

FLASH REPORT

Year ended March 31, 2023

(Results for the Period from April 1, 2022 to March 31, 2023)

Performance Outline (Consolidated)

(1) Year ended March 31, 2022 and 2023 (Actual result) and Year ending March 31, 2024 (Forecast)

| | | | | (Billions of yen) | |
|---|---|---|--------|---|---------|
| | Year ended March 31, 2022 Results | Year ended March 31, 2023 Results | Change | Year ending March 31, 2024 Forecast | Change |
| Domestic sales | 705.2 | 803.9 | 14.0% | 864.0 | 7.5% |
| Overseas sales | 1,053.3 | 1,330.2 | 26.3% | 1,386.0 | 4.2% |
| Sales | 1,758.5 | 2,134.1 | 21.4% | 2,250.0 | 5.4% |
| Gross profit | 622.6 | 745.4 | 19.7% | 790.0 | 6.0% |
| Operating profit (loss) | 40.0 | 78.7 | 96.6% | 70.0 | (11.1%) |
| Profit (loss) before income tax expenses | 44.3 | 81.3 | 83.2% | 74.2 | (8.7%) |
| Profit (loss) attributable to owners of the parent | 30.3 | 54.3 | 79.0% | 50.0 | (8.0%) |
| Exchange rate (Yen/US\$) | 112.36 | 135.49 | 23.13 | 125.00 | (10.49) |
| Exchange rate (Yen/EURO) | 130.55 | 140.91 | 10.36 | 135.00 | (5.91) |
| Earnings per share attributable to owners of the parent-basic (yen) | 45.35 | 88.13 | 42.78 | 82.09 | (6.04) |
| Earnings per share attributable to owners of the parent-diluted (yen) | 45.34 | 88.10 | 42.76 | 82.07 | (6.03) |
| Profit (loss) on equity attributable to owners of the parent (%) | 3.3 | 5.9 | 2.6 | — | — |
| Profit (loss) before income tax expenses on total assets (%) | 2.4 | 4.1 | 1.7 | — | — |
| Return on invested capital (%) (*1) | 2.8 | 4.9 | 2.1 | — | — |
| Operating profit (loss) on sales (%) | 2.3 | 3.7 | 1.4 | 3.1 | (0.6) |
| Cash flows from operating activities | 82.4 | 66.7 | (15.7) | — | — |
| Cash flows from investing activities | (59.3) | (133.9) | (74.5) | — | — |
| Cash flows from financing activities | (131.6) | 35.4 | 167.1 | — | — |
| Cash and cash equivalents at end of the year (*2) | 234.0 | 210.8 | (23.1) | — | — |
| Capital expenditures (*3) | 37.3 | 45.4 | 8.1 | 48.0 | 2.5 |
| Depreciation (*3) | 39.8 | 41.9 | 2.1 | 43.0 | 1.0 |
| R&D expenditures | 96.7 | 107.7 | 11.0 | 108.0 | 0.2 |
| Number of employee (Japan) (thousand people) | 29.4 | 31.8 | 2.3 | — | — |
| Number of employee (Overseas) (thousand people) | 48.9 | 49.2 | 0.3 | — | — |

| | March 31, 2022 | March 31, 2023 | Change |
|---|----------------|----------------|--------|
| Total assets | 1,853.2 | 2,149.9 | 296.7 |
| Equity attributable to owners of the parent | 902.0 | 931.5 | 29.5 |
| Interest-bearing debt (*4) | 235.4 | 362.9 | 127.5 |
| Equity attributable to owners of the parent ratio (%) | 48.7 | 43.3 | (5.4) |
| Equity per share attributable to owners of the parent (yen) | 1,416.08 | 1,529.46 | 113.38 |

*1 Return on invested capital = (Operating profit - Income tax expenses + Share of profit of investments accounted for using the equity method) / (Equity attributable to owners of the parent + Interest-bearing debt)

*2 The amounts shown as "cash and cash equivalents at end of the year" are shown on the consolidated statement of cash flows.

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

*4 The amounts are shown bonds and borrowings.

Ricoh Company, Ltd.

* The forecasted results and forward-looking statements included in this document are based on information available to the Company as of the date and certain assumptions that the Company considers reasonable. The Company makes no guarantees with respect to the achievement of its results forecasts or forward-looking statements. Actual results might be significantly different from the forecasts in the document, depending on various factors. For the assumptions used in the forecast and other related information, please refer to "Forecast for the coming fiscal year" on page 8.

(2) Three months ended March 31, 2022 and 2023

(Billions of yen)

| | Three months ended March 31, 2022 Results | Three months ended March 31, 2023 Results | Change |
|---|---|---|--------|
| Domestic sales | 203.1 | 252.7 | 24.4% |
| Overseas sales | 279.2 | 352.8 | 26.4% |
| Sales | 482.3 | 605.5 | 25.5% |
| Gross profit | 160.8 | 206.5 | 28.5% |
| Operating profit (loss) | 14.3 | 39.1 | 172.8% |
| Profit (loss) before income tax expenses | 13.6 | 38.9 | 184.9% |
| Profit (loss) attributable to owners of the parent | 7.1 | 26.9 | 274.8% |
| Exchange rate (Yen/US\$) | 116.22 | 132.41 | 16.19 |
| Exchange rate (Yen/EURO) | 130.42 | 141.99 | 11.57 |
| Earnings per share attributable to owners of the parent-basic (yen) | 11.28 | 44.21 | 32.93 |
| Earnings per share attributable to owners of the parent-diluted (yen) | 11.28 | 44.20 | 32.92 |
| Profit (loss) on equity attributable to owners of the parent (%) | 0.8 | 3.0 | 2.2 |
| Profit (loss) before income tax expenses on total assets (%) | 0.8 | 1.9 | 1.1 |
| Operating profit (loss) on sales (%) | 3.0 | 6.5 | 3.5 |
| Capital expenditures (*1) | 14.6 | 16.9 | 2.2 |
| Depreciation (*1) | 9.5 | 10.9 | 1.4 |
| R&D expenditures | 25.6 | 30.4 | 4.7 |

*1 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, 2023

[Prepared on the basis of International Financial Reporting Standards]

1. Results for the Period from April 1, 2022 to March 31, 2023

(1) Operating Results

| | (Millions of yen) | |
|---|------------------------------|------------------------------|
| | Year ended March 31, 2022 | Year ended March 31, 2023 |
| Sales | 1,758,587 | 2,134,180 |
| (% change from the previous corresponding period) | 4.5 | 21.4 |
| Operating profit (loss) | 40,052 | 78,740 |
| (% change from the previous corresponding period) | - | 96.6 |
| Profit (loss) before income tax expenses | 44,388 | 81,308 |
| (% change from the previous corresponding period) | - | 83.2 |
| Profit (loss) | 30,625 | 55,641 |
| (% change from the previous corresponding period) | - | 81.7 |
| Profit (loss) attributable to owners of the parent | 30,371 | 54,367 |
| (% change from the previous corresponding period) | - | 79.0 |
| Comprehensive income (loss) | 90,940 | 101,735 |
| (% change from the previous corresponding period) | 312.4 | 11.9 |
| Earnings per share attributable to owners of the parent-basic (yen) | 45.35 | 88.13 |
| Earnings per share attributable to owners of the parent-diluted (yen) | 45.34 | 88.10 |
| Profit (loss) on equity attributable to owners of the parent (%) | 3.3 | 5.9 |
| Profit (loss) before income tax expenses on total assets (%) | 2.4 | 4.1 |
| Operating profit (loss) on sales (%) | 2.3 | 3.7 |

Notes:

- i. Share of profit of investments accounted for using the equity method: ¥ 6,151 million (¥ 5,604 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, 2022 | March 31, 2023 |
| Total assets | 1,853,254 | 2,149,956 |
| Total equity | 905,825 | 958,082 |
| Equity attributable to owners of the parent | 902,042 | 931,556 |
| Equity attributable to owners of the parent ratio (%) | 48.7 | 43.3 |
| Equity per share attributable to owners of the parent (yen) | 1,416.08 | 1,529.46 |

(3) Cash Flows

| | (Millions of yen) | |
|--|------------------------------|------------------------------|
| | Year ended March 31, 2022 | Year ended March 31, 2023 |
| Cash flows from operating activities | 82,462 | 66,708 |
| Cash flows from investing activities | (59,355) | (133,939) |
| Cash flows from financing activities | (131,685) | 35,454 |
| Cash and cash equivalents at end of year | 234,020 | 210,884 |

2. Dividend Information

| | Year ended March 31, 2022 | Year ended March 31, 2023 | Year ending March 31, 2024 |
|--|------------------------------|------------------------------|-------------------------------|
| | (Actual) | (Actual) | (Forecast) |
| Cash dividends, applicable to the year (yen) | 26.00 | 34.00 | 36.00 |
| Interim (yen) | 13.00 | 17.00 | 18.00 |
| Year-end (yen) | 13.00 | 17.00 | 18.00 |
| Total annual dividends (millions of yen) | 16,962 | 20,721 | - |
| Payout Ratio (%) | 57.3 | 38.6 | 43.9 |
| Dividends on equity attributable to owners of the parent (%) | 1.9 | 2.3 | - |

3. Forecast of Operating Results from April 1, 2023 to March 31, 2024

| | (Millions of yen) |
|---|-------------------------------|
| | Year ending March 31, 2024 |
| Sales | 2,250,000 |
| (% change from the previous corresponding period) | 5.4 |
| Operating profit (loss) | 70,000 |
| (% change from the previous corresponding period) | (11.1) |
| Profit (loss) before income tax expenses | 74,200 |
| (% change from the previous corresponding period) | (8.7) |
| Profit (loss) | 51,700 |
| (% change from the previous corresponding period) | (7.1) |
| Profit (loss) attributable to owners of the parent | 50,000 |
| (% change from the previous corresponding period) | (8.0) |
| Earnings per share attributable to owners of the parent-basic (yen) | 82.09 |

4. Others

- (1) Changes in significant subsidiaries: Yes
New: 1 (Company name: PFU Limited)
Exclusion: — (Company name: —)
- (2) Changes in accounting policies and accounting estimate
(i) Changes in accounting policies required by IFRS: No
(ii) Other changes: No
(iii) Changes in accounting estimate: No
- (3) Number of common stock outstanding (including treasury stock):
As of March 31, 2023: 609,521,978 shares; As of March 31, 2022: 637,468,178 shares
- (4) Number of treasury stock:
As of March 31, 2023: 447,171 shares; As of March 31, 2022: 468,700 shares
- (5) Average number of common stock:
Year ended March 31, 2023: 616,917,879 shares; Year ended March 31, 2022: 669,698,640 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 shares. (As of March 31, 2023: 371,400 shares; As of March 31, 2022: 398,600 shares)

(Reference) Non-consolidated information

Results for the period from April 1, 2022 to March 31, 2023

(1) Operating Results

| | (Millions of yen) | |
|---|------------------------------|------------------------------|
| | Year ended March 31, 2022 | Year ended March 31, 2023 |
| Sales | 483,481 | 504,676 |
| (% change from the previous corresponding period) | 8.6 | 4.4 |
| Operating profit (loss) | (23,128) | (27,472) |
| (% change from the previous corresponding period) | — | — |
| Profit (loss) from ordinary operations | 30,314 | 14,290 |
| (% change from the previous corresponding period) | (52.7) | (52.9) |
| Profit (loss) | 25,368 | 29,417 |
| (% change from the previous corresponding period) | (71.2) | 16.0 |
| Profit (loss) per share-basic (yen) | 37.88 | 47.68 |
| Profit (loss) per share-diluted (yen) | 37.87 | 47.67 |

(2) Financial Position

| | (Millions of yen) | |
|------------------------|-------------------|----------------|
| | March 31, 2022 | March 31, 2023 |
| Total assets | 862,653 | 982,783 |
| Total equity | 444,771 | 425,966 |
| Equity ratio (%) | 51.6 | 43.3 |
| Equity per share (yen) | 698.22 | 699.36 |

*Equity capital March 31, 2023: ¥425,966 million March 31, 2022: ¥444,771 million

1. Performance

(1) Qualitative Information on Consolidated Business Results * Overview of the Year of Fiscal 2022 (April 1, 2022 – March 31, 2023)

Business Environment

The global economy ebbed and flowed during the term because of factors such as the spread of the COVID-19 Omicron variant, inflation in Europe and the United States, the implementation and end of China's lockdown, shortages of semiconductors and parts and materials, and a subsequent moderate recovery in supply, and large fluctuations in exchange rates.

It was against this backdrop that office attendance rates in our core office market remained low, amid growing acceptance of remote work and other aspects of the "new normal." A recovery in print demand was thus limited. Although there were signs of an improving trend in transport costs, an alleviation of shortages in parts and materials, and an improvement in information and communication technology (ICT) products procurement, factors such as uneasiness over corporate management in the financial industry and concerns of a recession due to tighter monetary policy in response to inflation in Europe and the United States led to continuing uncertainty about global business prospects. Regarding the average exchange rates of major currencies, the yen in fiscal 2022 was ¥135.49 to the U.S. dollar, up ¥23.13 from the previous year, and ¥140.91 to the euro, up ¥10.36.

Results for the Fiscal Year

Ricoh (the Company and its affiliates) aimed to become a digital services company that is a work productivity innovator under the two years of its 20th Mid-Term Management Plan.

In the year under review, which was the final year of the 20th Mid-Term Management Plan, we proceeded with autonomous business operations by each business unit under the business unit structure that we adopted in April 2021. We accelerated efforts to reinforce our structure while swiftly tackling changes in each market. We also cultivated human resources to support our drive to become a digital services company and overhauled enterprise systems, striving for transformation and endeavoring to achieve digital services growth by uniting our entire organization.

Consolidated sales for the term were ¥2,134.1 billion. In the office printing business, shortages of parts and materials and a decline in factory operating rates due to lockdowns in China caused delays in the supply of products, but we improved supply towards the end of the term by deploying various production measures to respond to these external factors, and sales of edge devices* increased. Non-hardware increased year-on-year, but the recovery was more moderate than anticipated. In the office services business as well, sales activities were impacted by shortages of information and communication technology products and other factors. However, sales increased by 21.4% (an increase of 12.4% excluding foreign currency exchange fluctuations), owing to factors such as the deployment of services and solutions independent of information and communication technology products, the effect of acquisitions in Europe and the U.S., the conversion of PFU Limited ("PFU") to a consolidated subsidiary in September 2022, and the depreciation of the yen.

By region, in Japan, sales increased due to an increase in unit sales of A3 MFPs in the office printing business. Services for small and medium-sized enterprises independent of information and communication technology products, such as services to comply with the revised Electronic Books Preservation Act, performed strongly, contributing to a rise in sales, amid the impact of delays in the supply of our products and information and communication technology products due to shortages of parts and materials in the office services business. In addition, owing to factors such as the effect of the acquisition of PFU, sales increased by 14.0% from a year earlier.

Overseas, in the Americas, supply shortages of A4 MFPs and other products were alleviated towards the end of the term, leading to bulk sales including A3 MFPs, and sales of edge devices in the office printing business increased year on year. In the office services business, we strengthened our new services and solutions for existing customers of our managed services. Also thanks in part to the acquisition of Cenero LLC. ("Cenero") in the communication services domain, sales increased. In commercial printing business, sales of both hardware and non-hardware were recovered. In addition, thanks to the depreciation of the yen, total sales in the region increased by 35.4% (an increase of 13.0% excluding foreign currency exchange fluctuations) from a year earlier. In Europe, the Middle East, and Africa, supply shortages of A4 MFPs and other products in the office printing business were alleviated and sales of edge devices increased. Non-hardware also recovered from the previous term, and sales grew. The office services business continued to perform strongly thanks to the effect of acquisitions and packaged sales. And also thanks to the depreciation of the yen, year-on-year sales increase by 21.4% in the region (an increase of 12.6% excluding foreign currency exchange fluctuations). In other regions, sales slumped temporarily due to the impact of movement restrictions under lockdowns in China, and the subsequent spread of COVID-19 due to the change of government policies, but sales for the term grew by 14.7% (an increase of 2.6% excluding foreign currency exchange fluctuations) from a year earlier, boosted by the depreciation of the yen. As a result, overseas sales increased by 26.3% overall. Excluding effects of foreign currency fluctuations, sales in overseas would have increased by 11.3% as compared to the previous year.

Gross profit improved owing to a rise in earnings from higher sales and efforts to secure profits through pricing controls including price pass-through implemented at each business unit in response to soaring purchasing costs due to rising commodity prices and energy costs, as well as parts and materials shortages. Profit was further boosted by continuing structural reinforcement of development and production and the depreciation of the yen, resulting in an increase by 19.7%, to ¥745.4 billion.

Selling, general and administrative expenses increased by 14.6%, to ¥688.1 billion due to factors such as the acquisition of PFU and the depreciation of the yen in addition to increased expenses associated with increased sales and business growth.

Other income increased year on year. In the previous term, we recorded income including gains such as U.S. subsidiary's land sales. During the term under review, we went on to record gains such as sales of land in Japan.

We accordingly posted an operating profit of ¥78.7 billion, an increase of ¥38.6 billion from the previous fiscal year.

Net financial expenses increased, reflecting increases in interest expense and foreign exchange losses. The share of profit of investments accounted for using the equity method was higher, reflecting better performances among equity-method affiliates.

We recorded a ¥81.3 billion profit before income tax expenses, an increase of ¥36.9 billion from the previous fiscal year.

Income tax expenses increased by ¥11.9 billion, owing largely to the increase in profit before income tax expenses.

We therefore posted a ¥54.3 billion profit attributable to owners of the parent, an increase of ¥23.9 billion from the previous fiscal year.

Comprehensive income was ¥101.7 billion, owing largely to the profit increase above and an increase in translation adjustments for foreign operations.

* Edge devices: Networked devices with data processing functions, such as multifunctional printers or cameras that serve as an entry and exit point for various data, such as text, photographs, audio, and video.

* Review by Business Segment

Digital Services

Digital Services sales increased by 15.6% (an increase of 7.2% excluding foreign currency exchange fluctuations) to ¥1,650.4 billion. The office services business continued to grow, despite the impact of shortages in ICT products on sales activities and the sales of related services.

In the year under review, we expanded domestic sales of solutions independent of ICT-based products, such as services to comply with the revised Electronic Books Preservation Act and invoicing system. We also strengthened our ability to propose solutions through training. As a result, sales of Scram series remained strong mainly due to the good performances of operation management after system installation, virtualization consolidation, and security-related services.

In April 2022, we agreed on a business partnership with Cybozu, Inc. (“Cybozu”) concerning the digital services business. We then proceeded to launch the RICOH kintone plus solution, the cloud-based business improvement platform jointly developed with Cybozu based on a strategic alliance, in October 2022. RICOH kintone plus enables collaboration between our co-creation platform RICOH Smart Integration and MFPs. In December 2022, we went on to conclude a capital alliance agreement with Cybozu, and we are working towards stronger initiatives in the digital services field.

In the Americas, sales of security-related services continued to be robust. We completed the acquisition of the U.S. company Cenero, which provides communications services, and progressively strengthened our proposal capabilities in the office services business.

We succeeded in growing net sales in Europe through the sale of packaged solutions and by generating synergies with acquired IT service companies. We acquired Pure AV Ltd. in the United Kingdom, AVC A/S in Denmark, and Corelia SAS in France, proceeded with the training of internal systems engineers and sales staff responsible for the office services business, strengthened the foundation of the office services business, and enhanced our sales and support structures.

In the office printing business, sales of edge devices increased due to improvements in the supply shortage of A4 MFPs, etc. toward the end of the year under review, and progress in the delivery of edge devices, including A3 MFPs, at the time of the bulk sales, despite the impact of material shortages and delays in product supply due to lockdown in China. Non-hardware sales recovered at a more moderate pace than anticipated. On the other hand, in response to rising costs mainly due to ocean freight, we secured profits by implementing pricing controls such as price pass-through and selling value-added products. At the same time, we implemented profit improvement measures such as structural reform of maintenance services.

As a result, segment operating profit increased by ¥12.0 billion to ¥28.2 billion.

Digital Products

In fiscal 2022, we worked to strengthen our range of edge devices that support digital services.

We launched the RICOH IM C6010/C5510/C4510/ C3510/C3010/C2510/C2010 full-color A3 MFPs in February 2023. These paper document digitalization devices provide value in terms of both customer DX* and sustainability. Amid the progressive shift to digital order sheets and invoices due to changes in working styles and legal reform, MFPs have become edge devices, linking paper-based analogue information with digital technology. These new products are enabling users to digitalize a wide range of paper documents. By saving on resources and energy, they also reduce environmental burdens across all facets of lifecycle, contributing to reducing environmental burdens from customers’ business activities.

Regarding video and audio digitalization, in June 2022, we launched the RICOH Meeting 360 V1, an all-in-one teleconferencing device incorporating a 360° camera, as an edge device to enhance the sense of presence at web meetings.

In November 2022, we launched the RICOH Portable Monitor 150BW/150, a lightweight handout display featuring a touch function. These edge devices enhance the efficiency of customer workflows by coordinating with a range of applications through the RICOH Smart Integration co-creation platform.

Digital Products sales rose by 9.1% (an increase of 2.1% excluding foreign currency exchange fluctuations) to ¥26.7 billion. Sales including intersegment sales increased by 16.7%, to ¥440.3 billion. While plant operation suffered from parts and materials shortages, together with lockdowns in China for the enforcement of zero-covid policies and the subsequent spread of the COVID-19 cases there, we implemented flexible production measures and sales increased year-on-year due to recovery of production. We secured profits as a result of through measures such as cost improvement activities by enhancing manufacturing structure, in response to a decline in profit margin due to a temporary increase in A4 MFP’s shipment ratio toward the end of the fiscal year and a continuous rise in the price of parts and materials. Operating profit was ¥31.5 billion, a year-on-year decline of ¥9.9 billion. However, operating profit was basically unchanged after excluding the one-off factors such as the gains on U.S. subsidiary’s land sales recorded in the previous fiscal year.

* DX (digital transformation): Measures taken by companies in response to dramatic changes in the business environment to establish competitive advantage by transforming their products, services, and business models, as well as the operations themselves, organizations, processes, and corporate cultures, through utilization of data and digital technologies, based on the needs of customers and society.

Graphic Communications

In July 2022, we launched RICOH IM CW2200/CW2200H/ CW1200/CW1200H wide format digital full-color MFPs in the commercial printing business. These new devices not only feature high-speed full-color and monochrome output but also significantly faster scanning speeds, greatly improving productivity in applications such as plan printing and plan data transmission, and promoting more efficient business operations.

In September 2022, we went on the launch the color management solution RICOH Auto Color Adjuster, a new solution for on-site use in the printing industry to achieve more efficient color-matching and color adjustment.

Graphic Communications sales increased by 25.5% (an increase of 11.3% excluding foreign currency exchange fluctuations) to ¥234.8 billion. Sales in the commercial printing business increased thanks to the recovery of economic activities in Europe and the United States. Although it was affected by the shortages in parts and materials, sales of production printers increased due to efforts to secure production volume by procuring substitute parts. Sales of non-hardware remained strong and recovered to pre-pandemic levels. In the industrial printing business, sales of ink jet heads were robust, despite the impact of lockdowns in the key Chinese market. Although profit came under pressure from a rise in costs due to the procurement of substitute parts in the commercial printing business, overall operating profit of Graphic Communications increased by ¥15.0 billion year-on-year to ¥14.5 billion, driven by an improvement in development, production, and services activities, as well as the effect of the depreciation of the yen.

Industrial Solutions

In the thermal business, fiscal 2022 marked the adoption of our On-demand Direct Printing (ODP) Thermal Media thermal printing technology for product packaging by several major convenience stores. ODP Thermal Media enables direct printing onto film packaging by partially pre-coating it with our uniquely-developed thermal ink, then heating the coated area by a thermal head or laser device. This makes the paper labels previously attached to packaging redundant, contributing to alleviating environmental burden. It also contributes to improving work efficiency in manufacturing processes, achieving an increase in productivity across a wide range of fields such as retail and logistic businesses.

In the industrial products business, we launched RICOH AGV* 3000 autonomous delivery vehicle in September 2022. This vehicle is designed to transport goods of a wide variety of shapes and sizes through the narrow spaces and diverse layouts of production and logistics sites, then contributes to on-site digital transformation.

Industrial solutions sales increased by 14.1% (an increase of 5.2% excluding foreign currency exchange fluctuations) to ¥113.5 billion. In the thermal business, while energy and raw material prices, also logistics and other costs continued to rise, we absorbed this rise through the flexible implementation of pricing controls, including price pass-through. In addition, sales expanded of linerless labels and demand grew from the logistics and distribution industries in Europe and the U.S., contributing to the sales increase. Sales declined in the industrial products business, which was affected by reduced production by automotive customers due to the lockdowns in China. Operating profit increased by ¥1.6 billion from the previous year, to ¥3.1 billion, due partly to the effect of securing profits through pricing controls.

The electronics business in Industrial Solutions has been reclassified into Digital Products from the third quarter. Prior year comparative figures have also been reclassified to conform to the current year's presentation.

* AGV (automated guided vehicles): Automated transport vehicles guided by recognition of lines of tape on the floor.

Other

We acquired shares of PFU and made it our consolidated subsidiary in September 2022. PFU boasts the global No. 1 market share and customer base for business scanners. By strengthening our business scanners, we are able to respond to special documents that are difficult to read by existing MFPs. This will enable us to provide value not only to the office domain but also to more specialized fields, such as the teller window operations of medical institutions and public institutions, and the processing services of various documents at financial institutions and corporate backyards. Moreover, PFU also provides cloud development and managed security services in Japan, and this acquisition also bolsters our IT management services capabilities. We are supplementing and enhancing the areas of specialization of each company to generate synergies, and thereby accelerating our growth into a digital services company.

In the Smart Vision business, jointly with SpiderPlus & Co., we launched a collaboration, with the aim of accelerating DX in the construction industry.

Other sales increased by 461.5% (an increase of 454.5% excluding foreign currency exchange fluctuations) to ¥108.6 billion. This increase was mainly due to the acquisition of PFU. We also engaged in new business creation, such as an additional investment in Elixirgen Scientific, Inc. in the drug discovery support business and activities aimed at the commercialization of social infrastructure inspection services, including verification testing and new project development.

We posted a ¥3.2 billion operating loss in this segment due to advance investments in new business creation including above mentioned activities. However, this was an improvement of ¥12.2 billion compared to the previous fiscal year due to the acquisition of PFU and the improvement in profitability in the camera business.

* Ricoh adopted a business unit structure from April 1, 2021. Based on this new business unit structure, Ricoh changed Operating Segment Information from this fiscal year. Prior year comparative figures have also been reclassified to conform to the current year's presentation. Digital services as a business segment is mainly limited to the office services business and the office printing sales business. This segment does not include all digital services, which Ricoh aims to transform into "a digital services company" that connects workplaces and support worker's creativity. "Digital Services" provided as "a digital services company" is included in all the business segments as well as Digital Services business segment.

(2) Financial Position

Assets, Liabilities, and Equity at Year-End

| | March 31, 2022 | March 31, 2023 | (Billions of yen) Change |
|---|----------------|----------------|-----------------------------|
| Total assets | 1,853.2 | 2,149.9 | 296.7 |
| Total equity | 905.8 | 958.0 | 52.2 |
| Equity attributable to owners of the parent | 902.0 | 931.5 | 29.5 |
| Equity attributable to owners of the parent ratio (%) | 48.7 | 43.3 | (5.4) points |

Total assets increased by ¥296.7 billion from the end of fiscal 2021, to ¥2,149.9 billion. In addition to the acquisition of PFU, the yen depreciated from the end of the previous term, producing currency translation differences for foreign assets and boosting the amount of total assets. After excluding the foreign exchange impact, total assets increased by ¥221.0 billion. The year-end rates for major currencies for the yen at end of fiscal 2022 were ¥133.53 against the U.S. dollar (up ¥11.14 from the previous year) and ¥145.72 against the euro (up ¥9.02). Trade and other receivables rose by ¥79.2 billion, mainly due to the increase in sales towards the end of the term under review. Inventories rose by ¥81.8 billion due to factors such as an increase in sales inventories, the securing of safety inventory, acquisitions, and the depreciation of the yen. Goodwill and intangible assets increased by ¥106.9 billion on the acquisition of PFU and service business companies in Europe and the U.S., as well as the depreciation of the yen and other factors.

Total liabilities were up ¥244.4 billion, to ¥1,191.8 billion. Trade and other payables increased by ¥43.8 billion owing to an increase in purchases. The total of current and non-current bonds and borrowings increased by ¥127.5 billion with the procurement of funds through syndicated loans and other means.

Total equity increased by ¥52.2 billion, to ¥958.0 billion. Equity declined in line with the repurchase and retirement of ¥30.0 billion of treasury stock, implemented as part of a policy to enhance shareholder returns. However, as a result of the yen's depreciation, exchange differences on translation of foreign operations rose by ¥40.7 billion.

Equity attributable to owners of the parent was up ¥29.5 billion, to ¥931.5 billion. The equity ratio declined 5.4 points from the end of fiscal 2021 to 43.3%, mainly due to share repurchases and other capital policy measures, as well as new borrowings, but remained at a stable level.

(3) Cash Flows

| | March 31, 2022 | March 31, 2023 | (Billions of yen) Change |
|--|----------------|----------------|-----------------------------|
| Cash flows from operating activities | 82.4 | 66.7 | (15.7) |
| Cash flows from investing activities | (59.3) | (133.9) | (74.5) |
| Cash flows from financing activities | (131.6) | 35.4 | 167.1 |
| Cash and cash equivalents at end of year | 234.0 | 210.8 | (23.1) |

Net cash provided by operating activities was ¥66.7 billion, down ¥15.7 billion from the previous year. While profit increased significantly compared to the previous year, inventories rose and trade and other receivables increased due to an increase in sales during fiscal 2022.

Net cash used in investing activities increased by ¥74.5 billion, to ¥133.9 billion, mainly due to the acquisition of PFU and other active acquisitions and investments.

We accordingly posted a negative free cash flow (net cash provided by operating activities plus net cash used in investing activities) of ¥67.2 billion, down ¥90.3 billion.

Net cash provided by financing activities was ¥35.4 billion, after a decline of ¥167.1 billion in cash used from the previous fiscal year. This was mainly due to an increase in cash provided due to borrowing and other funds procurement, despite the increase in cash used to implement ¥30.0 billion in share repurchases.

Cash and cash equivalents at the end of fiscal 2022 thus totaled ¥210.8 billion, down ¥23.1 billion.

We will systematically employ operating cash flows from business investments to invest in further growth and bolster shareholder returns. For the detailed contents of capital policies, please refer to “(6) Our Challenges, Medium-Term Direction, Financial Perspectives, Capital Policies Supporting Growth” on page 11.

(Reference) Cash Flow Indices

| | Year ended March 31, 2019 | Year ended March 31, 2020 | Year ended March 31, 2021 | Year ended March 31, 2022 | Year ended March 31, 2023 |
|--|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
| Equity attributable to owners of the parent / Total assets | 34.2% | 32.1% | 48.7% | 48.7% | 43.3% |
| Market capitalization / Total assets | 30.8% | 20.1% | 42.8% | 36.5% | 28.1% |
| Interest bearing debt / Operating cash flow | 11.4 | 9.1 | 1.8 | 2.9 | 5.4 |
| Operating cash flow / Interest expense | 17.3 | 25.5 | 47.1 | 26.9 | 13.2 |

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

In March 2023, we announced the 21st Mid-Term Management Strategy beginning from April 2023.

As our medium- to long-term goal, we aim to become a digital services company that supports creativity and transforms the workplace, in order to achieve our Mission & Vision of “Fulfillment through Work”. A moderate recovery trend emerged in business conditions during fiscal 2022, thanks to the relaxation of the restrictions on movement due to COVID-19. However, the economic outlook for global business remained clouded due to factors such as continuing international tensions, soaring resource prices, inflation, and the progressive depreciation of the yen. This adverse external environment will persist in fiscal 2023. However, under the 21st Mid-Term Management Strategy, we will accelerate our transformation from an earnings structure focused on the office printing business and work to enhance profitability as a digital services company. We will also build flexible production and supply systems, raise our capacity to tackle changes in business environment and establish a new pillar of earnings in frontline digital services domains.

Our performance forecast for the fiscal year ending March 31, 2024 is as follows:

Exchange Rate Assumptions for the full year ending March 31, 2024

US\$ 1 = ¥125.00 (¥135.49 in previous fiscal year)

EURO 1 = ¥135.00 (¥140.91 in previous fiscal year)

| | Year ended March 31, 2023 | Year ending March 31, 2024 (Forecast) | Change |
|--|------------------------------|---|---------|
| Domestic sales | 803.9 | 864.0 | 7.5% |
| Overseas sales | 1,330.2 | 1,386.0 | 4.2% |
| Sales | 2,134.1 | 2,250.0 | 5.4% |
| Gross profit | 745.4 | 790.0 | 6.0% |
| Operating profit (loss) | 78.7 | 70.0 | (11.1%) |
| Profit (loss) before income tax expenses | 81.3 | 74.2 | (8.7%) |
| Profit (loss) attributable to owners of the parent | 54.3 | 50.0 | (8.0%) |

* The results forecasts and forward-looking statements included in this document are based on information available to the Company as at the date and certain assumptions that the Company considers reasonable. The Company makes no guarantees with respect to the achievement of its results forecasts or forward-looking statements. Actual results might be significantly different from the forecasts in the document, depending on various factors. Factors which may affect the actual business results include but are not limited to the economic situation in the geographic areas where Ricoh conducts business, including Japan, the Americas, Europe, Middle East, Africa, China and Asia, market environment, and currency exchange rates.

(5) Dividend Policy

With regard to shareholder returns, we set the total return ratio to 50% as a guideline and continue to raise dividend and repurchase treasury stock flexibly with an eye on dividend yields. With regard to dividend, we aim to continue increasing dividends in line with growth in profits. With regard to repurchase treasury stock, we will implement flexibly while taking into account the management environment and state of growth investment and improve Earnings Per Share (EPS).

The year-end dividend per share will be ¥17.00, and the total dividend per share for the fiscal year ended March 31, 2023 will be ¥34.00.

The total dividend per share for the fiscal year ending March 31, 2024 will be ¥36.00, increased by ¥2.00 as compared to the fiscal year ended March 31, 2023.

(6) Our Challenges

Unchanging Commitments Amid Change

The pandemic transformed the world. It drastically altered the environment for working people, accelerating the global move to working anytime, anywhere. At the same time, a trend has also emerged towards mandatory attendance at work. Faced with changing working styles, companies and the people who work there have been forced to reexamine the meaning of gathering at offices and reconsider how to exert creativity.

Two fundamental commitments will remain unchanged in this new environment.

First, we will relentlessly stay close to our customers. Since championing office automation in 1977, we have done much to help improve the efficiency and productivity of offices. As the value of work shifts away from enhancing efficiency toward harnessing the creativity that only people can deliver, we have always been and will be close to our customers' work to help them attain fulfillment through work.

Our second commitment is to our founding principles, the Spirit of Three Loves: "Love your neighbor, Love your country, Love your work."

On April 1, 2023, we revised our corporate philosophy, the RICOH Way, to further clarify our vision, founded on the Spirit of Three Loves, to be a company that stays close to our customers' work and helps them attain fulfillment through work. We have established "Fulfillment through Work" as our Mission & Vision. By staying close to our customers' work and continuing to bring about transformation, we aim to support them to make the most of human creativity and create a sustainable future society.

Medium-Term Direction

In March 2023, we announced the 21st Mid-Term Management Strategy beginning from April 2023.

As our medium- to long-term goal, we aim to become a digital services company that supports worker's creativity and transforms the workplace, in order to achieve our Mission & Vision of "Fulfillment through Work." We expand the range of workplaces where we provide digital services from offices, centered on the sale of MFPs, to services on frontlines and throughout society. At the same time, we will expand the customer value we provide to each workplace (office/frontline/social setting) and progressively transform into a digital services company.

Future Financial (ESG) Perspectives

From a future financial (environmental, social, and governance (ESG)) perspective, we will undertake initiatives across the value chain to serve the growing ESG requirements of customers and investors in keeping with a commitment to maintaining a top worldwide reputation for sustainability and ESG.

We have positioned ESG initiatives as essential for generating future finances. We are undertaking activities after setting future financial targets (ESG targets) linked to our seven material issues. With the launch of the 21st Mid-Term Management Strategy, we have partially redefined these material issues. In order to achieve our vision for a sustainable society (the Three Ps Balance), we will engage in resolving four social issues through business and take on three challenges to establish a stronger management foundation to support these efforts.

In terms of resolving social issues through business, we will continue to focus on achieving a zero-carbon society and circular economy, and combine our technological and customer contact capabilities to contribute to maintaining, developing, and streamlining community and social systems.

In terms of establishing a stronger management foundation to support these efforts, we are setting companywide goals from the perspectives of addressing human rights issues and other global trends, and improving our ability to implement management strategies and break them down for each business unit. On the DX front, we will strive to secure sufficient number and quality of digital professionals to become a digital services company and improve the quality of related patents.

Moreover, under the 21st Mid-Term Management Strategy, we have identified focus businesses for each of the four key social issues regarding which we will contribute to resolving social issues through business, and we will disclose the net sales in these businesses each fiscal year. This will not only enable us to contribute to achieving a zero-carbon society and circular economy (ESG targets) but also show our own transformation and growth to stakeholders from the dual perspectives of ESG targets and contribution to business growth (future financial).

Financial Perspectives

Under the 21st Mid-Term Management Strategy, we aim to enhance corporate value by achieving growth as a digital services company through innovation from the customer perspective. Our financial targets for fiscal 2025, the final fiscal year of the strategy, are net sales of ¥2,350.0 billion, operating profit of ¥130.0 billion, and ROE of over 9%. When we announced the 20th Mid-Term Management Plan (in March 2021) we set financial targets for fiscal 2025 of operating profit of ¥150.0 billion, and ROE of over 10%. However, upon consideration of factors such as recent unpredictable changes in the management environment and a recovery in sales of consumables in the office printing business that is expected to be more subdued than originally anticipated, we believe that the achievement of these targets will be further in the future, and we have revised our targets for fiscal 2025. We will continue to aim for ROE of over 10%.

At the same time, we have also revised some of the targets we have set for net sales and operating profit in each field (business unit). With the digital office services provided by RICOH Digital Services driving growth companywide, we will expand the growth domain of frontline digitalization to manufacturing and logistics sites and social settings. We aim to support our customers as a company that provides services wherever our customers work, and firmly establish this as a new pillar of our revenue.

Sales, profit and loss by Category

(Billions of yen)

| Business Unit | FY2025 targets | | |
|--|---|------------------|---|
| | Sales (CAGR: compound average growth rate) | Operating profit | Changes in operating profit from FY2022 |
| RICOH Digital Services (RDS) | 1,750.0 2.0% | 60.0 | + 31.7 |
| RICOH Digital Products (RDP) | 420.0 (1.6%) | 34.0 | + 2.4 |
| RICOH Graphic Communications (RGC) | 280.0 6.0% | 18.0 | + 3.4 |
| RICOH Industrial Solutions (RIS) | 160.0 11.2% | 12.0 | + 8.8 |
| Other (including Eliminations and Corporate) | (260.0) | 6.0 | + 4.8 |
| Total | 2,350.0 3.3% | 130.0 | + 51.2 |

We have also established four key performance indicators (KPIs) and targets for fiscal 2025 to manage the progress of our transformation into a digital services company. The first is to generate more than 60% of sales from digital services as we attempt to transform our business portfolio, shifting our focus to the growth area of digital services. The second is to increase recurring revenue business earnings* by 18% (compared to fiscal 2022) as we transform the business model and boost profitability, enhancing our business model to continually generate returns. The third is to raise the proportion of recurring revenue business earnings generated from areas outside the office printing business to 54%. Finally, our fourth KPI is to increase profitability per employee by 70% (compared to fiscal 2022) as we aim to maximize human capital potential, reallocating human capital to growth areas by reskilling* and enhancing organizational productivity.

* Recurring revenue business earnings: Operating profit from business models that continually generate revenue through monthly contracts or similar agreements (consumables and maintenance service contracts in office printing, service and support in office services, the use of subscription-based software where the user pays a fee to use the software over a period of time, etc.)

* Reskilling: Initiatives by existing employees to acquire new qualifications and skills

To achieve these financial targets, we will engage in the three basic policies of the 21st Mid-Term Management Strategy: “(1) Reinforce regional strategies and evolve Group management,” “(2) Build revenue sources in frontlines and social domains,” and “(3) Leverage global talent.”

Basic Policy (1) Reinforce regional strategies and evolve Group management

Three points are key to amassing revenue from outside the office printing business and establishing a highly profitable earnings base: improving customer touchpoint value creation capabilities, leveraging synergies within the group companies, and being able to tackle business climate changes in order to achieve continuous improvement of revenue.

We have businesses spanning regions around the globe, in Japan, Europe, the U.S., Asia, Latin America, and elsewhere. Each region has different customer base, with different customer challenges and demands. In order to help customers in each region transform how they work, we must therefore strengthen our customer touchpoint functions, with a development framework based on local production and local consumption to stay close to our customers and swiftly provide them with solutions. Under the 21st Mid-Term Management Strategy, we will work to strengthen our customer touchpoint function while taking into account the attributes of customers in each region and our existing organizational capabilities, to strengthen our frameworks for value creation.

On top of this, to fully leverage our synergies as a global corporate group, we will pursue headquarters-led efforts in building ecosystems around our co-creation platform “Ricoh Smart Integration”, enhancing our proprietary software and expanding it globally, and developing and providing competitive edge devices.

Basic Policy (2) Build revenue sources in frontlines and social domains

Our revenue is currently centered on the office domain, but we will build on our digital services and progressively expand our frontline businesses to provide value to a wider range of customers. Operations at many frontline locations, such as manufacturing and logistics sites, are still largely analogue, and we hope to use our technologies to develop new businesses. In frontlines and social domains, we will engage in creating businesses directly linked to resolving social issues.

Businesses that we will focus on under the 21st Mid-Term Management Strategy include commercial printing centered on customers in the printing industry, the thermal business providing solutions for printing on external packaging in the food, logistics, and other industries, and PLAiR,* a new material that contributes to reducing environmental pollution caused by waste, all of which businesses contribute to resolving social issues. We will identify growing business domains and invest management resources to accelerate growth.

* PLAiR: A new plant-derived, biodegradable material that is an alternative to plastic

Basic Policy (3) Leverage global talent

To change our business structure and expand our value proposition globally, it is vital that we leverage talent. We perceive the abilities and skills of our employees as a form of capital, and we have established a human capital strategy to actively invest in people.

Our human capital strategy is founded on the three components of autonomy, growth, and Fulfillment through Work. The basic approach of this strategy is to aim for both employees’ Fulfillment through Work and business growth by enabling them to accumulate the experiences they gain through working at Ricoh.

In addition to boosting the level of skills of our employees companywide, we will enhance the expertise of the digital professionals who will contribute to creating and accelerating our digital services. Under the 21st Mid-Term Management Strategy, we will strengthen our human resources capable of creating advanced services from customer contacts in each region and expanding these service models globally. We will also engage in training management personnel for the future, including measures such as the implementation of early-stage development programs for personnel with experience in digital services and the provision of experience in multiple projects globally.

Capital Policies Supporting Growth

We aim to maximize shareholder value and corporate value while satisfying stakeholder expectations. We accordingly seek to realize returns on the capital contributed by our shareholders that exceed the cost of capital.

We will promote return on invested capital (ROIC) management and the enhancement of asset efficiency in our business portfolio management, among other measures, and strive to improve ROE. We will also engage in initiatives to encourage shareholders to recognize and evaluate us as a digital services company rather than in terms of our previous form as an OA manufacturer. These initiatives include disclosure of the way that our business portfolio is steadily changing as we transform into a digital services company by presenting specific indicators such as recurring revenue business earnings from digital services. We hope to link the results of these efforts to boosting our price earnings ratio (PER) and improving our price book value ratio (PBR), which remains below 1.0.

To transform into a digital services company, we will target an appropriate capital structure based on risk assessments and borrow to fund investments, carefully balancing debt and equity in our operations. We will use debt in such stable businesses as office printing while primarily allocating capital to growth businesses that pose relatively high risks.

We will thus systematically use operating cash flows generated from business investments to fund further growth and shareholder returns. We have not altered our plan to invest around ¥500.0 billion in growth areas over five years (fiscal 2021 to fiscal 2025), announced in the 20th Mid-Term Management Plan, as growth investment in the drive to become a digital services company. In fiscal 2022, we acquired PFU to help transform our customers' document workflows and strengthen our IT management service functions. We also made other M&A investments in Europe and the U.S. to grow our office services business, steadily proceeding with investments for business growth. To fund investments, we will draw on mainly operating cash flows, while also utilizing interest-bearing debt, strategically executing investments in a well-balanced manner.

Our shareholder return policy is to maintain a total return ratio of 50%. With the target of a total return ratio of 50%, we look to steadily lift dividends per share in line with annual profit growth, while being conscious of offering attractive dividend yields. We will also implement share repurchases and other additional return measures in a flexible and timely manner, based on our views on the optimal capital structure and factoring in the business environment and progress with growth investments to achieve an improvement in total shareholder return (TSR).

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, 2022 | March 31, 2023 | Change |
| Current Assets | | | |
| Cash and cash equivalents | 240,308 | 221,890 | (18,418) |
| Time deposits | 81 | 207 | 126 |
| Trade and other receivables | 397,148 | 476,429 | 79,281 |
| Other financial assets | 92,293 | 93,906 | 1,613 |
| Inventories | 232,558 | 314,368 | 81,810 |
| Other current assets | 50,034 | 68,499 | 18,465 |
| Total Current Assets | 1,012,422 | 1,175,299 | 162,877 |
| Non-current assets | | | |
| Property, plant and equipment | 188,439 | 196,512 | 8,073 |
| Right-of-use assets | 57,730 | 57,003 | (727) |
| Goodwill and intangible assets | 259,482 | 366,394 | 106,912 |
| Other financial assets | 128,321 | 135,158 | 6,837 |
| Investments accounted for using the equity method | 81,396 | 83,529 | 2,133 |
| Other investments | 12,329 | 19,359 | 7,030 |
| Other non-current assets | 31,942 | 44,540 | 12,598 |
| Deferred tax assets | 81,193 | 72,162 | (9,031) |
| Total Non-current Assets | 840,832 | 974,657 | 133,825 |
| Total Assets | 1,853,254 | 2,149,956 | 296,702 |

Liabilities and Equity

| | (Millions of yen) | | |
|---|-------------------|------------------|----------------|
| | March 31, 2022 | March 31, 2023 | Change |
| Current Liabilities | | | |
| Bonds and borrowings | 114,395 | 157,828 | 43,433 |
| Trade and other payables | 268,534 | 312,429 | 43,895 |
| Lease liabilities | 22,665 | 26,185 | 3,520 |
| Other financial liabilities | 2,079 | 2,582 | 503 |
| Income tax payables | 11,143 | 11,864 | 721 |
| Provisions | 9,941 | 10,968 | 1,027 |
| Other current liabilities | 264,691 | 307,258 | 42,567 |
| Total Current Liabilities | 693,448 | 829,114 | 135,666 |
| Non-current Liabilities | | | |
| Bonds and borrowings | 121,042 | 205,110 | 84,068 |
| Lease liabilities | 44,444 | 38,147 | (6,297) |
| Other financial liabilities | — | 27,566 | 27,566 |
| Accrued pension and retirement benefits | 45,728 | 41,058 | (4,670) |
| Provisions | 9,607 | 8,347 | (1,260) |
| Other non-current liabilities | 29,029 | 24,742 | (4,287) |
| Deferred tax liabilities | 4,131 | 17,790 | 13,659 |
| Total Non-current Liabilities | 253,981 | 362,760 | 108,779 |
| Total Liabilities | 947,429 | 1,191,874 | 244,445 |
| Equity | | | |
| Common stock | 135,364 | 135,364 | — |
| Additional paid-in capital | 180,942 | 158,529 | (22,413) |
| Treasury stock | (460) | (427) | 33 |
| Other components of equity | 126,341 | 167,368 | 41,027 |
| Retained earnings | 459,855 | 470,722 | 10,867 |
| Equity attributable to owners of the parent | 902,042 | 931,556 | 29,514 |
| Non-controlling interests | 3,783 | 26,526 | 22,743 |
| Total Equity | 905,825 | 958,082 | 52,257 |
| Total Liabilities and Equity | 1,853,254 | 2,149,956 | 296,702 |

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

Consolidated Statement of Profit or Loss

Year ended March 31, 2022 and 2023

| | (Millions of yen) | | | |
|---|------------------------------|------------------------------|---------|--------|
| | Year ended March 31, 2022 | Year ended March 31, 2023 | Change | % |
| Sales | 1,758,587 | 2,134,180 | 375,593 | 21.4 |
| Cost of sales | 1,135,920 | 1,388,758 | 252,838 | 22.3 |
| Percentage of sales (%) | <i>64.6</i> | <i>65.1</i> | | |
| Gross profit | 622,667 | 745,422 | 122,755 | 19.7 |
| Percentage of sales (%) | <i>35.4</i> | <i>34.9</i> | | |
| Selling, general and administrative expenses | 600,269 | 688,156 | 87,887 | 14.6 |
| Percentage of sales (%) | <i>34.1</i> | <i>32.2</i> | | |
| Other income | 17,960 | 21,544 | 3,584 | 20.0 |
| Percentage of sales (%) | <i>1.0</i> | <i>1.0</i> | | |
| Impairment of goodwill | 306 | 70 | (236) | (77.1) |
| Percentage of sales (%) | <i>0.0</i> | <i>0.0</i> | | |
| Operating profit (loss) | 40,052 | 78,740 | 38,688 | 96.6 |
| Percentage of sales (%) | <i>2.3</i> | <i>3.7</i> | | |
| Finance income | 2,532 | 4,522 | 1,990 | 78.6 |
| Percentage of sales (%) | <i>0.1</i> | <i>0.2</i> | | |
| Finance costs | 3,800 | 8,105 | 4,305 | 113.3 |
| Percentage of sales (%) | <i>0.2</i> | <i>0.4</i> | | |
| Share of profit (loss) of investments accounted for using the equity method | 5,604 | 6,151 | 547 | 9.8 |
| Percentage of sales (%) | <i>0.3</i> | <i>0.3</i> | | |
| Profit (loss) before income tax expenses | 44,388 | 81,308 | 36,920 | 83.2 |
| Percentage of sales (%) | <i>2.5</i> | <i>3.8</i> | | |
| Income tax expenses | 13,763 | 25,667 | 11,904 | 86.5 |
| Percentage of sales (%) | <i>0.8</i> | <i>1.2</i> | | |
| Profit (loss) | 30,625 | 55,641 | 25,016 | 81.7 |
| Percentage of sales (%) | <i>1.7</i> | <i>2.6</i> | | |
| Profit (loss) attributable to: | | | | |
| Owners of the parent | 30,371 | 54,367 | 23,996 | 79.0 |
| Percentage of sales (%) | <i>1.7</i> | <i>2.5</i> | | |
| Non-controlling interests | 254 | 1,274 | 1,020 | 401.6 |
| Percentage of sales (%) | <i>0.0</i> | <i>0.1</i> | | |

| | Year ended March 31, 2022 | Year ended March 31, 2023 | Change |
|---|------------------------------|------------------------------|--------|
| Earnings per share attributable to owners of the parent-basic (yen) | 45.35 | 88.13 | 42.78 |
| Earnings per share attributable to owners of the parent-diluted (yen) | 45.34 | 88.10 | 42.76 |

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

Three months ended March 31, 2022 and 2023

| | (Millions of yen) | | | |
|---|---|---|---------|--------|
| | Three months ended March 31, 2022 | Three months ended March 31, 2023 | Change | % |
| Sales | 482,392 | 605,572 | 123,180 | 25.5 |
| Cost of sales | 321,584 | 399,014 | 77,430 | 24.1 |
| Percentage of sales (%) | 66.7 | 65.9 | | |
| Gross profit | 160,808 | 206,558 | 45,750 | 28.5 |
| Percentage of sales (%) | 33.3 | 34.1 | | |
| Selling, general and administrative expenses | 149,547 | 183,605 | 34,058 | 22.8 |
| Percentage of sales (%) | 31.0 | 30.3 | | |
| Other income | 3,388 | 16,249 | 12,861 | 379.6 |
| Percentage of sales (%) | 0.7 | 2.7 | | |
| Impairment of goodwill | 306 | 70 | (236) | (77.1) |
| Percentage of sales (%) | 0.1 | 0.0 | | |
| Operating profit (loss) | 14,343 | 39,132 | 24,789 | 172.8 |
| Percentage of sales (%) | 3.0 | 6.5 | | |
| Finance income | 1,205 | 1,715 | 510 | 42.3 |
| Percentage of sales (%) | 0.2 | 0.3 | | |
| Finance costs | 1,993 | 2,325 | 332 | 16.7 |
| Percentage of sales (%) | 0.4 | 0.4 | | |
| Share of profit (loss) of investments accounted for using the equity method | 130 | 465 | 335 | 257.7 |
| Percentage of sales (%) | 0.0 | 0.1 | | |
| Profit (loss) before income tax expenses | 13,685 | 38,987 | 25,302 | 184.9 |
| Percentage of sales (%) | 2.8 | 6.4 | | |
| Income tax expenses | 6,389 | 11,600 | 5,211 | 81.6 |
| Percentage of sales (%) | 1.3 | 1.9 | | |
| Profit (loss) for the period | 7,296 | 27,387 | 20,091 | 275.4 |
| Percentage of sales (%) | 1.5 | 4.5 | | |
| Profit (loss) attributable to: | | | | |
| Owners of the parent | 7,185 | 26,929 | 19,744 | 274.8 |
| Percentage of sales (%) | 1.5 | 4.4 | | |
| Non-controlling interests | 111 | 458 | 347 | 312.6 |
| Percentage of sales (%) | 0.0 | 0.1 | | |

| | Three months ended March 31, 2022 | Three months ended March 31, 2023 | Change |
|---|--------------------------------------|--------------------------------------|--------|
| Earnings per share attributable to owners of the parent-basic (yen) | 11.28 | 44.21 | 32.93 |
| Earnings per share attributable to owners of the parent-diluted (yen) | 11.28 | 44.20 | 32.92 |

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

Consolidated Statement of Comprehensive Income

Year ended March 31, 2022 and 2023

| | (Millions of yen) | | |
|---|------------------------------|------------------------------|----------|
| | Year ended March 31, 2022 | Year ended March 31, 2023 | Change |
| Profit (loss) | 30,625 | 55,641 | 25,016 |
| Other comprehensive income (loss): | | | |
| Components that will not be reclassified subsequently to profit or loss: | | | |
| Remeasurement of defined benefit plan | 14,515 | 5,097 | (9,418) |
| Net changes in fair value of financial assets measured through other comprehensive income | (1,851) | 742 | 2,593 |
| Share of other comprehensive income of investments accounted for using equity method | 187 | (318) | (505) |
| Total components that will not be reclassified subsequently to profit or loss | 12,851 | 5,521 | (7,330) |
| Components that will be reclassified subsequently to profit or loss: | | | |
| Net changes in fair value of cash flow hedges | 590 | (77) | (667) |
| Exchange differences on translation of foreign operations | 46,775 | 40,591 | (6,184) |
| Share of other comprehensive income of investments accounted for using equity method | 99 | 59 | (40) |
| Total components that will be reclassified subsequently to profit or loss | 47,464 | 40,573 | (6,891) |
| Total other comprehensive income (loss) | 60,315 | 46,094 | (14,221) |
| Comprehensive income (loss) | 90,940 | 101,735 | 10,795 |
| Comprehensive income (loss) attributable to: | | | |
| Owners of the parent | 90,733 | 100,564 | 9,831 |
| Non-controlling interests | 207 | 1,171 | 964 |

Three months ended March 31, 2022 and 2023

| | (Millions of yen) | | |
|---|--------------------------------------|--------------------------------------|----------|
| | Three months ended March 31, 2022 | Three months ended March 31, 2023 | Change |
| Profit (loss) for the period | 7,296 | 27,387 | 20,091 |
| Other comprehensive income (loss): | | | |
| Components that will not be reclassified subsequently to profit or loss: | | | |
| Remeasurement of defined benefit plan | 11,903 | 5,678 | (6,225) |
| Net changes in fair value of financial assets measured through other comprehensive income | (1,749) | 862 | 2,611 |
| Share of other comprehensive income of investments accounted for using equity method | (2,137) | 121 | 2,258 |
| Total components that will not be reclassified subsequently to profit or loss | 8,017 | 6,661 | (1,356) |
| Components that will be reclassified subsequently to profit or loss: | | | |
| Net changes in fair value of cash flow hedges | 181 | - | (181) |
| Exchange differences on translation of foreign operations | 36,344 | 13,531 | (22,813) |
| Share of other comprehensive income of investments accounted for using equity method | 81 | (204) | (285) |
| Total components that will be reclassified subsequently to profit or loss | 36,606 | 13,327 | (23,279) |
| Total other comprehensive income (loss) | 44,623 | 19,988 | (24,635) |
| Comprehensive income (loss) | 51,919 | 47,375 | (4,544) |
| Comprehensive income (loss) attributable to: | | | |
| Owners of the parent | 51,793 | 46,814 | (4,979) |
| Non-controlling interests | 126 | 561 | 435 |

Consolidated Sales by Product Category

Year ended March 31, 2022 and 2023

| | (Millions of yen) | | | |
|--------------------------|------------------------------|------------------------------|---------|-------|
| | Year ended March 31, 2022 | Year ended March 31, 2023 | Change | % |
| <Digital Services> | 1,428,192 | 1,650,414 | 222,222 | 15.6 |
| Percentage of sales (%) | <i>81.2</i> | <i>77.3</i> | | |
| <Digital Products> | 24,466 | 26,702 | 2,236 | 9.1 |
| Percentage of sales (%) | <i>1.4</i> | <i>1.3</i> | | |
| <Graphic Communications> | 187,082 | 234,843 | 47,761 | 25.5 |
| Percentage of sales (%) | <i>10.6</i> | <i>11.0</i> | | |
| <Industrial Solutions> | 99,497 | 113,572 | 14,075 | 14.1 |
| Percentage of sales (%) | <i>5.7</i> | <i>5.3</i> | | |
| <Other> | 19,350 | 108,649 | 89,299 | 461.5 |
| Percentage of sales (%) | <i>1.1</i> | <i>5.1</i> | | |
| Grand Total | 1,758,587 | 2,134,180 | 375,593 | 21.4 |
| Percentage of sales (%) | <i>100.0</i> | <i>100.0</i> | | |

Three months ended March 31, 2022 and 2023

| | (Millions of yen) | | | |
|--------------------------|--------------------------------------|--------------------------------------|---------|--------|
| | Three months ended March 31, 2022 | Three months ended March 31, 2023 | Change | % |
| <Digital Services> | 391,123 | 463,450 | 72,327 | 18.5 |
| Percentage of sales (%) | <i>81.1</i> | <i>76.5</i> | | |
| <Digital Products> | 6,034 | 3,110 | (2,924) | (48.5) |
| Percentage of sales (%) | <i>1.3</i> | <i>0.5</i> | | |
| <Graphic Communications> | 51,534 | 65,285 | 13,751 | 26.7 |
| Percentage of sales (%) | <i>10.7</i> | <i>10.8</i> | | |
| <Industrial Solutions> | 29,412 | 29,779 | 367 | 1.2 |
| Percentage of sales (%) | <i>6.1</i> | <i>4.9</i> | | |
| <Other> | 4,289 | 43,948 | 39,659 | 924.7 |
| Percentage of sales (%) | <i>0.9</i> | <i>7.3</i> | | |
| Grand Total | 482,392 | 605,572 | 123,180 | 25.5 |
| Percentage of sales (%) | <i>100.0</i> | <i>100.0</i> | | |

* Sales of PFU are included in Other segment.

(Notes) 1. Digital services as a business segment is mainly limited to the office services business and the office printing sales business. This segment does not include all digital services, which Ricoh aims to transform into “a digital services company” that connects workplaces and support worker’s creativity. “Digital Services” provided as “a digital services company” is included in all the business segments as well as Digital Services business segment.

For the product line of each category, please refer to “(7) (a) Segment Information” on page 22.

2. The electronics business in Industrial Solutions has been reclassified into Digital Products from the third quarter. Prior year comparative figures have also been reclassified to conform to the current year's presentation.

Consolidated Sales by Geographic Area

Year ended March 31, 2022 and 2023

| | (Millions of yen) | | | |
|--------------------------------|------------------------------|------------------------------|---------|------|
| | Year ended March 31, 2022 | Year ended March 31, 2023 | Change | % |
| <Domestic> | 705,242 | 803,955 | 98,713 | 14.0 |
| Percentage of sales (%) | <i>40.1</i> | <i>37.7</i> | | |
| <Overseas> | 1,053,345 | 1,330,225 | 276,880 | 26.3 |
| Percentage of sales (%) | <i>59.9</i> | <i>62.3</i> | | |
| The Americas | 443,647 | 600,836 | 157,189 | 35.4 |
| Percentage of sales (%) | <i>25.2</i> | <i>28.2</i> | | |
| Europe, Middle East and Africa | 450,178 | 546,462 | 96,284 | 21.4 |
| Percentage of sales (%) | <i>25.6</i> | <i>25.6</i> | | |
| Other | 159,520 | 182,927 | 23,407 | 14.7 |
| Percentage of sales (%) | <i>9.1</i> | <i>8.6</i> | | |
| Grand Total | 1,758,587 | 2,134,180 | 375,593 | 21.4 |
| Percentage of sales (%) | <i>100.0</i> | <i>100.0</i> | | |

Three months ended March 31, 2022 and 2023

| | (Millions of yen) | | | |
|--------------------------------|--------------------------------------|--------------------------------------|---------|------|
| | Three months ended March 31, 2022 | Three months ended March 31, 2023 | Change | % |
| <Domestic> | 203,132 | 252,723 | 49,591 | 24.4 |
| Percentage of sales (%) | <i>42.1</i> | <i>41.7</i> | | |
| <Overseas> | 279,260 | 352,849 | 73,589 | 26.4 |
| Percentage of sales (%) | <i>57.9</i> | <i>58.3</i> | | |
| The Americas | 120,416 | 158,902 | 38,486 | 32.0 |
| Percentage of sales (%) | <i>25.0</i> | <i>26.2</i> | | |
| Europe, Middle East and Africa | 121,201 | 151,570 | 30,369 | 25.1 |
| Percentage of sales (%) | <i>25.1</i> | <i>25.0</i> | | |
| Other | 37,643 | 42,377 | 4,734 | 12.6 |
| Percentage of sales (%) | <i>7.8</i> | <i>7.0</i> | | |
| Grand Total | 482,392 | 605,572 | 123,180 | 25.5 |
| 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, 2021 | 135,364 | 186,231 | (45,024) | — | 7,807 | (430) |
| Profit (loss) | | | | | | |
| Other comprehensive income (loss) | | | | 14,571 | (1,720) | 676 |
| Comprehensive income (loss) | — | — | — | 14,571 | (1,720) | 676 |
| Net change in treasury stock | | (139) | (92,717) | | | |
| Retirement of treasury stock | | (5,188) | 137,265 | | | |
| Dividends declared and approved to owners | | | | | | |
| Share-based payment transactions | | 38 | 16 | | | |
| Transfer from other components of equity to retained earnings | | | | (14,571) | (1,547) | |
| Other | | | | | | |
| Total transactions with owners | — | (5,289) | 44,564 | (14,571) | (1,547) | — |
| Balance as of March 31, 2022 | 135,364 | 180,942 | (460) | — | 4,540 | 246 |

| | 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, 2021 | 74,720 | 82,097 | 561,578 | 920,246 | 3,606 | 923,852 |
| Profit (loss) | | | 30,371 | 30,371 | 254 | 30,625 |
| Other comprehensive income (loss) | 46,835 | 60,362 | | 60,362 | (47) | 60,315 |
| Comprehensive income (loss) | 46,835 | 60,362 | 30,371 | 90,733 | 207 | 90,940 |
| Net change in treasury stock | | | | (92,856) | | (92,856) |
| Retirement of treasury stock | | | (132,077) | — | | — |
| Dividends declared and approved to owners | | | (14,058) | (14,058) | (30) | (14,088) |
| Share-based payment transactions | | | | 54 | | 54 |
| Transfer from other components of equity to retained earnings | | (16,118) | 16,118 | — | | — |
| Other | | | (2,077) | (2,077) | | (2,077) |
| Total transactions with owners | — | (16,118) | (132,094) | (108,937) | (30) | (108,967) |
| Balance as of March 31, 2022 | 121,555 | 126,341 | 459,855 | 902,042 | 3,783 | 905,825 |

(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, 2022 | 135,364 | 180,942 | (460) | — | 4,540 | 246 |
| Profit (loss) | | | | | | |
| Other comprehensive income (loss) | | | | 5,011 | 466 | (6) |
| Comprehensive income (loss) | — | — | — | 5,011 | 466 | (6) |
| Net change in treasury stock | | (21) | (30,006) | | | |
| Retirement of treasury stock | | | 30,014 | | | |
| Dividends declared and approved to owners | | | | | | |
| Share-based payment transactions | | 72 | 25 | | | |
| Change in scope of consolidation | | | | | | |
| Written put options over non-controlling interests | | (22,485) | | | | |
| Transfer from other components of equity to retained earnings | | | | (5,011) | (159) | |
| Transfer from retained earnings to additional paid-in capital | | 21 | | | | |
| Total transactions with owners | — | (22,413) | 33 | (5,011) | (159) | — |
| Balance as of March 31, 2023 | 135,364 | 158,529 | (427) | — | 4,847 | 240 |

| | 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, 2022 | 121,555 | 126,341 | 459,855 | 902,042 | 3,783 | 905,825 |
| Profit (loss) | | | 54,367 | 54,367 | 1,274 | 55,641 |
| Other comprehensive income (loss) | 40,726 | 46,197 | | 46,197 | (103) | 46,094 |
| Comprehensive income (loss) | 40,726 | 46,197 | 54,367 | 100,564 | 1,171 | 101,735 |
| Net change in treasury stock | | | | (30,027) | | (30,027) |
| Retirement of treasury stock | | | (30,014) | — | | — |
| Dividends declared and approved to owners | | | (18,635) | (18,635) | (75) | (18,710) |
| Share-based payment transactions | | | | 97 | | 97 |
| Change in scope of consolidation | | | | — | 21,647 | 21,647 |
| Written put options over non-controlling interests | | | | (22,485) | | (22,485) |
| Transfer from other components of equity to retained earnings | | (5,170) | 5,170 | — | | — |
| Transfer from retained earnings to additional paid-in capital | | | (21) | — | | — |
| Total transactions with owners | — | (5,170) | (43,500) | (71,050) | 21,572 | (49,478) |
| Balance as of March 31, 2023 | 162,281 | 167,368 | 470,722 | 931,556 | 26,526 | 958,082 |

(4) Consolidated Statement of Cash Flows

| | (Millions of yen) | |
|---|------------------------------|------------------------------|
| | Year ended March 31, 2022 | Year ended March 31, 2023 |
| I. Cash Flows from Operating Activities: | | |
| Profit (loss) | 30,625 | 55,641 |
| Adjustments to reconcile profit to net cash provided by (used in) operating activities— | | |
| Depreciation and amortization | 90,479 | 97,468 |
| Impairment of property, plant and equipment and intangible assets | 762 | 37 |
| Impairment of goodwill | 306 | 70 |
| Other income | (13,299) | (13,128) |
| Share of (profit) loss of investments accounted for using the equity method | (5,604) | (6,151) |
| Finance income and costs | 1,268 | 3,583 |
| Income tax expenses | 13,763 | 25,667 |
| (Increase) decrease in trade and other receivables | 13,448 | (39,546) |
| (Increase) decrease in inventories | (28,533) | (45,536) |
| (Increase) decrease in lease receivables | 23,285 | 5,852 |
| Increase (decrease) in trade and other payables | (26,212) | 22,654 |
| Increase (decrease) in accrued pension and retirement benefits | (9,306) | (10,661) |
| Other, net | 13,907 | 195 |
| Interest and dividends received | 3,457 | 6,004 |
| Interest paid | (3,795) | (5,512) |
| Income taxes paid | (22,089) | (29,929) |
| Net cash provided by (used in) operating activities | 82,462 | 66,708 |
| II. Cash Flows from Investing Activities: | | |
| Proceeds from sales of property, plant and equipment | 15,062 | 14,340 |
| Expenditures for property, plant and equipment | (37,359) | (45,459) |
| Expenditures for intangible assets | (33,683) | (35,156) |
| Payments for purchases of investment securities | (442) | (6,539) |
| Proceeds from sales of investment securities | 6,327 | 923 |
| Net (increase) decrease of time deposits | 162 | (122) |
| Purchase of business, net of cash acquired | (9,422) | (58,453) |
| Other, net | — | (3,473) |
| Net cash provided by (used in) investment activities | (59,355) | (133,939) |
| III. Cash Flows from Financing Activities: | | |
| Net increase (decrease) of short-term debt | 15,990 | 24,159 |
| Proceeds from long-term debt | 37,140 | 150,027 |
| Repayments of long-term debt | (46,664) | (44,032) |
| Repayments of bonds | — | (13,725) |
| Repayments of lease liabilities | (31,146) | (32,229) |
| Dividends paid | (14,058) | (18,635) |
| Payments for purchase of treasury stock | (92,717) | (30,006) |
| Other, net | (230) | (105) |
| Net cash provided by (used in) financing activities | (131,685) | 35,454 |
| IV. Effect of Exchange Rate Changes on Cash and Cash Equivalents | 12,254 | 8,641 |
| V. Net Increase (decrease) in Cash and Cash Equivalents | (96,324) | (23,136) |
| VI. Cash and Cash Equivalents at Beginning of Year | 330,344 | 234,020 |
| VII. Cash and Cash Equivalents at End of Year | 234,020 | 210,884 |

Notes: The difference in the amount of “Cash and cash equivalents” between consolidated statement of financial position and consolidated statement of cash flows represents bank overdrafts.

(5) Notes on premise going concern

Not applicable

(6) Changes in accounting policies

Significant accounting policies which apply in the Consolidated Financial Statements are the same as those in the previous fiscal year.

(7) Notes to Consolidated Financial Statements

(a) Segment Information

Operating Segment Information

Year ended March 31, 2022 and 2023

| | (Millions of yen) | | | |
|--|------------------------------|------------------------------|----------|--------|
| | Year ended March 31, 2022 | Year ended March 31, 2023 | Change | % |
| Digital Services: | | | | |
| Sales: | | | | |
| Unaffiliated customers | 1,428,192 | 1,650,414 | 222,222 | 15.6 |
| Intersegment | — | — | — | — |
| Total | 1,428,192 | 1,650,414 | 222,222 | 15.6 |
| Operating expenses | 1,411,983 | 1,622,130 | 210,147 | 14.9 |
| Operating profit (loss) | 16,209 | 28,284 | 12,075 | 74.5 |
| Operating profit (loss) on sales in Digital Services (%) | <i>1.1</i> | <i>1.7</i> | | |
| Digital Products: | | | | |
| Sales: | | | | |
| Unaffiliated customers | 24,466 | 26,702 | 2,236 | 9.1 |
| Intersegment | 352,981 | 413,674 | 60,693 | 17.2 |
| Total | 377,447 | 440,376 | 62,929 | 16.7 |
| Operating expenses | 335,913 | 408,799 | 72,886 | 21.7 |
| Operating profit (loss) | 41,534 | 31,577 | (9,957) | (24.0) |
| Operating profit (loss) on sales in Digital Products (%) | <i>11.0</i> | <i>7.2</i> | | |
| Graphic Communications: | | | | |
| Sales: | | | | |
| Unaffiliated customers | 187,082 | 234,843 | 47,761 | 25.5 |
| Intersegment | — | — | — | — |
| Total | 187,082 | 234,843 | 47,761 | 25.5 |
| Operating expenses | 187,548 | 220,265 | 32,717 | 17.4 |
| Operating profit (loss) | (466) | 14,578 | 15,044 | — |
| Operating profit (loss) on sales in Graphic Communications (%) | <i>(0.2)</i> | <i>6.2</i> | | |
| Industrial Solutions: | | | | |
| Sales: | | | | |
| Unaffiliated customers | 99,497 | 113,572 | 14,075 | 14.1 |
| Intersegment | 2,562 | 2,763 | 201 | 7.8 |
| Total | 102,059 | 116,335 | 14,276 | 14.0 |
| Operating expenses | 100,555 | 113,185 | 12,630 | 12.6 |
| Operating profit (loss) | 1,504 | 3,150 | 1,646 | 109.4 |
| Operating profit (loss) on sales in Industrial Solutions (%) | <i>1.5</i> | <i>2.7</i> | | |
| Other: | | | | |
| Sales: | | | | |
| Unaffiliated customers | 19,350 | 108,649 | 89,299 | 461.5 |
| Intersegment | 16,204 | 19,103 | 2,899 | 17.9 |
| Total | 35,554 | 127,752 | 92,198 | 259.3 |
| Operating expenses | 51,075 | 130,997 | 79,922 | 156.5 |
| Operating profit (loss) | (15,521) | (3,245) | 12,276 | — |
| Operating profit (loss) on sales in Other (%) | <i>(43.7)</i> | <i>(2.5)</i> | | |
| Eliminations and Corporate: | | | | |
| Sales: | | | | |
| Intersegment | (371,747) | (435,540) | (63,793) | |
| Total | (371,747) | (435,540) | (63,793) | — |
| Operating expenses: | | | | |
| Intersegment | (371,747) | (435,540) | (63,793) | |
| Corporate | 3,208 | (4,396) | (7,604) | |
| Total | (368,539) | (439,936) | (71,397) | — |
| Operating profit (loss) | (3,208) | 4,396 | 7,604 | — |
| Consolidated: | | | | |
| Sales: | | | | |
| Unaffiliated customers | 1,758,587 | 2,134,180 | 375,593 | 21.4 |
| Intersegment | — | — | — | — |
| Total | 1,758,587 | 2,134,180 | 375,593 | 21.4 |
| Operating expenses | 1,718,535 | 2,055,440 | 336,905 | 19.6 |
| Operating profit (loss) | 40,052 | 78,740 | 38,688 | 96.6 |
| Operating profit (loss) on consolidated sales (%) | <i>2.3</i> | <i>3.7</i> | | |

Three months ended March 31, 2022 and 2023

(Millions of yen)

| | Three months ended March 31, 2022 | Three months ended March 31, 2023 | Change | % |
|--|--|--|----------|--------|
| Digital Services: | | | | |
| Sales: | | | | |
| Unaffiliated customers | 391,123 | 463,450 | 72,327 | 18.5 |
| Intersegment | — | — | — | — |
| Total | 391,123 | 463,450 | 72,327 | 18.5 |
| Operating expenses | 383,696 | 453,047 | 69,351 | 18.1 |
| Operating profit (loss) | 7,427 | 10,403 | 2,976 | 40.1 |
| Operating profit (loss) on sales in Digital Services (%) | 1.9 | 2.2 | | |
| Digital Products: | | | | |
| Sales: | | | | |
| Unaffiliated customers | 6,034 | 3,110 | (2,924) | (48.5) |
| Intersegment | 89,397 | 99,991 | 10,594 | 11.9 |
| Total | 95,431 | 103,101 | 7,670 | 8.0 |
| Operating expenses | 86,250 | 98,431 | 12,181 | 14.1 |
| Operating profit (loss) | 9,181 | 4,670 | (4,511) | (49.1) |
| Operating profit (loss) on sales in Digital Products (%) | 9.6 | 4.5 | | |
| Graphic Communications: | | | | |
| Sales: | | | | |
| Unaffiliated customers | 51,534 | 65,285 | 13,751 | 26.7 |
| Intersegment | — | — | — | — |
| Total | 51,534 | 65,285 | 13,751 | 26.7 |
| Operating expenses | 53,890 | 60,720 | 6,830 | 12.7 |
| Operating profit (loss) | (2,356) | 4,565 | 6,921 | — |
| Operating profit (loss) on sales in Graphic Communications (%) | (4.6) | 7.0 | | |
| Industrial Solutions: | | | | |
| Sales: | | | | |
| Unaffiliated customers | 29,412 | 29,779 | 367 | 1.2 |
| Intersegment | 1,074 | 944 | (130) | (12.1) |
| Total | 30,486 | 30,723 | 237 | 0.8 |
| Operating expenses | 28,677 | 27,064 | (1,613) | (5.6) |
| Operating profit (loss) | 1,809 | 3,659 | 1,850 | 102.3 |
| Operating profit (loss) on sales in Industrial Solutions (%) | 5.9 | 11.9 | | |
| Other: | | | | |
| Sales: | | | | |
| Unaffiliated customers | 4,289 | 43,948 | 39,659 | 924.7 |
| Intersegment | 6,361 | 6,721 | 360 | 5.7 |
| Total | 10,650 | 50,669 | 40,019 | 375.8 |
| Operating expenses | 15,054 | 49,587 | 34,533 | 229.4 |
| Operating profit (loss) | (4,404) | 1,082 | 5,486 | — |
| Operating profit (loss) on sales in Other (%) | (41.4) | 2.1 | | |
| Eliminations and Corporate: | | | | |
| Sales: | | | | |
| Intersegment | (96,832) | (107,656) | (10,824) | — |
| Total | (96,832) | (107,656) | (10,824) | — |
| Operating expenses: | | | | |
| Intersegment | (96,832) | (107,656) | (10,824) | — |
| Corporate | (2,686) | (14,753) | (12,067) | — |
| Total | (99,518) | (122,409) | (22,891) | — |
| Operating profit (loss) | 2,686 | 14,753 | 12,067 | 449.3 |
| Consolidated: | | | | |
| Sales: | | | | |
| Unaffiliated customers | 482,392 | 605,572 | 123,180 | 25.5 |
| Intersegment | — | — | — | — |
| Total | 482,392 | 605,572 | 123,180 | 25.5 |
| Operating expenses | 468,049 | 566,440 | 98,391 | 21.0 |
| Operating profit (loss) | 14,343 | 39,132 | 24,789 | 172.8 |
| Operating profit (loss) on consolidated sales (%) | 3.0 | 6.5 | | |

Intersegment sales are primarily for Digital Services. Each category includes the following product line:

| | |
|------------------------|--|
| Digital Services | Sales of MFPs (multifunctional printers), laser printers, digital duplicators, wide format printers, facsimile machine, scanners, personal computers, servers, network equipment, related parts & supplies, services, support, software and service & solutions related to documents |
| Digital Products | Production and OEM of MFPs (multifunctional printers), laser printers, digital duplicators, wide format printers, facsimile machine, scanners, network equipment, and related parts & supplies, production and sales of electronic components |
| Graphic Communications | Production and sales of cut sheet printers, continuous feed printers, inkjet heads, imaging systems, industrial printers, related parts & supplies, services, support and software |
| Industrial Solutions | Production and sales of thermal paper and thermal media, industrial optical component/module and precision mechanical component |
| Other* | Digital cameras, 360°cameras, environment and healthcare |

* Sales, profit and loss of PFU are included in Other segment.

(Notes) 1. Digital services as a business segment is mainly limited to the office services business and the office printing sales business. This segment does not include all digital services, which Ricoh aims to transform into "a digital services company" that connects workplaces and support worker's creativity. "Digital Services" provided as "a digital services company" is included in all the business segments as well as Digital Services business segment.

2. The electronics business in Industrial Solutions has been reclassified into Digital Products from the third quarter. Prior year comparative figures have also been reclassified to conform to the current year's presentation.

(b) Per share data

| | (Yen) | |
|---|------------------------------|------------------------------|
| | Year ended March 31, 2022 | Year ended March 31, 2023 |
| Equity per share attributable to owners of the parent | 1,416.08 | 1,529.46 |
| Earnings per share attributable to owners of the parent-basic | 45.35 | 88.13 |
| Earnings per share attributable to owners of the parent-diluted | 45.34 | 88.10 |

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, 2022 | Year ended March 31, 2023 |
| Profit (loss) attributable to owners of the parent | 30,371 | 54,367 |
| Effect of dilutive securities | — | — |
| Diluted profit (loss) attributable to owners of the parent | 30,371 | 54,367 |

| | (Shares) | |
|--|------------------------------|------------------------------|
| | Year ended March 31, 2022 | Year ended March 31, 2023 |
| Weighted average common shares outstanding | 669,698,640 | 616,917,879 |
| Effect of dilutive securities | 100,529 | 158,010 |
| Diluted common shares outstanding | 669,799,169 | 617,075,889 |

(c) Subsequent events

(Business Combination)

On April 3, 2023, Ricoh Europe Holdings PLC, a wholly owned subsidiary of the Company, reached an agreement to acquire all shares of PFH Technology Group, a leading provider of IT infrastructure, cloud and managed workplace services in Ireland and concluded a share purchase agreement, in order to expand digital services. The acquisition is expected to complete, subject to receiving clearance from the relevant competition authorities.

-APPENDIX- Year ended March 31, 2023

1. Consolidated Quarterly Performance Outline

(1) Financial Statements Summary (Quarterly)

| | (Billions of yen) | | | | |
|--|-------------------|----------|----------|----------|------------|
| | Q1 | Q2 | Q3 | Q4 | Change (%) |
| Sales | 459.3 | 514.1 | 555.0 | 605.5 | 25.5 |
| Gross profit | 168.0 | 178.2 | 192.5 | 206.5 | 28.5 |
| Operating profit (loss) | 9.6 | 13.8 | 16.1 | 39.1 | 172.8 |
| Profit (loss) before income tax expenses | 11.2 | 13.4 | 17.7 | 38.9 | 184.9 |
| Profit (loss) attributable to owners of the parent | 7.5 | 7.3 | 12.5 | 26.9 | 274.8 |
| Earnings per share attributable to owners of the parent-basic (yen). | 11.98 | 11.89 | 20.56 | 44.21 | — |
| Earnings per share attributable to owners of the parent-diluted (yen). | 11.98 | 11.89 | 20.56 | 44.20 | — |
| Total assets | 1,930.7 | 2,060.0 | 2,039.5 | 2,149.9 | — |
| Equity attributable to owners of the parent | 933.4 | 916.0 | 884.7 | 931.5 | — |
| Equity attributable to owners of the parent per share (yen) | 1,491.07 | 1,504.02 | 1,452.61 | 1,529.46 | — |
| Cash flows from operating activities | 19.8 | (23.5) | 10.1 | 60.2 | — |
| Cash flows from investing activities | (14.5) | (67.2) | (22.4) | (29.7) | — |
| Cash flows from financing activities | (7.0) | 51.1 | (5.5) | (3.0) | — |
| Cash and cash equivalents at end of period | 243.4 | 204.1 | 180.6 | 210.8 | — |

(2) Capital expenditures and Depreciation

| | (Billions of yen) | | | |
|----------------------|-------------------|------|------|------|
| | Q1 | Q2 | Q3 | Q4 |
| Capital expenditures | 8.2 | 10.2 | 10.0 | 16.9 |
| Depreciation | 10.1 | 10.2 | 10.5 | 10.9 |

(3) R&D Expenditures

| | (Billions of yen) | | | |
|-----------------------------------|-------------------|------|------|------|
| | Q1 | Q2 | Q3 | Q4 |
| R&D expenditures | 23.1 | 26.5 | 27.5 | 30.4 |
| R&D expenditures/ Total Sales (%) | 5.0 | 5.2 | 5.0 | 5.0 |

(4) Exchange Rate

| | Q1 | Q2 | Q3 | Q4 |
|--------------------------|--------|--------|--------|--------|
| Exchange rate (Yen/US\$) | 129.51 | 138.29 | 141.62 | 132.41 |
| Exchange rate (Yen/EURO) | 138.02 | 139.39 | 144.25 | 141.99 |

2. Consolidated Sales by Product Category

Year ended March 31, 2022 and 2023

| | (Millions of yen) | | | | | |
|---------------------------------------|------------------------------|------------------------------|---------|--------|--|--------|
| | Year ended March 31, 2022 | Year ended March 31, 2023 | Change | % | Change excluding exchange impact | % |
| <Digital Services> | 1,428,192 | 1,650,414 | 222,222 | 15.6 | 102,606 | 7.2 |
| Percentage of sales (%) | 81.2 | 77.3 | | | | |
| Domestic | 615,808 | 655,306 | 39,498 | 6.4 | 39,498 | 6.4 |
| Overseas | 812,384 | 995,108 | 182,724 | 22.5 | 63,108 | 7.8 |
| The Americas | 329,961 | 426,610 | 96,649 | 29.3 | 23,841 | 7.2 |
| Europe, Middle East and Africa | 380,384 | 451,926 | 71,542 | 18.8 | 38,232 | 10.1 |
| Other | 102,039 | 116,572 | 14,533 | 14.2 | 1,035 | 1.0 |
| <Digital Products> | 24,466 | 26,702 | 2,236 | 9.1 | 513 | 2.1 |
| Percentage of sales (%) | 1.4 | 1.3 | | | | |
| Domestic | 16,754 | 21,162 | 4,408 | 26.3 | 4,408 | 26.3 |
| Overseas | 7,712 | 5,540 | (2,172) | (28.2) | (3,895) | (50.5) |
| The Americas | 669 | 874 | 205 | 30.6 | 64 | 9.6 |
| Europe, Middle East and Africa | 49 | 82 | 33 | 67.3 | 26 | 53.1 |
| Other | 6,994 | 4,584 | (2,410) | (34.5) | (3,985) | (57.0) |
| <Graphic Communications> | 187,082 | 234,843 | 47,761 | 25.5 | 21,105 | 11.3 |
| Percentage of sales (%) | 10.6 | 11.0 | | | | |
| Domestic | 26,381 | 27,189 | 808 | 3.1 | 808 | 3.1 |
| Overseas | 160,701 | 207,654 | 46,953 | 29.2 | 20,297 | 12.6 |
| The Americas | 86,820 | 118,027 | 31,207 | 35.9 | 10,761 | 12.4 |
| Europe, Middle East and Africa | 48,520 | 60,229 | 11,709 | 24.1 | 7,422 | 15.3 |
| Other | 25,361 | 29,398 | 4,037 | 15.9 | 2,114 | 8.3 |
| <Industrial Solutions> | 99,497 | 113,572 | 14,075 | 14.1 | 5,209 | 5.2 |
| Percentage of sales (%) | 5.7 | 5.3 | | | | |
| Domestic | 37,628 | 36,946 | (682) | (1.8) | (682) | (1.8) |
| Overseas | 61,869 | 76,626 | 14,757 | 23.9 | 5,891 | 9.5 |
| The Americas | 22,115 | 31,806 | 9,691 | 43.8 | 4,271 | 19.3 |
| Europe, Middle East and Africa | 17,617 | 21,946 | 4,329 | 24.6 | 2,727 | 15.5 |
| Other | 22,137 | 22,874 | 737 | 3.3 | (1,107) | (5.0) |
| <Other> | 19,350 | 108,649 | 89,299 | 461.5 | 87,937 | 454.5 |
| Percentage of sales (%) | 1.1 | 5.1 | | | | |
| Domestic | 8,671 | 63,352 | 54,681 | 630.6 | 54,681 | 630.6 |
| Overseas | 10,679 | 45,297 | 34,618 | 324.2 | 33,256 | 311.4 |
| The Americas | 4,082 | 23,519 | 19,437 | 476.2 | 18,693 | 457.9 |
| Europe, Middle East and Africa | 3,608 | 12,279 | 8,671 | 240.3 | 8,408 | 233.0 |
| Other | 2,989 | 9,499 | 6,510 | 217.8 | 6,155 | 205.9 |
| Total | 1,758,587 | 2,134,180 | 375,593 | 21.4 | 217,370 | 12.4 |
| Percentage of sales (%) | 100.0 | 100.0 | | | | |
| Domestic | 705,242 | 803,955 | 98,713 | 14.0 | 98,713 | 14.0 |
| Percentage of sales (%) | 40.1 | 37.7 | | | | |
| Overseas | 1,053,345 | 1,330,225 | 276,880 | 26.3 | 118,657 | 11.3 |
| Percentage of sales (%) | 59.9 | 62.3 | | | | |
| The Americas | 443,647 | 600,836 | 157,189 | 35.4 | 57,630 | 13.0 |
| Percentage of sales (%) | 25.2 | 28.2 | | | | |
| Europe, Middle East and Africa | 450,178 | 546,462 | 96,284 | 21.4 | 56,815 | 12.6 |
| Percentage of sales (%) | 25.6 | 25.6 | | | | |
| Other | 159,520 | 182,927 | 23,407 | 14.7 | 4,212 | 2.6 |
| Percentage of sales (%) | 9.1 | 8.6 | | | | |

Each category includes the following product line:

| | |
|------------------------|--|
| Digital Services | Sales of MFPs (multifunctional printers), laser printers, digital duplicators, wide format printers, facsimile machine, scanners, personal computers, servers, network equipment, related parts & supplies, services, support, software and service & solutions related to documents |
| Digital Products | Production and OEM of MFPs (multifunctional printers), laser printers, digital duplicators, wide format printers, facsimile machine, scanners, network equipment, and related parts & supplies, production and sales of electronic components |
| Graphic Communications | Production and sales of cut sheet printers, continuous feed printers, inkjet heads, imaging systems, industrial printers, related parts & supplies, services, support and software |
| Industrial Solutions | Production and sales of thermal paper and thermal media, industrial optical component/module and precision mechanical component |
| Other* | Digital cameras, 360°cameras, environment and healthcare |

* Sales of PFU are included in Other segment.

(Notes) 1. Digital services as a business segment is mainly limited to the office services business and the office printing sales business. This segment does not include all digital services, which Ricoh aims to transform into "a digital services company" that connects workplaces and support worker's creativity. "Digital Services" provided as "a digital services company" is included in all the business segments as well as Digital Services business segment.

2. The electronics business in Industrial Solutions has been reclassified into Digital Products from the third quarter. Prior year comparative figures have also been reclassified to conform to the current year's presentation.

3. Consolidated Sales by Product Category

Three months ended March 31, 2022 and 2023

| | (Millions of yen) | | | | | |
|---------------------------------------|--------------------|--------------------|---------|--------|----------------------------------|--------|
| | Three months ended | Three months ended | Change | % | Change excluding exchange impact | % |
| | March 31, 2022 | March 31, 2023 | | | | |
| <Digital Services> | 391,123 | 463,450 | 72,327 | 18.5 | 45,823 | 11.7 |
| Percentage of sales (%) | 81.1 | 76.5 | | | | |
| Domestic | 176,674 | 199,481 | 22,807 | 12.9 | 22,807 | 12.9 |
| Overseas | 214,449 | 263,969 | 49,520 | 23.1 | 23,016 | 10.7 |
| The Americas | 88,869 | 110,717 | 21,848 | 24.6 | 7,801 | 8.8 |
| Europe, Middle East and Africa | 102,259 | 124,893 | 22,634 | 22.1 | 12,554 | 12.3 |
| Other | 23,321 | 28,359 | 5,038 | 21.6 | 2,661 | 11.4 |
| <Digital Products> | 6,034 | 3,110 | (2,924) | (48.5) | (2,795) | (46.3) |
| Percentage of sales (%) | 1.3 | 0.5 | | | | |
| Domestic | 4,365 | 5,175 | 810 | 18.6 | 810 | 18.6 |
| Overseas | 1,669 | (2,065) | (3,734) | — | (3,605) | — |
| The Americas | 115 | 140 | 25 | 21.7 | 14 | 12.2 |
| Europe, Middle East and Africa | 35 | 73 | 38 | 108.6 | 32 | 91.4 |
| Other | 1,519 | (2,278) | (3,797) | — | (3,651) | — |
| <Graphic Communications> | 51,534 | 65,285 | 13,751 | 26.7 | 7,869 | 15.3 |
| Percentage of sales (%) | 10.7 | 10.8 | | | | |
| Domestic | 7,080 | 7,559 | 479 | 6.8 | 479 | 6.8 |
| Overseas | 44,454 | 57,726 | 13,272 | 29.9 | 7,390 | 16.6 |
| The Americas | 24,263 | 32,233 | 7,970 | 32.8 | 3,727 | 15.4 |
| Europe, Middle East and Africa | 13,223 | 17,107 | 3,884 | 29.4 | 2,553 | 19.3 |
| Other | 6,968 | 8,386 | 1,418 | 20.4 | 1,110 | 15.9 |
| <Industrial Solutions> | 29,412 | 29,779 | 367 | 1.2 | (1,207) | (4.1) |
| Percentage of sales (%) | 6.1 | 4.9 | | | | |
| Domestic | 13,415 | 12,376 | (1,039) | (7.7) | (1,039) | (7.7) |
| Overseas | 15,997 | 17,403 | 1,406 | 8.8 | (168) | (1.1) |
| The Americas | 6,253 | 7,764 | 1,511 | 24.2 | 553 | 8.8 |
| Europe, Middle East and Africa | 4,792 | 4,645 | (147) | (3.1) | (533) | (11.1) |
| Other | 4,952 | 4,994 | 42 | 0.8 | (188) | (3.8) |
| <Other> | 4,289 | 43,948 | 39,659 | 924.7 | 39,415 | 919.0 |
| Percentage of sales (%) | 0.9 | 7.3 | | | | |
| Domestic | 1,598 | 28,132 | 26,534 | — | 26,534 | — |
| Overseas | 2,691 | 15,816 | 13,125 | 487.7 | 12,881 | 478.7 |
| The Americas | 916 | 8,048 | 7,132 | 778.6 | 7,005 | 764.7 |
| Europe, Middle East and Africa | 892 | 4,852 | 3,960 | 443.9 | 3,893 | 436.4 |
| Other | 883 | 2,916 | 2,033 | 230.2 | 1,983 | 224.6 |
| Total | 482,392 | 605,572 | 123,180 | 25.5 | 89,105 | 18.5 |
| Percentage of sales (%) | 100.0 | 100.0 | | | | |
| Domestic | 203,132 | 252,723 | 49,591 | 24.4 | 49,591 | 24.4 |
| Percentage of sales (%) | 42.1 | 41.7 | | | | |
| Overseas | 279,260 | 352,849 | 73,589 | 26.4 | 39,514 | 14.1 |
| Percentage of sales (%) | 57.9 | 58.3 | | | | |
| The Americas | 120,416 | 158,902 | 38,486 | 32.0 | 19,100 | 15.9 |
| Percentage of sales (%) | 25.0 | 26.2 | | | | |
| Europe, Middle East and Africa | 121,201 | 151,570 | 30,369 | 25.1 | 18,499 | 15.3 |
| Percentage of sales (%) | 25.1 | 25.0 | | | | |
| Other | 37,643 | 42,377 | 4,734 | 12.6 | 1,915 | 5.1 |
| Percentage of sales (%) | 7.8 | 7.0 | | | | |

Each category includes the following product line:

| | |
|------------------------|--|
| Digital Services | Sales of MFPs (multifunctional printers), laser printers, digital duplicators, wide format printers, facsimile machine, scanners, personal computers, servers, network equipment, related parts & supplies, services, support, software and service & solutions related to documents |
| Digital Products | Production and OEM of MFPs (multifunctional printers), laser printers, digital duplicators, wide format printers, facsimile machine, scanners, network equipment, and related parts & supplies, production and sales of electronic components |
| Graphic Communications | Production and sales of cut sheet printers, continuous feed printers, inkjet heads, imaging systems, industrial printers, related parts & supplies, services, support and software |
| Industrial Solutions | Production and sales of thermal paper and thermal media, industrial optical component/module and precision mechanical component |
| Other* | Digital cameras, 360°cameras, environment and healthcare |

* Sales of PFU are included in Other segment.

(Notes) 1. Digital services as a business segment is mainly limited to the office services business and the office printing sales business. This segment does not include all digital services, which Ricoh aims to transform into "a digital services company" that connects workplaces and support worker's creativity. "Digital Services" provided as "a digital services company" is included in all the business segments as well as Digital Services business segment.

2. The electronics business in Industrial Solutions has been reclassified into Digital Products from the third quarter. Prior year comparative figures have also been reclassified to conform to the current year's presentation.

4. Forecast of Consolidated Sales by Product Category

| (Billions of yen) | | | | | |
|--------------------------------|------------------------------|----------|----------------------------|--------------------|-------------|
| | Year ended March 31, 2023 | | Year ending March 31, 2024 | | |
| | Results | Forecast | Change % | Forecast (Note) | Change % |
| <Digital Services> | 1,650.4 | 1,700.0 | 3.0 | 1,767.0 | 7.1 |
| Domestic | 655.3 | 681.4 | 4.0 | 681.4 | 4.0 |
| Overseas | 995.1 | 1,018.5 | 2.4 | 1,085.6 | 9.1 |
| The Americas | 426.6 | 440.1 | 3.2 | 477.0 | 11.8 |
| Europe, Middle East and Africa | 451.9 | 457.9 | 1.3 | 478.0 | 5.8 |
| Other | 116.5 | 120.4 | 3.3 | 130.5 | 12.0 |
| <Digital Products> | 26.7 | 27.0 | 1.1 | 27.4 | 2.9 |
| Domestic | 21.1 | 21.2 | 0.4 | 21.2 | 0.4 |
| Overseas | 5.5 | 5.7 | 3.8 | 6.2 | 12.4 |
| The Americas | 0.8 | 0.9 | 3.3 | 0.9 | 12.0 |
| Europe, Middle East and Africa | 0.0 | 0.0 | 11.2 | 0.0 | 16.1 |
| Other | 4.5 | 4.7 | 3.7 | 5.1 | 12.4 |
| <Graphic Communications> | 234.8 | 253.0 | 7.7 | 269.1 | 14.6 |
| Domestic | 27.1 | 30.3 | 11.8 | 30.3 | 11.8 |
| Overseas | 207.6 | 222.6 | 7.2 | 238.7 | 15.0 |
| The Americas | 118.0 | 126.2 | 7.0 | 136.8 | 16.0 |
| Europe, Middle East and Africa | 60.2 | 63.2 | 4.9 | 65.9 | 9.5 |
| Other | 29.3 | 33.1 | 12.6 | 35.8 | 22.1 |
| <Industrial Solutions> | 113.5 | 127.0 | 11.8 | 133.2 | 17.3 |
| Domestic | 36.9 | 39.1 | 6.0 | 39.1 | 6.0 |
| Overseas | 76.6 | 87.8 | 14.6 | 94.0 | 22.8 |
| The Americas | 31.8 | 36.7 | 15.5 | 39.8 | 25.1 |
| Europe, Middle East and Africa | 21.9 | 28.1 | 28.1 | 29.3 | 33.7 |
| Other | 22.8 | 22.9 | 0.5 | 24.9 | 8.9 |
| <Other> | 108.6 | 143.0 | 31.6 | 146.6 | 35.0 |
| Domestic | 63.3 | 91.7 | 44.8 | 91.7 | 44.8 |
| Overseas | 45.2 | 51.2 | 13.2 | 54.9 | 21.2 |
| The Americas | 23.5 | 24.0 | 2.2 | 26.0 | 10.7 |
| Europe, Middle East and Africa | 12.2 | 16.1 | 31.8 | 16.8 | 37.6 |
| Other | 9.4 | 11.0 | 16.3 | 11.9 | 26.0 |
| Grand Total | 2,134.1 | 2,250.0 | 5.4 | 2,343.6 | 9.8 |
| Domestic | 803.9 | 864.0 | 7.5 | 864.0 | 7.5 |
| Overseas | 1,330.2 | 1,386.0 | 4.2 | 1,479.6 | 11.2 |
| The Americas | 600.8 | 628.0 | 4.5 | 680.8 | 13.3 |
| Europe, Middle East and Africa | 546.4 | 565.6 | 3.5 | 590.3 | 8.0 |
| Other | 182.9 | 192.3 | 5.1 | 208.4 | 13.9 |

* Sales of PFU are included in Other segment.

(Note) Excluding foreign exchange impact

| Reference: Exchange rate | Year ended March 31, 2023 | Year ending March 31, 2024 |
|--------------------------|------------------------------|-------------------------------|
| US\$ 1 | ¥135.49 | ¥125.00 |
| EURO 1 | ¥140.91 | ¥135.00 |

(Notes) 1. Digital services as a business segment is mainly limited to the office services business and the office printing sales business. This segment does not include all digital services, which Ricoh aims to transform into "a digital services company" that connects workplaces and support worker's creativity. "Digital Services" provided as "a digital services company" is included in all the business segments as well as Digital Services business segment.

2. The electronics business in Industrial Solutions has been reclassified into Digital Products from the third quarter.