1,778)	(0.3)
Percentage of sales (%)	100.0	100.0				
Domestic	218,094	235,265	17,171	7.9	17,171	7.9
Percentage of sales (%)	41.6	45.7				
Overseas	305,683	279,433	(26,250)	(8.6)	(18,949)	(6.2)
Percentage of sales (%)	58.4	54.3				
The Americas	147,078	131,371	(15,707)	(10.7)	(14,263)	(9.7)
Percentage of sales (%)	28.1	25.5				
Europe, Middle East and Africa	118,129	114,623	(3,506)	(3.0)	1,367	1.2
Percentage of sales (%)	22.6	22.3				
Other	40,476	33,439	(7,037)	(17.4)	(6,053)	(15.0)
Percentage of sales (%)	7.7	6.5				

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