

**Ricoh Company, Ltd.**

Condensed Consolidated Financial Statements  
for the Half Year Ended September 30, 2019

This is an English translation of the Quarterly Securities Report (Shihanki Hokokusho) for the half year ended September 30, 2019 pursuant to the Japanese Financial Instrument and Exchange Law.

# Condensed Consolidated Statement of Financial Position

Ricoh Company, Ltd. and Consolidated Subsidiaries

ASSETS	Millions of Yen	
	As of March 31, 2019	As of September 30, 2019
Current assets:		
Cash and cash equivalents	240,099	245,911
Time deposits	70	53
Trade and other receivables	604,804	592,104
Other financial assets	294,351	298,289
Inventories	207,748	215,670
Other current assets	40,107	46,715
Subtotal	1,387,179	1,398,742
Assets classified as held for sale (Note 4)	2,583	-
Total current assets	1,389,762	1,398,742
Non-current assets:		
Property, plant and equipment	250,287	254,873
Right-of-use assets (Note 3)	-	69,839
Goodwill and intangible assets (Note 7)	219,806	231,844
Other financial assets	708,295	727,488
Investments accounted for using the equity method	12,521	14,105
Other investments	22,443	32,210
Other non-current assets	38,006	38,810
Deferred tax assets	84,012	84,080
Total non-current assets	1,335,370	1,453,249
Total assets	2,725,132	2,851,991

<b>LIABILITIES AND EQUITY</b>	Millions of Yen	
	As of March 31, 2019	As of September 30, 2019
Current liabilities:		
Bonds and borrowings (Note 8)	266,957	286,054
Trade and other payables	306,189	299,405
Lease liabilities (Note 3)	-	29,897
Other financial liabilities	521	41
Income tax payables	15,455	16,364
Provisions	12,277	8,699
Other current liabilities	242,799	238,648
<b>Total current liabilities</b>	<b>844,198</b>	<b>879,108</b>
Non-current liabilities:		
Bonds and borrowings (Note 8)	666,462	736,206
Lease liabilities (Note 3)	-	45,465
Other financial liabilities	3,420	464
Accrued pension and retirement benefits	105,288	99,827
Provisions	6,610	6,498
Other non-current liabilities	77,619	70,839
Deferred tax liabilities	2,547	2,650
<b>Total non-current liabilities</b>	<b>861,946</b>	<b>961,949</b>
<b>Total liabilities</b>	<b>1,706,144</b>	<b>1,841,057</b>
Equity:		
Common stock	135,364	135,364
Additional paid-in capital	186,086	186,142
Treasury stock	(37,394)	(37,790)
Other components of equity	73,645	45,438
Retained earnings	574,876	594,764
<b>Equity attributable to owners of the parent</b>	<b>932,577</b>	<b>923,918</b>
Non-controlling interests	86,411	87,016
<b>Total equity</b>	<b>1,018,988</b>	<b>1,010,934</b>
<b>Total liabilities and equity</b>	<b>2,725,132</b>	<b>2,851,991</b>

*The accompanying notes are an integral part of these condensed consolidated financial statements.*

# Condensed Consolidated Statement of Profit or Loss

Ricoh Company, Ltd. and Consolidated Subsidiaries

Half year ended September 30, 2018 and 2019

	Millions of Yen	
	Half year ended September 30, 2018	Half year ended September 30, 2019
Sales (Note 5,6)	988,256	994,779
Cost of sales	604,363	627,406
Gross profit	383,893	367,373
Selling, general and administrative expenses (Note 11)	354,285	323,704
Other income	22,400	4,979
Operating profit	52,008	48,648
Finance income	1,981	2,900
Finance costs	4,142	4,804
Share of profit of investments accounted for using the equity method	230	102
Profit before income tax expenses	50,077	46,846
Income tax expenses	11,297	14,634
Profit for the period	38,780	32,212
Profit attributable to:		
Owners of the parent	36,045	29,258
Non-controlling interests	2,735	2,954

	Yen	
	Half year ended September 30, 2018	Half year ended September 30, 2019
Earnings per share attributable to owners of the parent: (Note 13)		
Basic	49.73	40.37
Diluted	-	40.37

\* Gain on sales of property, plant and equipment was included in "other income." As for the half year ended September 30, 2018, gain on sales of shares of Ricoh Logistics System Co., Ltd was included in "other income."

Three months ended September 30, 2018 and 2019

	Millions of Yen	
	Three months ended September 30, 2018	Three months ended September 30, 2019
Sales (Note 5,6)	497,316	517,174
Cost of sales	307,863	334,210
Gross profit	189,453	182,964
Selling, general and administrative expenses (Note 11)	178,490	162,675
Other income	21,333	793
Operating profit	32,296	21,082
Finance income	715	1,265
Finance costs	920	1,741
Share of profit of investments accounted for using the equity method	60	164
Profit before income tax expenses	32,151	20,770
Income tax expenses	4,308	5,801
Profit for the period	27,843	14,969
Profit attributable to:		
Owners of the parent	26,763	13,634
Non-controlling interests	1,080	1,335

	Yen	
	Three months ended September 30, 2018	Three months ended September 30, 2019
Earnings per share attributable to owners of the parent: (Note 13)		
Basic	36.92	18.81
Diluted	-	18.81

*The accompanying notes are an integral part of these condensed consolidated financial statements.*

\* Gain on sales of property, plant and equipment was included in "other income." As for the three months ended September 30, 2018, gain on sales of shares of Ricoh Logistics System Co., Ltd was included in "other income."

# Condensed Consolidated Statement of Comprehensive Income

Ricoh Company, Ltd. and Consolidated Subsidiaries

Half year ended September 30, 2018 and 2019

	Millions of Yen	
	Half year ended September 30, 2018	Half year ended September 30, 2019
Profit for the period	38,780	32,212
Other comprehensive income (loss):		
Components that will not be reclassified subsequently to profit or loss:		
Remeasurement of defined benefit plan	-	-
Net changes in fair value of financial assets measured through other comprehensive income	54	193
Total components that will not be reclassified subsequently to profit or loss	54	193
Components that will be reclassified subsequently to profit or loss:		
Net gain (loss) on fair value of cash flow hedges	267	238
Exchange differences on translation of foreign operations	16,447	(28,631)
Total components that will be reclassified subsequently to profit or loss	16,714	(28,393)
Total other comprehensive income (loss)	16,768	(28,200)
Comprehensive income (loss)	55,548	4,012
Comprehensive income (loss) attributable to:		
Owners of the parent	52,725	1,104
Non-controlling interests	2,823	2,908

*The accompanying notes are an integral part of these condensed consolidated financial statements.*

*Three months ended September 30, 2018 and 2019*

	Millions of Yen	
	Three months ended September 30, 2018	Three months ended September 30, 2019
Profit for the period	27,843	14,969
Other comprehensive income (loss):		
Components that will not be reclassified subsequently to profit or loss:		
Remeasurement of defined benefit plan	-	-
Net changes in fair value of financial assets measured through other comprehensive income	499	32
Total components that will not be reclassified subsequently to profit or loss	499	32
Components that will be reclassified subsequently to profit or loss:		
Net gain (loss) on fair value of cash flow hedges	(193)	1
Exchange differences on translation of foreign operations	19,531	(10,448)
Total components that will be reclassified subsequently to profit or loss	19,338	(10,447)
Total other comprehensive income (loss)	19,837	(10,415)
Comprehensive income (loss)	47,680	4,554
Comprehensive income (loss) attributable to:		
Owners of the parent	46,642	3,080
Non-controlling interests	1,038	1,474

*The accompanying notes are an integral part of these condensed consolidated financial statements.*

# Condensed Consolidated Statement of Changes in Equity

Ricoh Company, Ltd. and Consolidated Subsidiaries

(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 gain (loss) on fair value of cash flow hedges
Balance as of April 1, 2018	135,364	186,463	(37,329)	-	51,581	(13,261)
Cumulative effects of changes in accounting policy					(41,149)	13,293
Opening Balance reflecting changes in accounting policy	135,364	186,463	(37,329)	-	10,432	32
Profit for the period						
Other comprehensive income (loss)				-	45	164
Comprehensive income (loss)	-	-	-	-	45	164
Net change in treasury stock			(5)			
Dividends declared and approved to owners (Note 9)						
Transfer from other components of equity to retained earnings					(472)	
Equity transactions with non-controlling shareholders						
Total transactions with owners	-	-	(5)	-	(472)	-
Balance as of September 30, 2018	135,364	186,463	(37,334)	-	10,005	196



(Millions of Yen)

	Other components of equity		Retained earnings	Equity attributable to owners of the parent	Non-controlling interests	Total equity
	Exchange differences on translation of foreign operations	Total other components of equity				
Balance as of April 1, 2018	76,634	114,954	510,113	909,565	79,190	988,755
Cumulative effects of changes in accounting policy		(27,856)	33,691	5,835		5,835
Opening Balance reflecting changes in accounting policy	76,634	87,098	543,804	915,400	79,190	994,590
Profit for the period			36,045	36,045	2,735	38,780
Other comprehensive Income (loss)	16,471	16,680		16,680	88	16,768
Comprehensive income (loss)	16,471	16,680	36,045	52,725	2,823	55,548
Net change in treasury stock				(5)		(5)
Dividends declared and approved to owners (Note 9)			(5,437)	(5,437)	(514)	(5,951)
Transfer from other components of equity to retained earnings		(472)	472	-		-
Equity transactions with non-controlling shareholders				-	3,006	3,006
Total transactions with owners	-	(472)	(4,965)	(5,442)	2,492	(2,950)
Balance as of September 30, 2018	93,105	103,306	574,884	962,683	84,505	1,047,188

(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 gain (loss) on fair value of cash flow hedges
Balance as of April 1, 2019	135,364	186,086	(37,394)	-	7,815	59
Profit for the period						
Other comprehensive Income (loss)				-	194	319
Comprehensive income (loss)	-	-	-	-	194	319
Net change in treasury stock			(396)			
Dividends declared and approved to owners (Note 9)						
Share-based payment transactions		12				
Share-based payment transactions of subsidiaries						
Transfer from other components of equity to retained earnings					(53)	
Equity transactions with non-controlling shareholders		44				
Total transactions with owners	-	56	(396)	-	(53)	-
Balance as of September 30, 2019	135,364	186,142	(37,790)	-	7,956	378

(Millions of Yen)

	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, 2019	65,771	73,645	574,876	932,577	86,411	1,018,988
Profit for the period			29,258	29,258	2,954	32,212
Other comprehensive Income (loss)	(28,667)	(28,154)		(28,154)	(46)	(28,200)
Comprehensive income (loss)	(28,667)	(28,154)	29,258	1,104	2,908	4,012
Net change in treasury stock				(396)		(396)
Dividends declared and approved to owners (Note 9)			(9,423)	(9,423)	(588)	(10,011)
Share-based payment transactions				12		12
Share-based payment transactions of subsidiaries				-	11	11
Transfer from other components of equity to retained earnings		(53)	53	-		-
Equity transactions with non-controlling shareholders				44	(1,726)	(1,682)
Total transactions with owners	-	(53)	(9,370)	(9,763)	(2,303)	(12,066)
Balance as of September 30, 2019	37,104	45,438	594,764	923,918	87,016	1,010,934

*The accompanying notes are an integral part of these condensed consolidated financial statements.*

# Condensed Consolidated Statement of Cash Flows

Ricoh Company, Ltd. and Consolidated Subsidiaries

	Millions of Yen	
	Half year ended September 30, 2018	Half year ended September 30, 2019
<b>I. CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Profit for the period	38,780	32,212
Adjustments to reconcile profit for the period to net cash provided by operating activities -		
Depreciation and amortization	48,304	61,739
Other income	(22,400)	(4,979)
Share of profit (loss) of investments accounted for using the equity method	(230)	(102)
Finance income and costs	2,161	1,904
Income tax expenses	11,297	14,634
(Increase) decrease in trade and other receivables	(7,900)	6,490
(Increase) decrease in inventories	(25,879)	(11,683)
(Increase) decrease in lease receivables	(1,273)	(20,346)
Increase (decrease) in trade and other payables	(1,746)	(7,679)
Increase (decrease) in accrued pension and retirement benefits	(4,287)	(3,323)
Other, net	2,939	(23,285)
Interest and dividends received	1,474	2,753
Interest paid	(1,837)	(2,419)
Income taxes paid	(11,856)	(15,662)
Net cash provided by (used in) operating activities	27,547	30,254
<b>II. CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Proceeds from sales of property, plant and equipment	9,315	6,926
Expenditures for property, plant and equipment	(35,575)	(38,150)
Proceeds from sales of intangible assets	771	93
Expenditures for intangible assets	(14,692)	(13,180)
Payments for purchases of investment securities	(7,910)	(11,315)
Proceeds from sales of investment securities	56,130	789
Net proceeds of time deposits	379	13
Purchase of business, net of cash acquired (Note 7)	-	(16,118)
Net proceeds due to loss of control of subsidiaries (Note 12)	10,223	-
Other, net	(9,747)	(12,881)
Net cash provided by (used in) investing activities	8,894	(83,823)
<b>III. CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Net proceeds of short-term debt	(2,691)	14,095
Proceeds from long-term debt	44,056	145,347
Repayments of long-term debt	(45,686)	(77,209)
Proceeds from issuance of bonds (Note 8)	20,000	42,119
Repayments of bonds (Note 8)	(10,000)	(32,148)
Repayments of lease liabilities	-	(14,865)
Dividends paid (Note 9)	(5,437)	(9,423)
Payments for purchase of treasury stock	(5)	(396)
Proceeds from sales of shares of subsidiaries which does not involve changes in the scope of consolidation (Note 12)	3,006	-
Other, net	(513)	(2,281)
Net cash provided by (used in) financing activities	2,730	65,239
<b>IV. EFFECT OF EXCHANGE RATE CHANGE ON CASH AND CASH EQUIVALENTS</b>	<b>3,271</b>	<b>(5,858)</b>
<b>V. NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>42,442</b>	<b>5,812</b>
<b>VI. CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<b>160,568</b>	<b>240,099</b>
<b>VII. CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>203,010</b>	<b>245,911</b>

The accompanying notes are an integral part of these condensed consolidated financial statements.

# Notes to Condensed Consolidated Financial Statements

*Ricoh Company, Ltd. and Consolidated Subsidiaries*

## 1. REPORTING ENTITY

Ricoh Co., Ltd. (the “Company”) is a company domiciled in Japan. The condensed consolidated financial statements of the Company as of and for the period ended September 30, 2019 comprise of the Company and its subsidiaries (the “Ricoh” as a consolidated group) and Ricoh's interest in associates. Ricoh's operating segments are composed of Office Printing, including MFPs & copiers, related parts & supplies, services & solutions, Office Services, including personal computers, servers, network related services, Commercial Printing, including cut sheet printers, Industrial Printing, including inkjet heads, Thermal Media, including thermal media and Other, including digital cameras (see Note 5“Operating Segments”).

## 2. BASIS OF PREPARATION

### (1) Statements of Compliance

The condensed consolidated financial statements meet the requirements set out under Article 1-2, Paragraph 1, Item 2 of the Rules on Terminology, Formats and Compilation Methods of Quarterly Consolidated Financial Statements (Cabinet Office Ordinance No. 64 of 2007; hereinafter referred to as the “Rules on Quarterly Consolidated Financial Statements”) under which the Company is qualified as a “specified company” and duly prepares such summary in accordance with IAS 34 “Interim Financial Reporting”, under the provisions of Article 93 of the Rules on Quarterly Consolidated Financial Statements. As the condensed consolidated financial statements do not contain all the information required in annual consolidated financial statements, it should be read in combination with the consolidated financial statements for the fiscal year ended March 31, 2019, prepared in accordance with International Financial Reporting Standards (“IFRSs”).

The condensed consolidated financial statements are presented in Japanese yen, which is also the Company's functional currency. All amounts presented in Japanese yen have been rounded to the nearest million.

### (2) Use of Estimates and Judgments

The preparation of condensed consolidated financial statements in accordance with IFRSs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in future periods in which the revision affects.

Estimates and judgments that have significant impact on the amounts in the condensed consolidated financial statements for the half year ended September 30, 2019 remain the same as those that had significant impact on the amounts in the consolidated financial statements for the previous fiscal year.

### 3. SIGNIFICANT ACCOUNTING POLICIES

Significant accounting policies which apply in the condensed consolidated financial statements are same as previous fiscal year excepting the table below.

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

#### Adoption of IFRS 16 ‘Leases’

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

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

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

The following is a reconciliation of non-cancellable operating lease contracts applying IAS 17 as of March 31, 2019 and lease liabilities recognized in the condensed consolidated statement of financial position at the date of initial application.

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

Right-of-use assets recognized at the beginning of the current fiscal year were ¥79,807 million. There was no material impact on profit and loss for the half year ended September 30, 2019 from the changes.

#### 4. ASSETS CLASSIFIED AS HELD FOR SALE

Assets classified as held for sale as of March 31, 2019 consisted mainly of land, buildings and structures in Ricoh Industry Co., Ltd. (former Saitama plant) in the amount of 2,150 million yen. The assets were sold in the half year ended September 30, 2019.

#### 5. OPERATING SEGMENTS

Ricoh's operating segments are composed of Office Printing, Office Services, Commercial Printing, Industrial Printing, Thermal Media and Other.

The following table presents the content of each operating segment.

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

Segment profit (loss) is based on operating profit (loss) and is used by Ricoh's chief operating decision maker in deciding how to allocate resources and in assessing performance. Segment profit (loss) excludes certain corporate expenses, such as costs related to human resources, legal relations, investor relations, public relations, corporate planning and environmental activities.

The following tables present certain information regarding Ricoh's operating segments and geographic areas for the half year and three months ended September 30, 2018 and 2019. Intersegment transactions are made at arm's-length prices. No single customer accounted for 10% or more of the total sales for the half year and three months ended September 30, 2018 and 2019.

## (1) Operating Segment Information

Half year ended September 30, 2018 and 2019

	Millions of Yen	
	Half year ended September 30, 2018	Half year ended September 30, 2019
Segment sales:		
Office Printing	538,577	509,473
Office Service	231,367	270,525
Commercial Printing	86,513	87,537
Industrial Printing	9,786	11,726
Thermal Media	33,070	31,698
Other	117,085	96,844
Intersegment sales	(28,142)	(13,024)
Total segment sales	988,256	994,779
Segment profit (loss):		
Office Printing	57,239	55,372
Office Service	6,223	13,405
Commercial Printing	11,190	11,642
Industrial Printing	(2,020)	(2,049)
Thermal Media	1,753	1,580
Other	15,795	2,599
Total segment profit	90,180	82,549
Reconciling items:		
Corporate expenses and elimination	(38,172)	(33,901)
Finance income	1,981	2,900
Finance costs	(4,142)	(4,804)
Share of profit of investments accounted for using equity method	230	102
Profit before income tax expenses	50,077	46,846



Three months ended September 30, 2018 and 2019

	Millions of Yen	
	Three months ended September 30, 2018	Three months ended September 30, 2019
Segment sales:		
Office Printing	264,852	253,244
Office Service	123,360	154,742
Commercial Printing	44,089	44,481
Industrial Printing	3,949	5,757
Thermal Media	16,811	15,564
Other	56,776	50,833
Intersegment sales	(12,521)	(7,447)
<b>Total segment sales</b>	<b>497,316</b>	<b>517,174</b>
Segment profit (loss):		
Office Printing	27,073	23,840
Office Service	4,012	9,403
Commercial Printing	6,254	5,513
Industrial Printing	(1,875)	(1,603)
Thermal Media	1,095	621
Other	15,334	677
<b>Total segment profit</b>	<b>51,893</b>	<b>38,451</b>
Reconciling items:		
Corporate expenses and elimination	(19,597)	(17,369)
Finance income	715	1,265
Finance costs	(920)	(1,741)
Share of profit of investments accounted for using equity method	60	164
<b>Profit before income tax expenses</b>	<b>32,151</b>	<b>20,770</b>

## (2) Geographic Information

Sales based on the location of customers are as follows:

Half year ended September 30, 2018 and 2019

	Millions of Yen	
	Half year ended September 30, 2018	Half year ended September 30, 2019
Sales:		
Japan	395,095	429,591
The Americas	278,485	269,048
Europe, Middle East and Africa	223,353	208,500
Other	91,323	87,640
Consolidated	988,256	994,779
The United States (included in The Americas)	229,190	224,357

Three months ended September 30, 2018 and 2019

	Millions of Yen	
	Three months ended September 30, 2018	Three months ended September 30, 2019
Sales:		
Japan	201,468	235,689
The Americas	142,238	136,000
Europe, Middle East and Africa	108,714	102,453
Other	44,896	43,032
Consolidated	497,316	517,174
The United States (included in The Americas)	117,427	113,549

## 6. SALES

As described in Note 5 “Operating Segments,” operating segments of Ricoh comprise “the Office Printing segment,” “the Office Service segment,” “the Commercial Printing segment,” “the Industrial Printing segment,” “the Thermal Media segment,” “the Other segment.” In addition, Sales are classified by region based on the location of customers.

The following table presents sales of each segment by geographic region.

Half year ended September 30, 2018 and 2019

Half year ended September 30, 2018	Millions of Yen				
	Japan	The Americas	Europe, Middle East and Africa	Other	Total
Office Printing	170,074	164,437	147,279	56,787	538,577
Office Service	129,579	55,352	37,910	8,526	231,367
Commercial Printing	12,818	44,481	23,670	5,544	86,513
Industrial Printing	1,571	2,887	2,735	2,593	9,786
Thermal Media	6,678	9,780	8,862	7,750	33,070
Other	74,375	1,548	2,897	10,123	88,943
Total segment sales	395,095	278,485	223,353	91,323	988,256

Note:

1. Intersegment transactions were excluded in the table above.
2. Revenues recognized in accordance with IFRS15 ‘Revenue from contracts with customers’ as well as revenues from leases recognized in accordance with IFRS16 ‘Leases’ were included in Sales. The amount of revenue recognized in accordance with IFRS16 was ¥141,407 million which was mainly composed of Office Printing.

Half year ended September 30, 2019	Millions of Yen				
	Japan	The Americas	Europe, Middle East and Africa	Other	Total
Office Printing	173,087	155,211	129,099	52,076	509,473
Office Service	165,756	53,744	43,087	7,938	270,525
Commercial Printing	12,399	45,645	23,330	6,163	87,537
Industrial Printing	1,887	3,391	2,269	4,179	11,726
Thermal Media	6,510	9,572	8,249	7,367	31,698
Other	69,952	1,485	2,466	9,917	83,820
Total segment sales	429,591	269,048	208,500	87,640	994,779

Note:

1. Intersegment transactions were excluded in the table above.
2. Revenues recognized in accordance with IFRS15 ‘Revenue from contracts with customers’ as well as revenues from leases recognized in accordance with IFRS16 ‘Leases’ were included in Sales. The amount of revenue recognized in accordance with IFRS16 was ¥150,175 million which was mainly composed of Office Printing.

Three months ended September 30, 2018 and 2019

Three months ended September 30, 2018	Millions of Yen				
	Japan	The Americas	Europe, Middle East and Africa	Other	Total
Office Printing	82,094	83,861	70,960	27,937	264,852
Office Service	71,956	27,942	19,063	4,399	123,360
Commercial Printing	6,352	23,144	11,663	2,930	44,089
Industrial Printing	815	1,464	1,342	328	3,949
Thermal Media	3,318	5,108	4,317	4,068	16,811
Other	36,933	719	1,369	5,234	44,255
<b>Total segment sales</b>	<b>201,468</b>	<b>142,238</b>	<b>108,714</b>	<b>44,896</b>	<b>497,316</b>

Note:

1. Intersegment transactions were excluded in the table above.
2. Revenues recognized in accordance with IFRS15 'Revenue from contracts with customers' as well as revenues from leases recognized in accordance with IFRS16 'Leases' were included in Sales. The amount of revenue recognized in accordance with IFRS16 was ¥73,990 million which was mainly composed of Office Printing.

Three months ended September 30, 2019	Millions of Yen				
	Japan	The Americas	Europe, Middle East and Africa	Other	Total
Office Printing	87,446	78,324	62,184	25,290	253,244
Office Service	101,352	26,359	22,630	4,401	154,742
Commercial Printing	5,966	24,000	11,465	3,050	44,481
Industrial Printing	1,122	1,864	1,147	1,624	5,757
Thermal Media	3,211	4,721	3,865	3,767	15,564
Other	36,592	732	1,162	4,900	43,386
<b>Total segment sales</b>	<b>235,689</b>	<b>136,000</b>	<b>102,453</b>	<b>43,032</b>	<b>517,174</b>

Note:

1. Intersegment transactions were excluded in the table above.
2. Revenues recognized in accordance with IFRS15 'Revenue from contracts with customers' as well as revenues from leases recognized in accordance with IFRS16 'Leases' were included in Sales. The amount of revenue recognized in accordance with IFRS16 was ¥78,661 million which was mainly composed of Office Printing.

## 7. BUSINESS COMBINATIONS

On August 5, 2019, Ricoh acquired DocuWare GmbH ("DocuWare"), which provides cloud and on-premise CSP (Contents Service Platform) to support document management and workflow automation, through the Company's wholly owned Europe holding subsidiary, Ricoh Europe Holdings, Plc., for a total cash consideration of ¥18,667 million, including transaction costs. With this acquisition, Ricoh aims to expand its Digital business. Ricoh applied the acquisition method to account for the acquisition and the acquisition cost has been allocated to the assets acquired and the liabilities assumed based on the acquisition-date fair values. The amount of consideration paid in excess of the estimated fair values of the identifiable assets acquired and liabilities assumed was ¥17,000 million which was recorded as goodwill. The initial accounting for the business combination is incomplete as of September 30, 2019 and therefore, the provisional amounts of intangible assets and goodwill could possibly be adjusted upon the completion of the purchase price allocation. The operating results of DocuWare have been included in the accompanying condensed consolidated financial statements since the acquisition date.

The acquisition-date fair values of the consideration transferred, assets acquired and liabilities assumed are as follows:

	Millions of Yen
Fair value of the consideration transferred	18,532
Cash and cash equivalents	4,881
Trade receivables and other assets	1,795
Liabilities	(5,144)
Net assets	1,532
Goodwill	17,000
Total	18,532

Goodwill arising from the acquisition of DocuWare consists primarily of future economic benefits and synergies with existing operations. The acquisition-related costs of ¥135 million were included in "selling, general and administrative expenses" in the condensed consolidated statement of profit or loss. The consideration transferred is composed of cash and cash equivalents.

Sales and profit for the period generated by DocuWare since the acquisition date amounted to ¥1,105 million and ¥95 million, respectively. Assuming the business combination was conducted at the beginning of the period, its effect on the condensed consolidated statement of profit or loss for the half year ended September 30, 2019 would be ¥1,610 million in sales and ¥99 million in profit for the period and the pro-forma information would be ¥996,389 million in sales and ¥32,311 million in profit for the period, respectively. The amounts are unaudited by the independent auditor.

## 8. BONDS

As for the half year ended September 30, 2018, there were issuances of straight bonds of ¥10,000 million (0.05% per annum, due September 2021) and ¥10,000 million (0.19% per annum, due September 2023). There was a repayment of straight bonds of ¥10,000 million (0.47% per annum, due July 2018).

As for the half year ended September 30, 2019, there were issuances of straight bonds of EURO 100 million (0.22% per annum, due July 2022), ¥25,000 million (0.04% per annum, due July 2022) and ¥5,000 million (0.29% per annum, due July 2029). There were repayments of straight bonds of EURO 100 million (0.37% per annum, due July 2019), ¥10,000 million (0.27% per annum, due July 2019) and ¥10,000 million (0.001% per annum, due September 2019).

## 9. DIVIDENDS

(1) Dividends paid during the half year ended September 30, 2018 and 2019 are as follows:

Resolution	Class of shares	Amount of dividends	Dividends per share	Record date	Effective date	Source of dividends
		(Millions of Yen)	(Yen)			
Ordinary general meeting of shareholders held on June 22, 2018	Ordinary shares	5,437	7.5	March 31, 2018	June 25, 2018	Retained earnings
Ordinary general meeting of shareholders held on June 21, 2019	Ordinary shares	9,423	13.0	March 31, 2019	June 24, 2019	Retained earnings

(2) Dividends whose record date is in the second quarter but whose effective date is in the following quarter

Resolution	Class of shares	Amount of dividends	Dividends per share	Record date	Effective date	Source of dividends
		(Millions of Yen)	(Yen)			
Board of Directors' meeting held on October 26, 2018	Ordinary shares	7,249	10.0	September 30, 2018	December 3, 2018	Retained earnings
Board of Directors' meeting held on November 1, 2019	Ordinary shares	9,423 (Note)	13.0	September 30, 2019	December 2, 2019	Retained earnings

Note: The total amount of dividends includes ¥5 million corresponding to the Company's shares owned by the Board Incentive Plan trust in which beneficiaries include Directors and Executive Officers.

## 10. FINANCIAL INSTRUMENTS

### (1) Fair value of financial instruments by type

Carrying amounts and fair values of the major financial instruments were as follows:

	Millions of Yen			
	As of March 31, 2019		As of September 30, 2019	
	Carrying amount	Fair value	Carrying amount	Fair value
Assets:				
Trade receivables	132,365	138,060	146,121	152,409
Lease receivables	848,234	863,268	858,156	873,452
Installment loans	153,126	153,325	166,013	166,229
Derivative assets	1,286	1,286	1,608	1,608
Securities	22,092	22,092	31,269	31,269
Bonds	1,032	1,032	941	941
<b>Total</b>	<b>1,158,135</b>	<b>1,179,063</b>	<b>1,204,108</b>	<b>1,225,908</b>
Liabilities:				
Derivative liabilities	544	544	505	505
Loans and borrowings	666,462	666,283	736,206	727,886
<b>Total</b>	<b>667,006</b>	<b>666,827</b>	<b>736,711</b>	<b>728,391</b>

Note:

#### (i) Cash and cash equivalents, time deposits and trade and other payables

These financial instruments are not included in the table above, as the carrying amounts approximate fair values due to the relatively short-term nature.

#### (ii) Trade and other receivables

The trade and other receivables settled in a short period are not included in the table above because the carrying amounts approximate the fair values due to the short maturities of these instruments.

The fair value of the receivables expected not to be recovered or settled in a short period per each receivable classified per certain business type is calculated based on the present value of such receivables discounted by the interest rate which takes into account the period to maturity and the credit risk.

Trade and other receivables are classified as Level 3 under the fair value measurement and disclosure framework, since they are valued using inputs not based on observable market data.

#### (iii) Lease receivables and installment loans

The fair value of lease receivables and installment loans per each receivable classified per certain period is calculated based on the present value of such receivables discounted by the interest rate which takes into account the period to maturity and the credit risk. Lease receivables and installment loans are classified as Level 3 under the fair value measurement and disclosure framework, since they are valued using inputs not based on observable market data.

#### (iv) Derivatives

Derivative instruments consist of interest rate swap agreements and foreign currency contracts. These derivative instruments are classified as Level 2 in the fair value hierarchy, since they are valued using observable market data such as LIBOR-based yield curves.

#### (v) Securities and bonds

Securities and bonds include marketable securities, bonds and unlisted securities. Marketable securities and bonds are held at fair value using quoted prices in an active market. As for unlisted securities, Ricoh determines the fair value based on an approach using observable inputs such as the comparable company's share prices and unobservable inputs, and therefore unlisted securities are classified as Level 3.

(vi) Loans and borrowings

Loans and borrowings expected to be settled in less than 12 months are not included in the table above as the carrying amounts approximate fair values due to the short maturities of these instruments.

The fair value of loans and borrowings is calculated from estimated present values using year-end borrowing rates applied to borrowings with similar maturities derived from future cash flows on a per-loan basis as well as calculated based on market prices. Loans and borrowings using inputs described above are classified as Level 2 under the fair value measurement and disclosure framework, since they are valued using observable market data.

(vii) Measurement of financial instruments

Measurement methods for the financial instruments in accordance with IFRS9 'Financial Instruments' were as follows.

At amortized cost: Trade receivables, Installment loans, Loans (as a liability) and borrowings.

At fair value through profit or loss: Derivative assets and Derivative liabilities.

At fair value through other comprehensive income: Securities and Bonds (as an asset).

**(2) Fair value measurement applied in condensed consolidated statement of financial position**

The analysis of financial instruments subsequently measured at fair value is shown below. The fair value hierarchy of financial instruments is categorized as follows from Level 1 to Level 3:

Reclassification among the levels in the fair value hierarchy is recognized upon the date when the event or change in circumstances causing the reclassification first come into being.

Level 1: Fair values measured using quoted prices in active markets with respect to identical assets or liabilities

Level 2: Fair values measured using inputs other than quoted prices that are observable, either directly or indirectly

Level 3: Fair values measured using inputs not based on observable market data

	Millions of Yen			Total
	As of March 31, 2019			
	Level 1	Level 2	Level 3	
Financial assets at fair value through profit or loss:				
Derivative assets	-	1,286	-	1,286
Financial assets at fair value through other comprehensive income:				
Securities	17,207	-	4,885	22,092
Bonds	1,032	-	-	1,032
Total assets	18,239	1,286	4,885	24,410
Financial liabilities at fair value through profit or loss:				
Derivative liabilities	-	544	-	544
Total liabilities	-	544	-	544



	Millions of Yen			
	As of September 30, 2019			
	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss:				
Derivative assets	-	1,608	-	1,608
Financial assets at fair value through other comprehensive income:				
Securities	17,825	-	13,444	31,269
Bonds	941	-	-	941
<b>Total assets</b>	<b>18,766</b>	<b>1,608</b>	<b>13,444</b>	<b>33,818</b>
Financial liabilities at fair value through profit or loss:				
Derivative liabilities	-	505	-	505
<b>Total liabilities</b>	<b>-</b>	<b>505</b>	<b>-</b>	<b>505</b>

Note:

Securities and Bonds include marketable equity securities, bonds and unlisted securities. Marketable equity securities and bonds are observable and valued using a market approach based on the quoted market prices of identical instruments in active markets, and therefore marketable equity securities and bonds are classified as Level 1. As for unlisted securities, Ricoh determines the fair value based on an approach using observable inputs such as the comparable company's share prices and unobservable inputs, and therefore unlisted securities are classified as Level 3.

A reconciliation of financial assets categorized at Level 3 from beginning balances to the ending balances is as follows:

	Millions of Yen	
	Half year ended September 30, 2018	Half year ended September 30, 2019
<b>Beginning balance</b>	<b>3,624</b>	<b>4,885</b>
Gains and losses:		
- in other comprehensive income (Note)	94	69
Purchases	311	8,686
Sales	-	(196)
Others	(0)	(0)
<b>Ending balance</b>	<b>4,029</b>	<b>13,444</b>

Note:

Total gains and losses included in other comprehensive income relate to the shares not traded in the market. Related gains and losses are included in "Net changes in fair value of financial assets measured through other comprehensive income" in the condensed consolidated statement of comprehensive income.

## 11. SUPPLEMENTARY INFORMATION TO THE CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

The following amounts were charged to expenses for the half year and three months ended September 30, 2018 and 2019:

	Millions of Yen	
	Half year ended September 30, 2018	Half year ended September 30, 2019
Research and development expenses	47,208	44,001
Shipping and handling costs	13,356	13,158
Advertising costs	3,572	2,600

	Millions of Yen	
	Three months ended September 30, 2018	Three months ended September 30, 2019
Research and development expenses	25,758	24,182
Shipping and handling costs	6,522	6,485
Advertising costs	2,166	1,302

## 12. LOSS OF CONTROL OF SUBSIDIARY

Half year ended September 30, 2018

### (1) Ricoh India Limited

On January 29, 2018, our consolidated subsidiary Ricoh India Limited ("Ricoh India"), with headquarters in New Delhi and listed on the Bombay Stock Exchange, filed a petition with the National Company Law Tribunal (NCLT) pursuant to Section 10 of the Insolvency and Bankruptcy Code, 2016 of India, to initiate corporate insolvency resolution process (\*1). The petition had been admitted in May 2018. Along with this, a moratorium (\*2) was issued by the NCLT, and an interim resolution professional was appointed.

Ricoh had a majority of the voting rights of Ricoh India, whereas Ricoh India was excluded from the scope of consolidation in the first quarter ended June 30, 2018 based on our judgement that Ricoh lost control of Ricoh India in the situation above-mentioned where Ricoh India was under the control of the resolution professional.

There was no material impact on profit and loss of the first half year of the current fiscal year from the exclusion.

A creditors committee, composed of Ricoh India's financial creditors, decided whether or not the current interim resolution professional would continue or be replaced and thereby the creditor committee appointed the current interim resolution professional as the official resolution professional in June 2018.

Public offering to the parties concerned in the corporate insolvency resolution called as Expression of Interest was announced in July 2018. The participants in the offering called as Resolution Prospective Applicants prepare a reorganization plan. Accordingly, the creditors committee is going to examine the reorganization plan and make decisions.

There is a risk of additional losses as Ricoh may be required to waive loans to Ricoh India or for other reasons depending on the reorganization plan to be adopted by the creditors committee.

\*1...Reconstruction process based on the Insolvency and Bankruptcy Code of India:

After the NCLT admits an application filed under Section 10 of the Code, it appoints a resolution professional to be vested with the management of Ricoh India, and there is a prescribed time period during which a resolution plan is to be prepared and submitted to the creditors committee and to the

NCLT for their respective approval. In the event a resolution plan is not submitted to the NCLT within the period or if other events set out in the Code occur, the NCLT will pass an order requiring the corporate debtor to be liquidated.

\*2...About the moratorium:

The NCLT issues a moratorium simultaneously with the decision to commence insolvency proceedings. By issuing the moratorium, actions such as the recovery of assets owned by debtors, judicial or other procedures against debtors, the granting of security interest, and the disposal of debtors' assets or rights are prohibited. The moratorium continues until the NCLT approves a resolution plan or a liquidation order is given.

(2) Ricoh Logistics System Co., Ltd.

1. Overview of loss of control

Ricoh concluded an agreement to sell approximately 66.6% of the Company's shares in Ricoh Logistics System Co., Ltd. ("Ricoh Logistics"), to SBS Holdings Co., Ltd ("SBS Holdings") on May 18, 2018 and completed the transfer on August 1, 2018.

In conjunction with this, Ricoh transferred all its remaining shares in Ricoh Logistics after the share transfer transaction to SBS Holdings representing approximately a 33.3% stake, to a new joint venture, RO Holdings Co., Ltd ("RO Holdings").

Following that transfer, Ricoh transferred ordinary shares equivalent to 33.4% of RO Holdings to Otsuka Corporation.

Along with the series of transactions, Ricoh Logistics becomes an affiliated company accounted for by the equity method.

2. Assets and liabilities included in the derecognized subsidiary were as follows:

	Millions of Yen
	Half year ended September 30, 2018
	Carrying amount
Cash and cash equivalents	4,663
Trade and other receivables	11,774
Property, plant and equipment	7,233
Goodwill and intangible assets	1,281
Trade and other payables	(10,520)
Accrued pension and retirement benefits	(1,485)
Other liabilities	(173)
Net assets removed	12,773

3. Gain arising from the sale of the subsidiary with loss of control was as follows:

	Millions of Yen
	Half year ended September 30, 2018
Cash received	18,000
Net assets removed	(12,773)
Retained investment in former subsidiary	9,000
Gain arising from the sale of subsidiaries with loss of control	14,227

Note: The gain amounting to ¥4,742 million from measuring the retained investment in the former subsidiary at fair value at the date of loss of control was included in "Gain arising from the sale of subsidiaries with loss of control."

4. Cash flows resulting from the sale of subsidiary were as follows:

	Millions of Yen
	Half year ended September 30, 2018
Cash received from the sale of subsidiary	18,000
Cash and cash equivalents of derecognized subsidiary	(4,663)
Net proceeds from the sale of subsidiary	13,337

Note: The received consideration from Otsuka Corporation for the transfer of ordinary shares equivalent to 33.4% of RO Holdings was included in “Proceeds from sales of shares of subsidiaries which does not involve changes in the scope of consolidation” in the condensed consolidated statement of cash flows.

Half year ended September 30, 2019

There is no loss of control of subsidiary.

### 13. EARNINGS PER SHARE

Basic earnings per share and diluted earnings per share are as follows.

Diluted earnings per share for the half year and three months ended September 30, 2018 is omitted because the Company did not have potentially dilutive common shares that were outstanding for the period.

(1) Basic earnings per share

	Half year ended September 30, 2018	Half year ended September 30, 2019
Profit attributable to owners of the parent (millions of yen)	36,045	29,258
Weighted average number of ordinary shares outstanding (thousands of shares)	724,869	724,755
Basic earnings per share (yen)	49.73	40.37

	Three months ended September 30, 2018	Three months ended September 30, 2019
Profit attributable to owners of the parent (millions of yen)	26,763	13,634
Weighted average number of ordinary shares outstanding (thousands of shares)	724,865	724,649
Basic earnings per share (yen)	36.92	18.81

(2) Diluted earnings per share

	Half year ended September 30, 2018	Half year ended September 30, 2019
Profit attributable to owners of the parent (millions of yen)	-	29,258
Adjustments (millions of yen)	-	-
Profit used for calculation of diluted earnings per share (millions of yen)	-	29,258
Weighted average number of ordinary shares outstanding (thousands of shares)	-	724,755
Effect of dilutive potential ordinary shares		
Share-based payment (thousands of shares)	-	3
Weighted-average number of ordinary shares diluted (thousands of shares)	-	724,759
Diluted earnings per share (yen)	-	40.37

	Three months ended September 30, 2018	Three months ended September 30, 2019
Profit attributable to owners of the parent (millions of yen)	-	13,634
Adjustments (millions of yen)	-	-
Profit used for calculation of diluted earnings per share (millions of yen)	-	13,634
Weighted average number of ordinary shares outstanding (thousands of shares)	-	724,649
Effect of dilutive potential ordinary shares		
Share-based payment (thousands of shares)	-	6
Weighted-average number of ordinary shares diluted (thousands of shares)	-	724,656
Diluted earnings per share (yen)	-	18.81

Note: For the purpose of calculation of basic earnings per share and diluted earnings per share, the shares of the Company held by Board Incentive Plan trust in which beneficiaries include Directors and Executive Officers are accounted as treasury shares and the number of those shares are deducted from weighted-average number of ordinary shares outstanding during the period.

#### 14. CAPITAL COMMITMENTS AND CONTINGENCIES

As of March 31, 2019, and September 30, 2019, Ricoh had outstanding contractual commitments for acquisition of property, plant and equipment and other assets aggregating ¥9,884 million and ¥7,759 million.

As of March 31, 2019, and September 30, 2019, there were no significant contingent liabilities.

As of September 30, 2019, the Company and certain subsidiaries were parties to litigation involving routine matters, such as patent rights. In the opinion of management, the ultimate liability, if any, resulting from such litigation will not materially affect the financial position or the results of operations of Ricoh.

## **15. SUBSEQUENT EVENTS**

There are no material subsequent events.

## **16. AUTHORIZATION OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

The condensed consolidated financial statements were authorized for issue by Yoshinori Yamashita, Representative Director and President, and Hidetaka Matsuishi Director and Corporate Executive Vice President, on November 8, 2019.