

Consolidated
Results for Six
Months ended
September 30,
2015

RICOH
imagine. change.

October 30, 2015
Ricoh Company, Ltd.



RICOH AM S5500P, the 1st RICOH branded 3D printer



Forward-looking statements

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

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

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

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

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

1. 2016/03 H1 Results
2. 2016/03 Forecast
3. Going Forward

1. 2016/03 H1 results

FY2016/03 H1 results overview

- ✓ Sales: ¥1,095.1 billion, up 6.1% from a year earlier, reflecting higher demand in MFPs, printers, production printers, overseas IT services, and industrial business categories
- ✓ Operating profit was ¥56.1 billion, a 0.4% increase that stemmed from sales promotion efforts and savings from restructuring initiatives
- ✓ Net profit was ¥34.5 billion, up 1.7%
- ✓ Management revised annual forecasts in view of changes in H1 operating results and competitive and macroeconomic climates, looks for steady growth in number of machines in field and ongoing improvements in non-hardware performance
- ✓ Management plans to increase H1 dividends, as planned, in light of earnings gain, and remains committed to boosting year-end dividends

Key Indicators

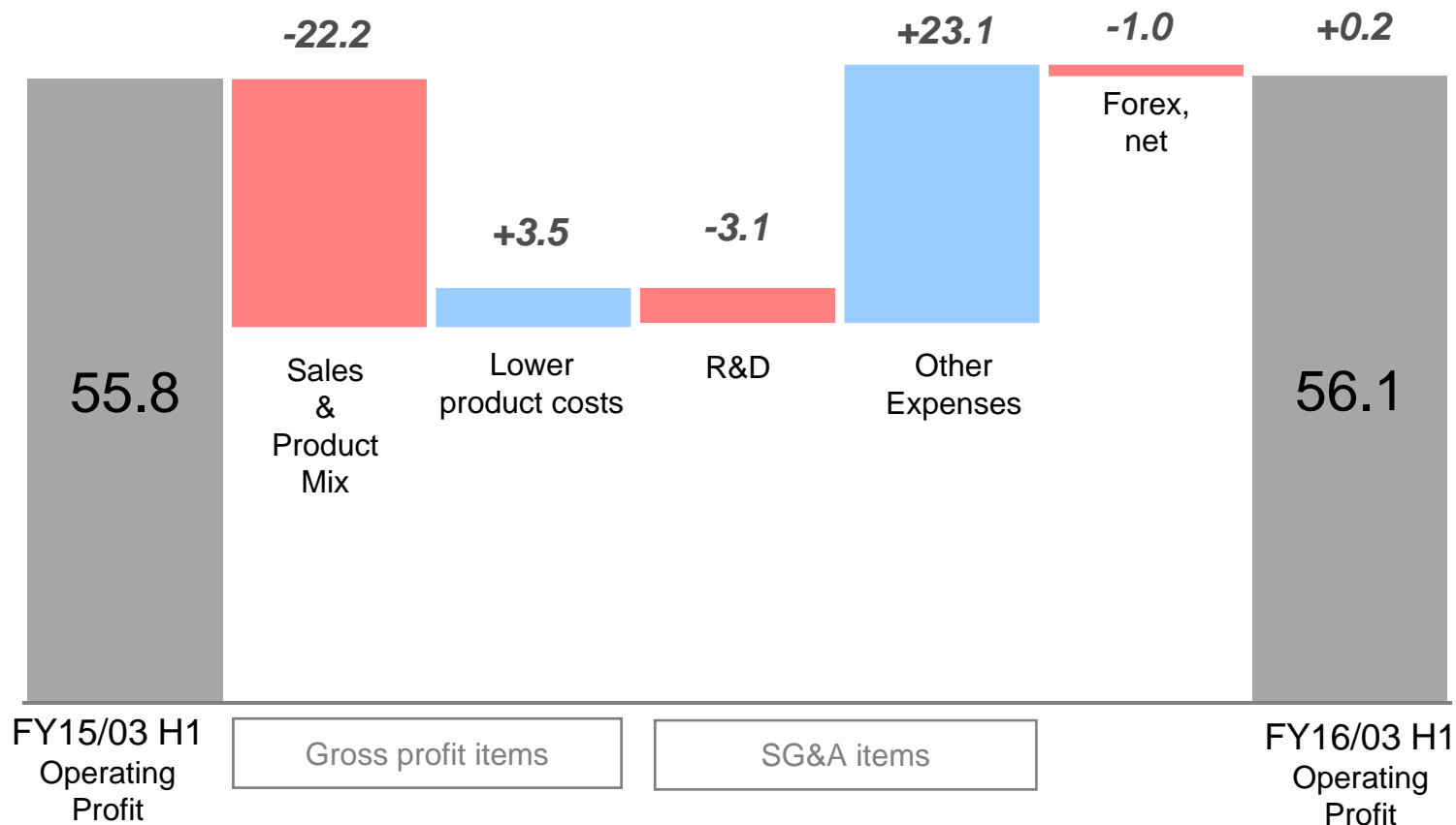
	FY16/03 H1	Change	
Sales	1,095.1 bil.Yen	+6.1%	
Operating profit	56.1 bil.yen	+0.4%	Sales Changes Excl. Forex
Operating margin	5.1%	-0.3 pt	Japan -2.1%
Profit attributable to owners of the parent	34.5 bil.yen	+1.7%	The Americas -1.8%
EPS	47.65 yen	+0.78 yen	EMEA +5.0%
FCEF*	6.0 bil.yen	+16.1 bil.yen	Other +8.8%
R&D expenditures	57.7 bil.yen	-0.4 bil.yen	Consolidated +0.8%
Capital expenditures	40.9 bil.yen	+2.2 bil.yen	
Depreciation	34.5 bil.yen	-1.2 bil.yen	
Exchange rate Yen/US\$	121.80 yen	+18.75 yen	
Yen/Euro	135.13 yen	-3.81 yen	

* FCEF : Free cash flow excluding finance business



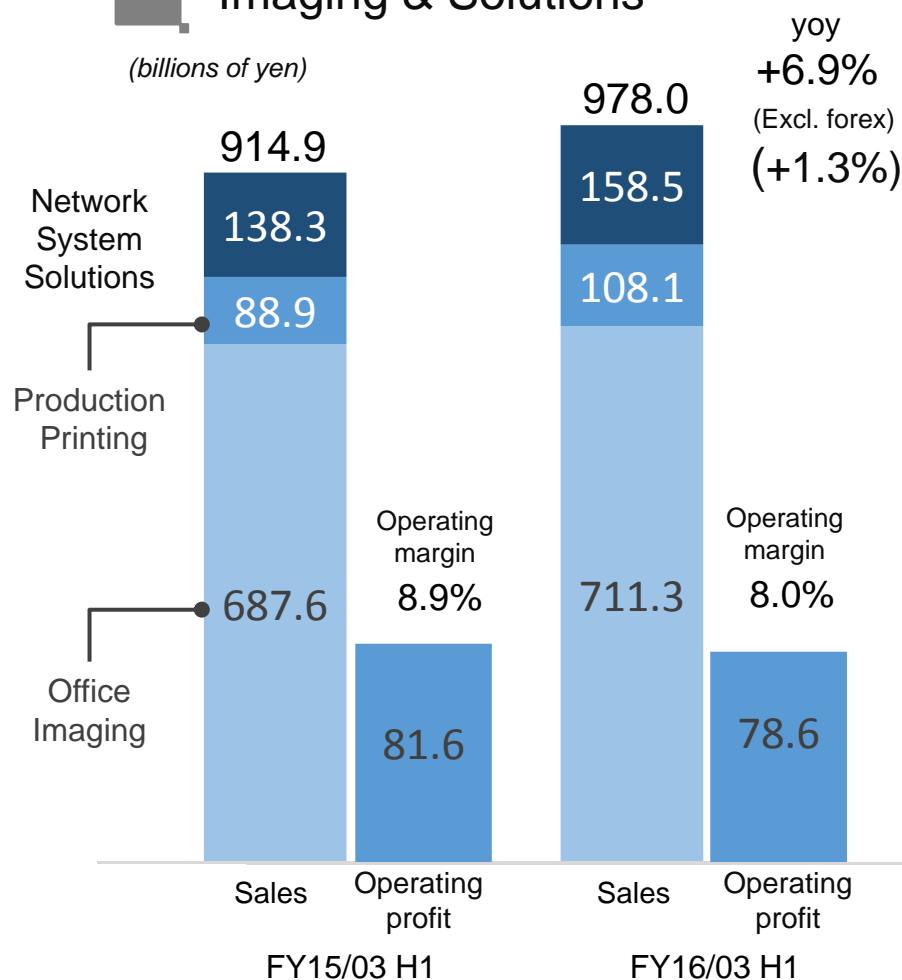
H1 Operating Profit Comparisons

(billions of yen)



Business Segments (1)

Imaging & Solutions



Note: Excluding corporate and eliminations.

Highlights

Office Imaging yoy +3.4% (Excl. forex) (-2.5%)

- Expanded A4 MFP lineup with SP 3610SF, MP C306, and MP 305+
- Reinforced Eastern European sales structure by acquiring Czech and Slovakian operations of Impromat



MP 305+

Production Printing +21.6% (+12.7%)

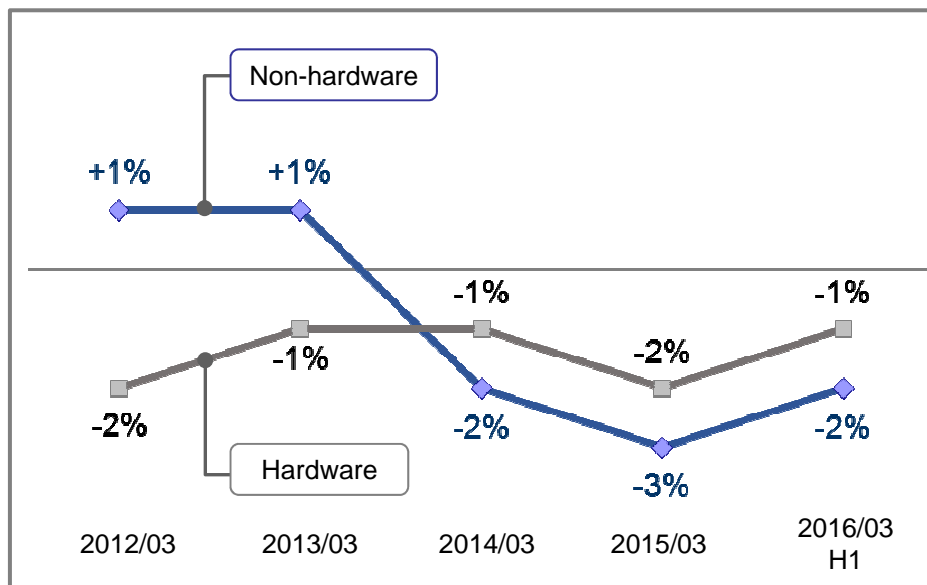
- Expanded in commercial printing market:
RICOH Pro C7100/C9100 remained popular
RICOH Pro VC60000 deliveries started

Network System Solutions +14.6% (+12.5%)

- Overseas IT services expanded on solid performance of Indian operations
- Continued to reinforce IT services structure, acquiring Ridgian in UK and Nassion in Malaysia
- Steadily expanded visual communications business overseas

Supplement: Imaging & Solutions Hardware and Non-Hardware Sales

Yoy changes for MFPs, Printers, and Production Printing combined
(Value, excl. forex)



By category	FY16/03 H1		
	Unit	Hardware Value	Non-hardware Value
MFP	+0%	-4%	-4%
Printer	+20%	-2%	-1%
PP	+8%	+15%	+8%
Total		-1%	-2%

(Value, excl. Forex)

By region	FY16/03 H1	
	Hardware	Non-hardware
Japan	-1%	-2%
The Americas	-6%	-3%
EMEA	+6%	-2%
Other	-3%	+4%
Total	-1%	-2%

(Value, excl. forex)

Overview of FY16/03 H1

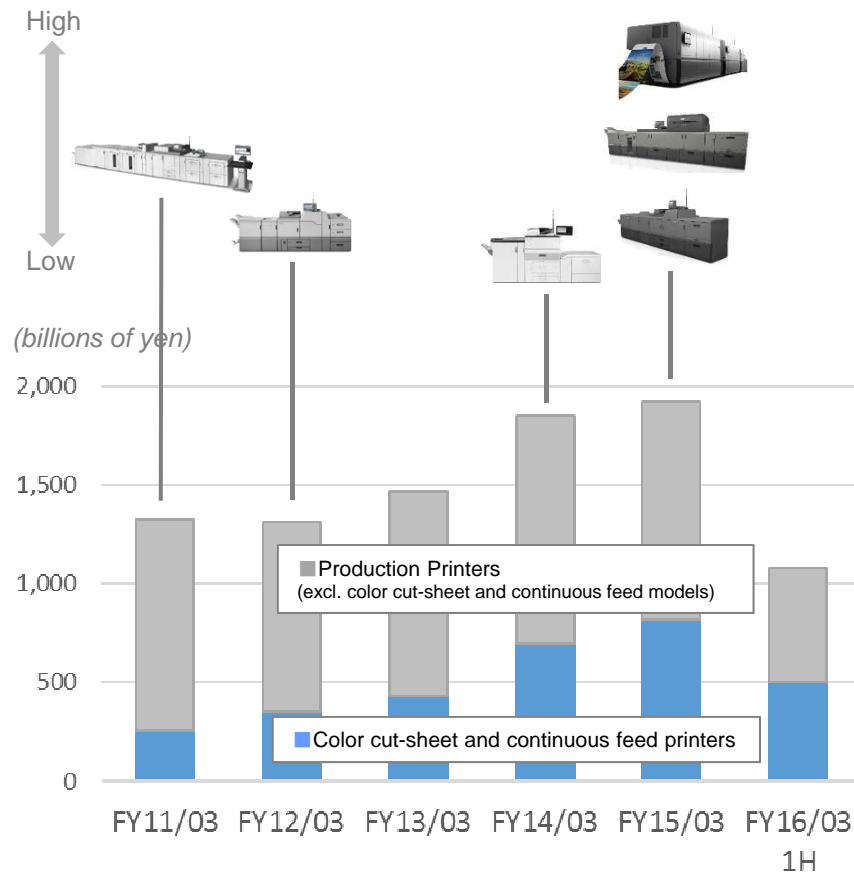
- Expanded unit sales of A3 color MFPs and A4 MFPs and increased number of MFPs in field
- In production printing, generated strong gains in cut sheet color models; non-hardware growth continued
- In Europe, boosted hardware sales, non-hardware sales on recovery track
- In Asia-Pacific & China, non-hardware sales grew solidly

Note: See Appendix for details of quarterly trends.



Supplement: Imaging & Solutions Growth Areas

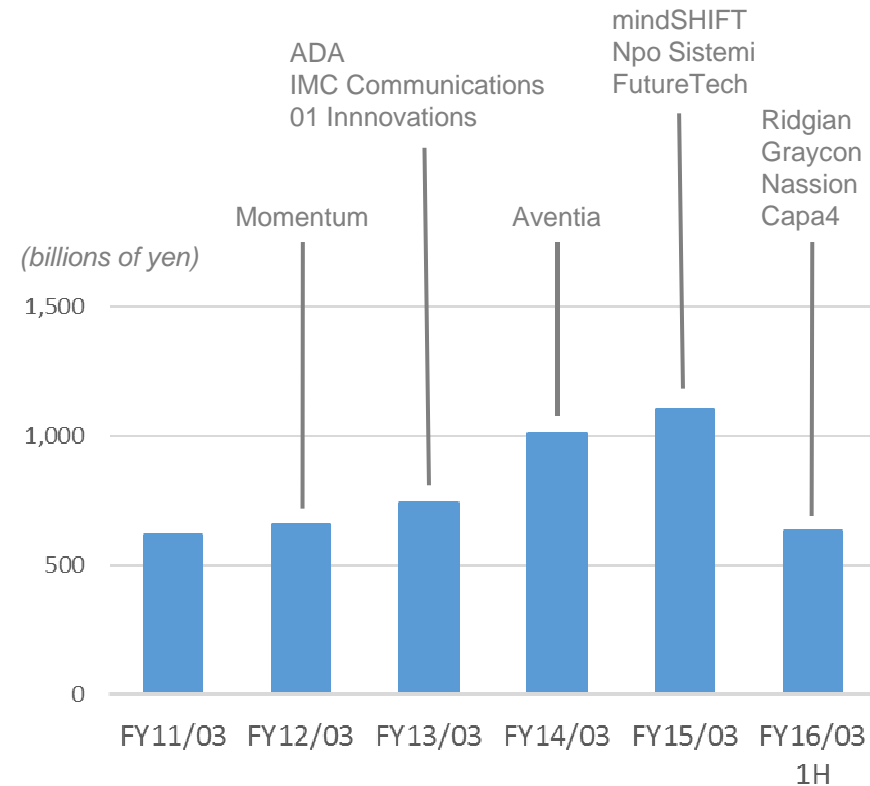
Production printing sales



- Gains in color cut-sheet and continuous feed models underpinned strong growth in commercial printing domain
- Production printing business drove results in all regions

IT services and visual communications sales*

*Including network solutions



- Grew IT services worldwide through strategic investments
- Expanded new value proposition through imaging, IT, and visual communications

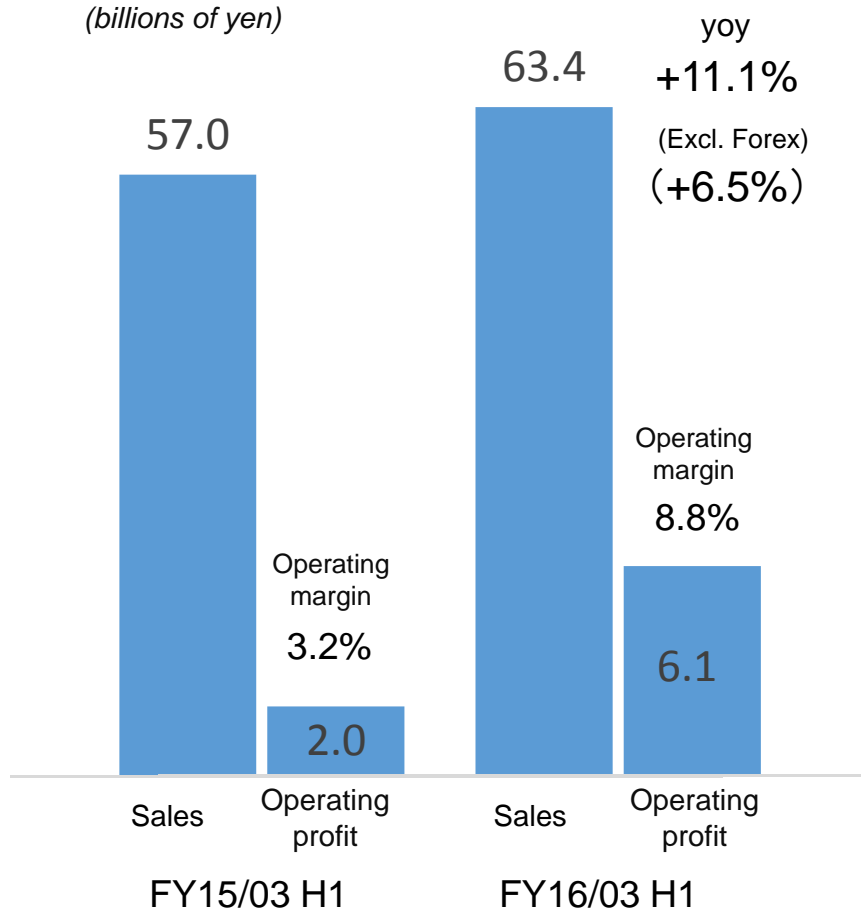


Business Segments (2)



Industrial Products

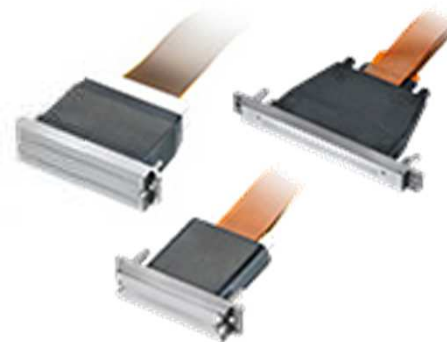
(billions of yen)



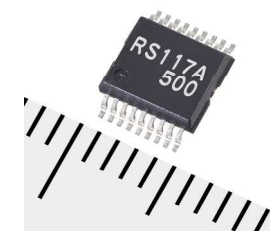
Note: Excluding corporate and eliminations.

Highlights

- Expanded thermal media business in Indonesia, setting up company to process and market thermal ribbons
- Expanded industrial inkjet business in industrial printing and 3D printer areas
- Increased optical module sales
- Rolled out automotive power management semiconductors and set up European sales units?



RICOH MH/GH series of industrial inkjet heads

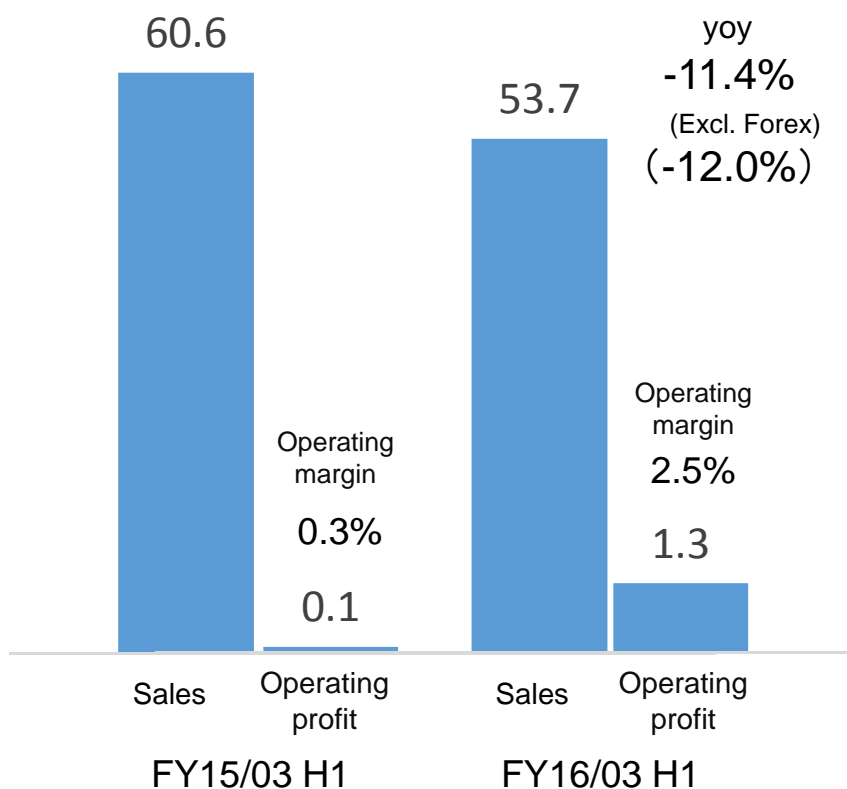


R1272S series automotive semiconductor

Business Segments (3)

Other

(billions of yen)



Note: Excluding corporate and eliminations.

Highlights

- Lower sales owing to divestment of apparel business
- Strengthened camera lineup with high-end GR11 compact model and water- and impact-resistant RICOH WG-40W
- In camera business, expanded spherical imaging solutions by enhancing image processing and resolution of THETA S and bolstered business-to-business solutions in real estate and other areas



RICOH WG-40W



RICOH THETA

Statement of Financial Position as of September 30, 2015

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Assets

<i>(billions of yen)</i>	As of Sep 30, 2015	<i>Change from Mar 31, '15</i>
Current Assets	1,278.7	+62.3
<i>Cash & time deposits</i>	180.9	+42.3
<i>Trade and other receivables</i>	552.8	-0.6
<i>Other current assets</i>	271.2	+11.1
<i>Inventories</i>	227.5	+3.0
<i>Other current assets</i>	46.1	+6.4
Non-current assets	1,536.6	+22.8
<i>Property, plant and equipment</i>	278.1	+1.5
<i>Goodwill and intangible assets</i>	434.5	-1.2
<i>Other financial assets</i>	623.9	+22.1
<i>Other non-current assets</i>	199.9	+0.3
Total Assets	2,815.3	+85.1

Exchange rate as of Sep 30, '15 : (Change from Mar 31, 2015)

US\$ 1 = ¥119.96 (-0.21)

1 euro = ¥134.97 (+4.65)

Highlights

Cash and cash equivalents rose temporarily owing to payment delays

Among other financial assets (Current and Non-current), lease assets (within Other financial assets) expanded on financial business growth

Inventories caused by last year's U.S. port strikes declined, while inventories increased for large orders. Inventory turns improved from 2.16 at end-March to 2.11 at end-September

Total assets were up ¥815.1 billion from end-March, reflecting temporary cash gains and lease asset increases

Statement of Financial Position as of Sep 30, 2015



Liabilities and Equity

<i>(billions of yen)</i>	<i>As of Sep 30, 2015</i>	<i>Change from Mar 31, '15</i>
<i>Current Liabilities</i>	794.4	+22.3
<i>Bonds and borrowings</i>	222.0	+0.0
<i>Trade and other payables</i>	255.5	-21.4
<i>Other current liabilities</i>	316.8	+43.7
<i>Non-current Liabilities</i>	844.1	+40.4
<i>Bonds and borrowings</i>	615.0	+46.5
<i>Accrued pension&retirement benefits</i>	136.5	-7.5
<i>Other non-current liabilities</i>	92.5	+1.4
<i>Total Liabilities</i>	1,638.6	+62.7
<i>Total equity attributable to owners of the parent</i>	1,107.2	+23.0
<i>Noncontrolling Interest</i>	69.5	-0.5
<i>Total Equity</i>	1,176.7	+22.4
<i>Total Liabilities and Equity</i>	2,815.3	+85.1
 <i>Total Debt</i>	 837.1	 +46.5

Exchange rate as of Sep 30, '15 : (Change from Mar 31, 2015)

US\$1 = ¥119.96 (-0.21)

1 euro = ¥134.97 (+4.65)

Highlights

Total interest-bearing debt increased in keeping with finance business expansion, while there were no major changes in the debt-to-equity ratio

The ratio of equity attributable to owners of the parent edged up from 39.7% at end-March to 39.2% at end-September

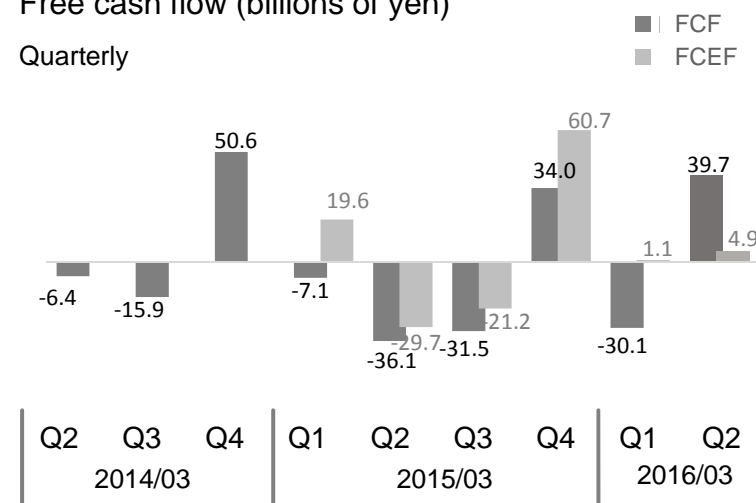


FY2016/03 H1 statement of cash flow

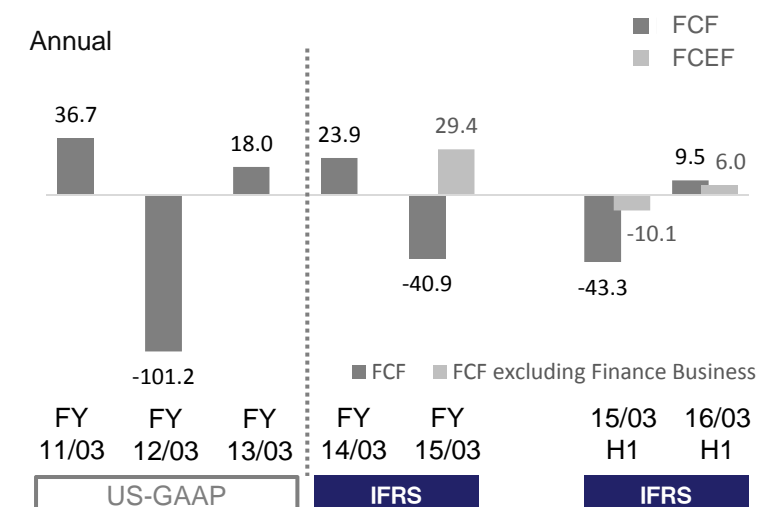
(billions of yen)	FY2015/03 Apr-Sep	FY2016/03 Apr-Sep
Profit	36.8	37.3
Depreciation and amortization	53.9	53.1
[Net profit + Depreciation and amortization]	[90.7]	[90.5]
Other operating activities	-71.6	-34.8
Net cash by operating activities	19.1	55.6
Plant and equipment	-38.3	-22.9
Purchase of business	-4.5	-4.7
Other investing activities	-19.5	-18.3
Net cash by investing activities	-62.4	-46.0
Increase (Decrease) of debt	45.4	48.4
Dividend paid	-11.9	-12.3
Other financing activities	-0.3	-2.7
Net cash by financing activities	33.0	33.4
Effect of exchange rate	3.7	-0.4
Net increase in cash and equivalents	-6.4	42.4
Cash and equivalents at end of period	133.5	180.1

Free cash flow (billions of yen)

Quarterly



Annual



* FCEF : Free cash flow excluding finance business

2. Full-Year Forecast

FY2016/03 profit statement forecast

(billions of yen)		FY2015/03 Results	FY2015/03 forecast (on Aug '15)	FY2016/03 Forecast	Y-o-Y comparison		
					Change	Change(%)	Change(%) without Forex
Sales	(Japan)	759.5	800.0	770.0	+10.4	+1.4%	+1.4%
	(Overseas)	1,391.8	1,520.0	1,530.0	+138.1	+9.9%	+6.4%
	Total	2,151.4	2,320.0	2,300.0	+148.5	+6.9%	+4.6%
Gross profit		906.9	973.0	927.0	+20.0	+2.2%	
	sales %	42.2%	41.9%	40.3%			
SG&A		791.1	833.0	811.0	+19.8	+2.5%	
	sales %	36.8%	35.9%	35.3%			
Operating profit		115.7	140.0	116.0	+0.2	+0.2%	
	sales %	5.4%	6.0%	5.0%			
Profit before income tax expenses		112.2	135.0	111.0	-1.2	-1.2%	
	sales %	5.2%	5.8%	4.8%			
Profit attribute to owners of the parent		68.5	83.0	71.0	+2.4	+3.6%	
	sales %	3.2%	3.6%	3.1%			
EPS (Yen)		94.58	114.50	97.94	+3.36		
Exchange rate	US \$1	109.89	120.33	120.90	+11.01		
	(Yen) Euro 1	138.85	127.31	132.57	-6.28		

Investment

(billions of yen)	FY15/03 result	FY16/03 forecast
R&D	118.7	123.0
% of sales	5.5%	5.3%

CAPEX	75.9	85.0
Depreciation (tangible fixed assets)	70.9	70.0

FY2016/03 forex assumptions

	Q2-Q4	Full year
US\$1	¥120.00	¥120.90
1 euro	¥130.00	¥132.57



Full-Year Operating Profit Comparisons

Previous forecast **+26.8** **+10.0** **-4.0** **+2.5** **-11.0** (billions of yen)

New forecast **-18.8** **+10.0** **-8.0** **+27.8** **-10.7**

(H1 -22.2) (H1 +3.5) (H1 -3.1) (H1 +23.1) (H1 -1.0)
 (2H + 3.4) (2H +6.5) (2H -4.9) (2H + 4.7) (2H -9.7)



Forex assumptions

(yen)	FY15/03 result	FY16/03 forecast	y-o-y
US\$	109.89	120.90	+11.01
Euro	138.85	132.57	- 6.28

Forex impacts

Impacts of forex per yen annually

(billion yen)	Sales	OP
US\$	6.0	0.8
Euro	3.8	1.4



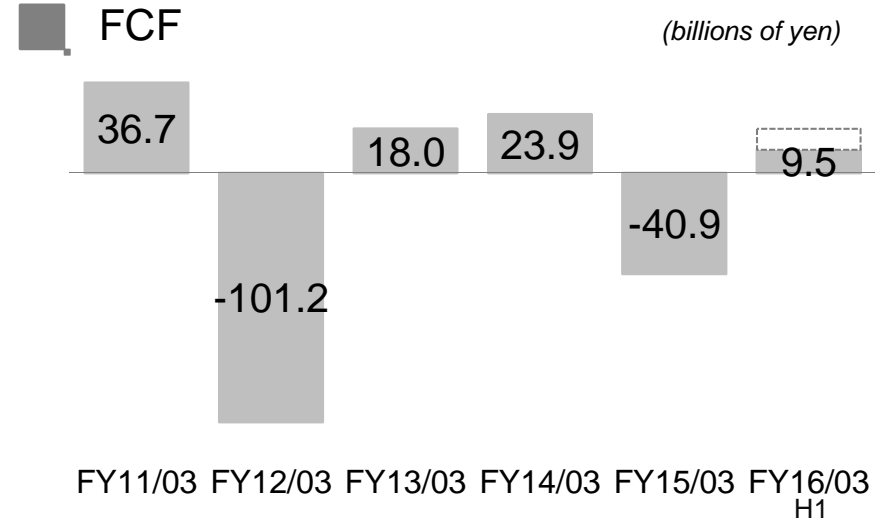
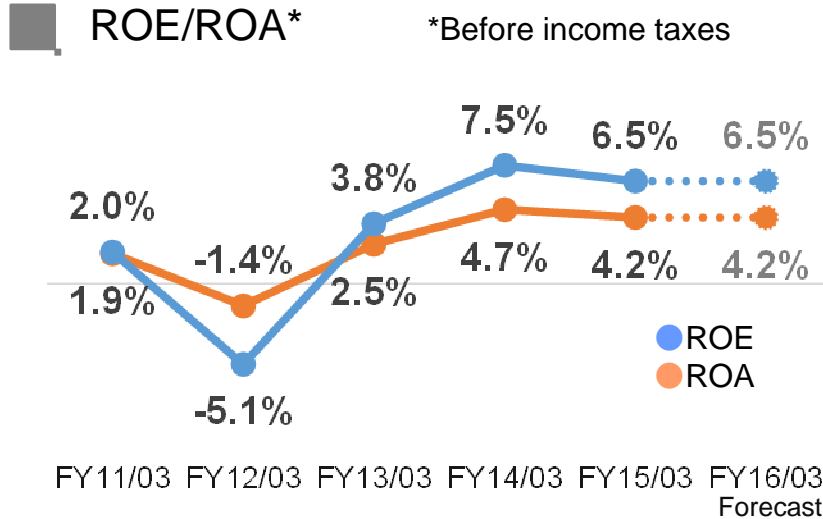
H1 Progress and H2 Plans for Initiatives



Key initiatives	H1 Progress	H2 Plans
Maximize after-sales earnings from MFP revenue growth	Boosted number of machines in field by deploying sales expansion initiatives. Continued to increase PV (Print Volume). Non-hardware sales again declined amid intensifying competition	<ul style="list-style-type: none"> Factor in profitability in continuing to drive machine in field growth Expand on strength of marketing differentiation in imaging, IT, and visual communications
Expand services operations focused on specific markets	Finished constructing business-specific sales structures worldwide	<ul style="list-style-type: none"> Fully expand business specific marketing
Increase profitability of production printing business through highly competitive lineup	Enjoyed solid worldwide growth among products rolled out end of previous fiscal year	<ul style="list-style-type: none"> Step up efforts to expand sales in commercial printing market
Expand industrial printing business	Grew solidly on favorable demand for optical modules and industrial inkjet printers	<ul style="list-style-type: none"> Continue to enhance and expand products and solutions
Accelerate ongoing structural reforms	Reformed business processes and reviewed business units and assets	<ul style="list-style-type: none"> Review business processes companywide and keep reforming corporate functions Reconsider responses in sales, production, procurement, and other areas due to forex fluctuations
Enhance asset efficiency		

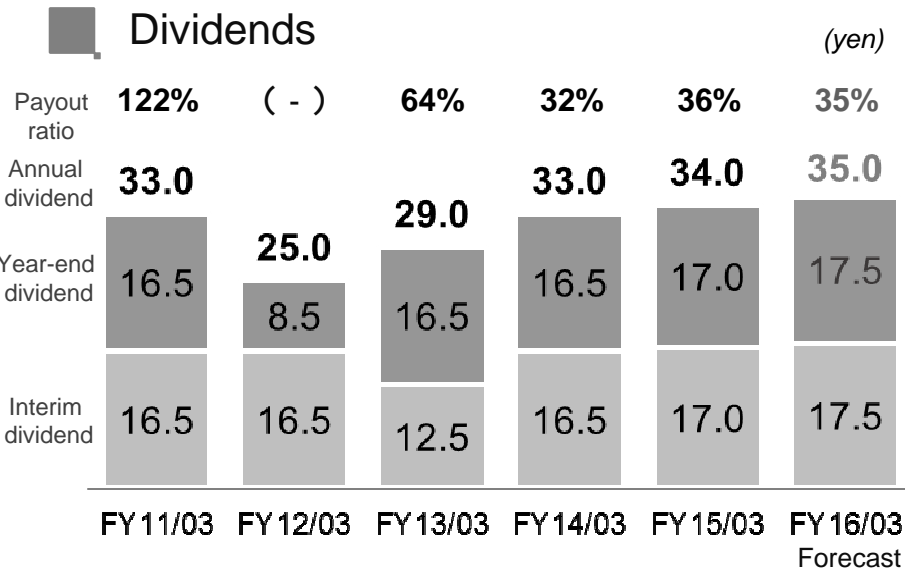
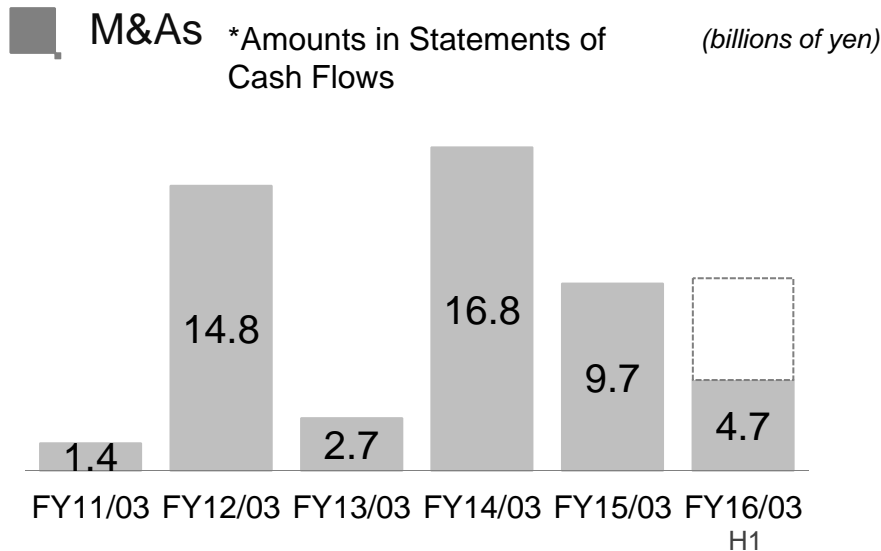


Supplement: Management Indices



US-GAAP IFRS

US-GAAP IFRS



3. Going Forward

①

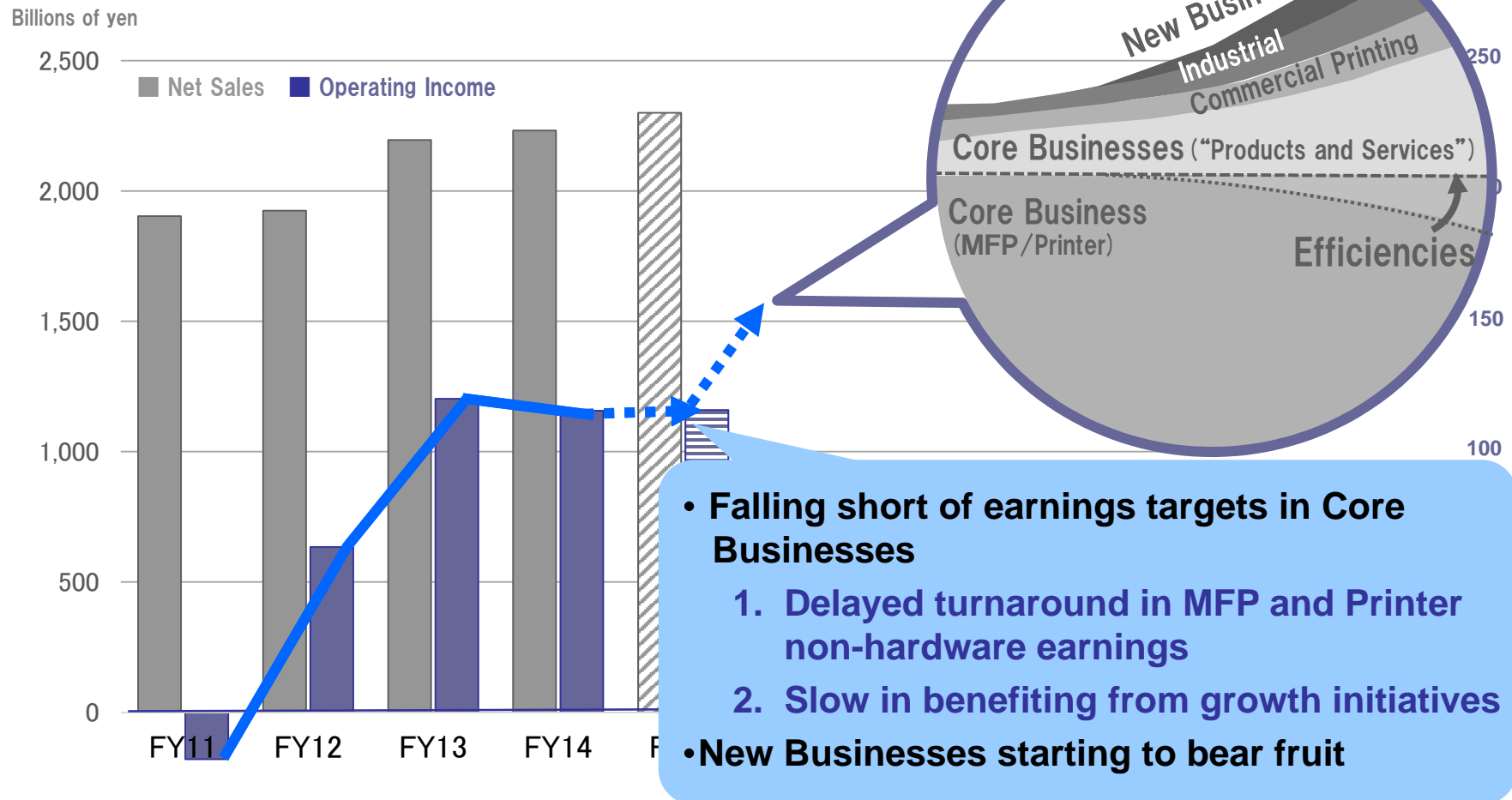
**Reinforce and develop
earnings power for core businesses**

②

**Achieve growth by creating
new profit generators**

Business Climate and Challenges

◆ Consolidated results



①

**Reinforce and develop
earnings power for core businesses**

②

**Achieve growth by creating
new profit generators**

Measures to Reinforce Core Businesses

◆ Measures to streamline Core Business

1. Overhaul value chain processes

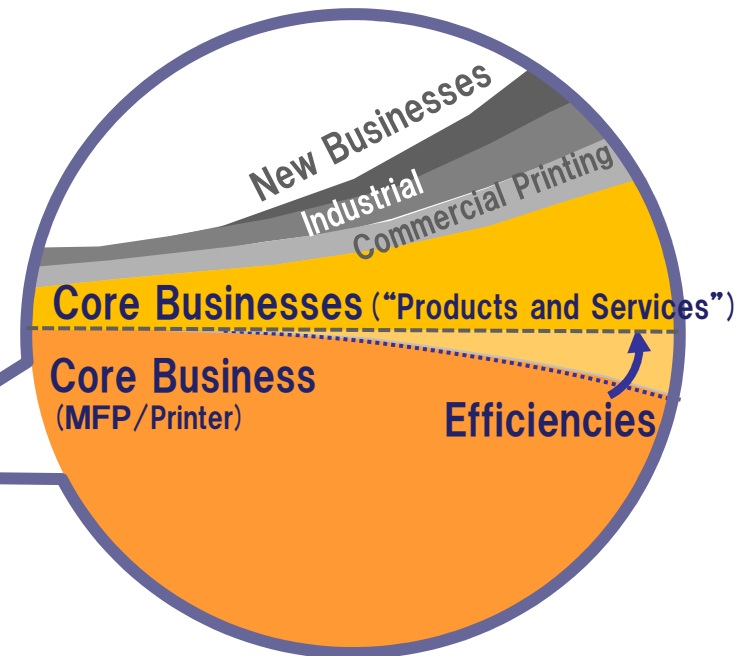
(Value chain encompasses planning through development, purchasing, production, sales, maintenance and services)

2. Slash production and service costs by improving products

◆ Measures to increase value of Core Businesses

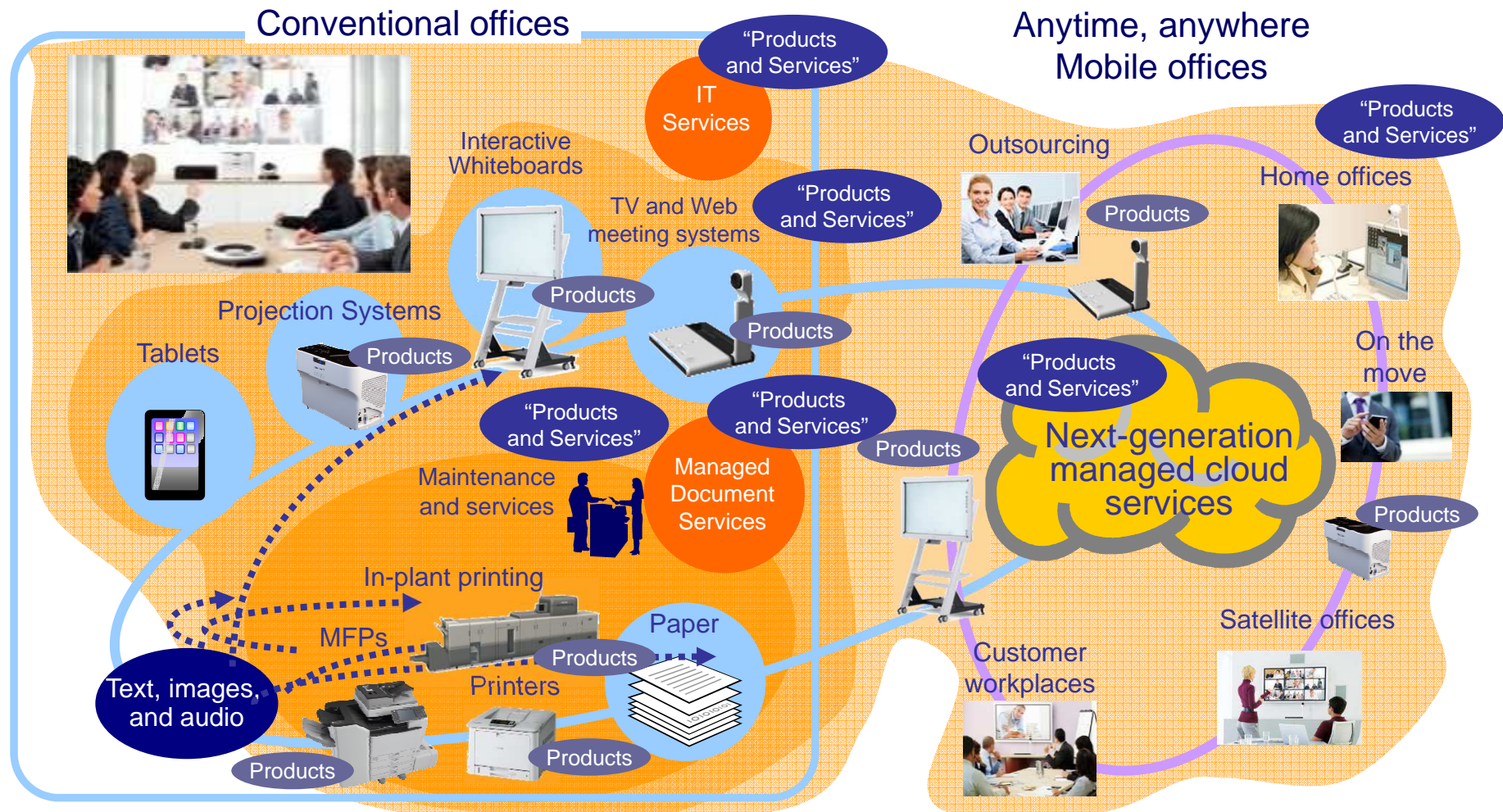
1. Further evolve “Products and Services”

2. Reinforce sector specialization structure for each region



Revolutionize “Products and Services” in Core Businesses

- ◆ Innovate “Products and Services” that fully support customers in a changing work environment



Revolutionize “Products and Services” in Core Businesses

◆ Keep delivering new value in diverse business situations



Revolutionize “Products and Services” in Core Businesses



Strategically acquiring IT Services Businesses

- 2009 Carl Lamm
- 2011 Momentum Infocare
- 2012 ADA
IMC Communications
01 Innovations
- 2013 Aventia
- 2014 mindSHIFT
Npo Sistemi
FutureTech/FutureWare
- 2015 Ridgian Graycon
Nassion Capa 4

Noteworthy IT Services achievement

Ricoh India

Secured 26 billion yen* contract
to supply India Post with
ICT solutions to modernize
postal and financial services
of 129,000 post offices

*Conversion rate as of November 25, 2014

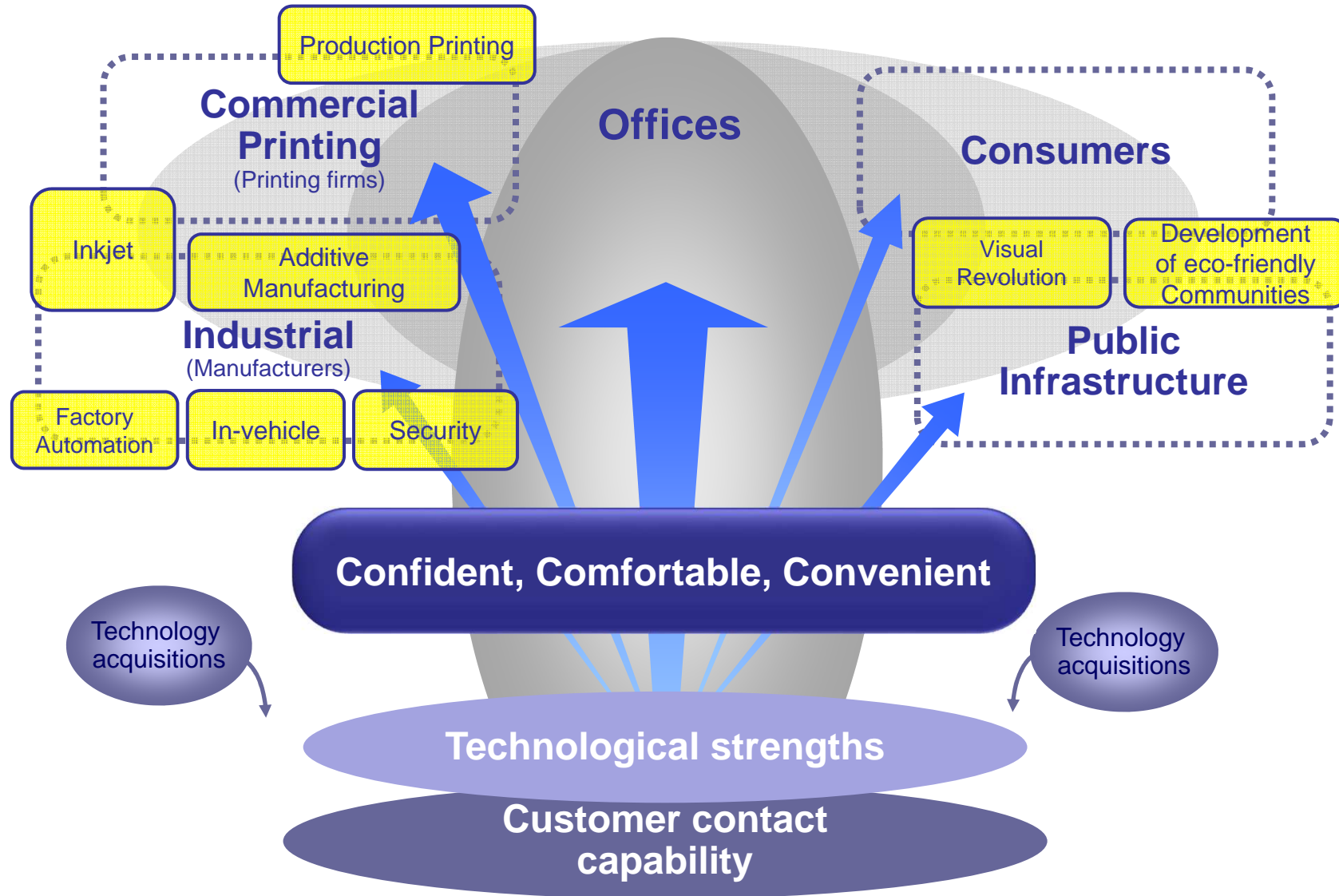
①

**Reinforce and develop
earnings power for core businesses**

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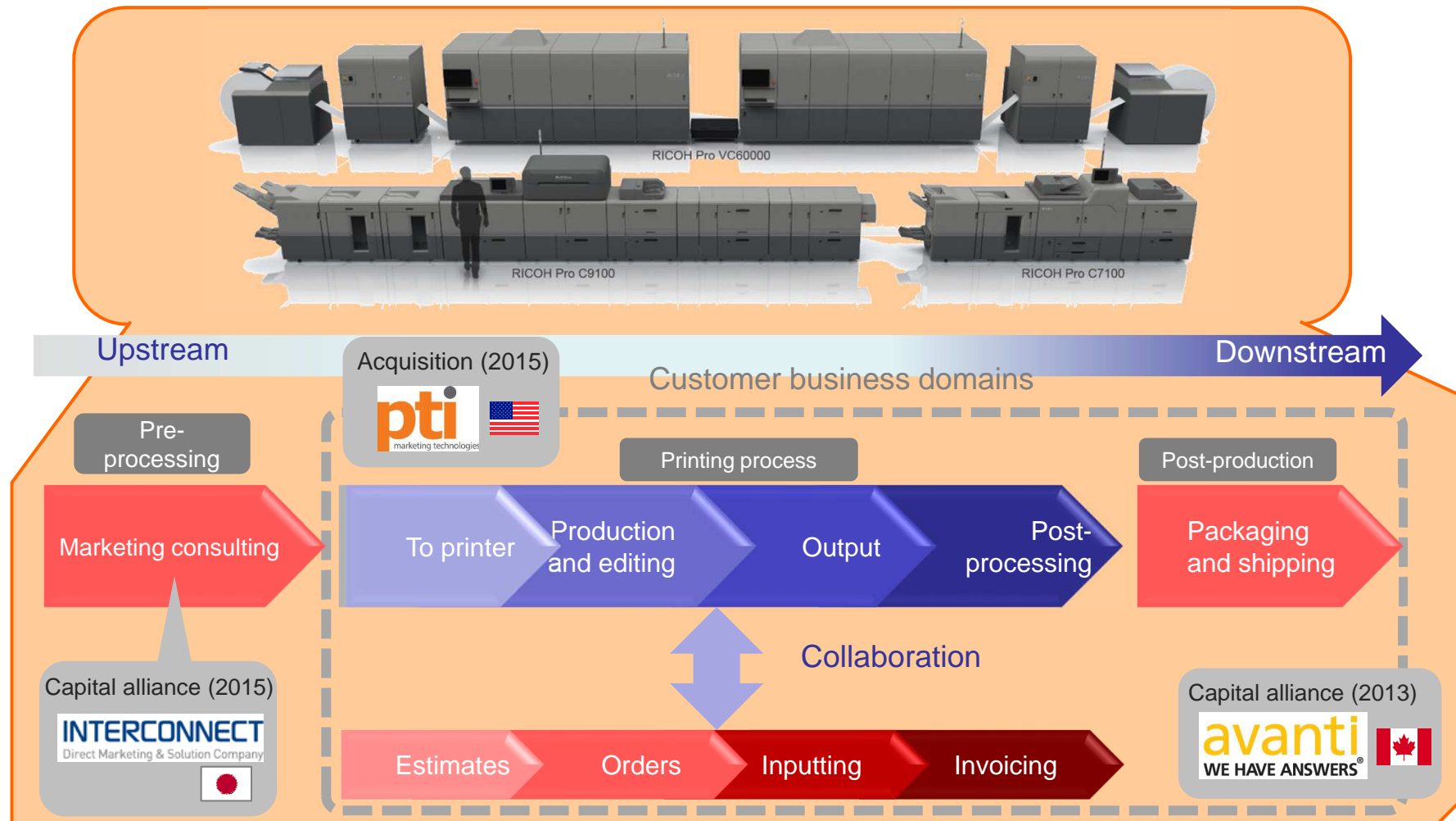
**Achieve growth by creating
new profit generators**

Ricoh's Direction for 2020 and the Future Beyond



Commercial Printing Domain Initiatives

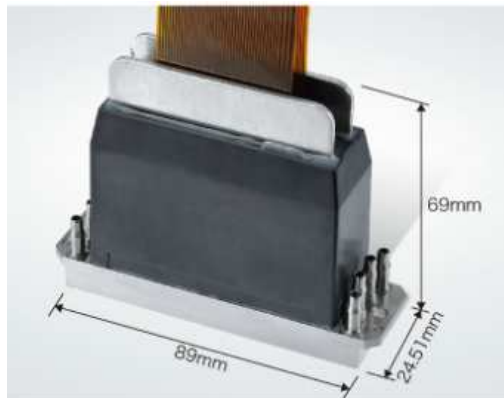
- ◆ Provide one-stop support for processes integrating everything from sales promotion planning through advertising media and promotional materials production



- ◆ Leverage proprietary inkjet print head technologies to expand industrial products and services business

Technologies

MH/GH series industrial inkjet print heads



- High durability and ink compatibility
- High-resolution printing
- High-viscosity ink
- UV inks

Printing on diverse media

Labels and packaging



3D parts printing



Apparel



Decorative items and fixtures



- ◆ Position 3D printers as pivotal manufacturer support vehicles
 - Setting up RICOH Rapid Fab facilities to advance manufacturing innovations
 - Selling 3D printers and output services and providing consulting services based on Ricoh's experiences
 - Rolling out the first Ricoh-branded 3D printers

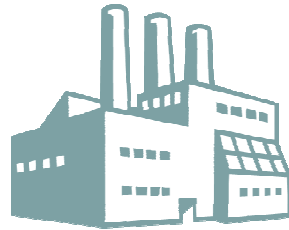


Industrial

(Key Markets of Optical Device/Image Processing Technologies)

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- ◆ Draw on optical, image processing, and other technologies and manufacturing expertise to expand business scope, particularly in the Factory Automation, In-vehicle, and security fields



Factory Automation



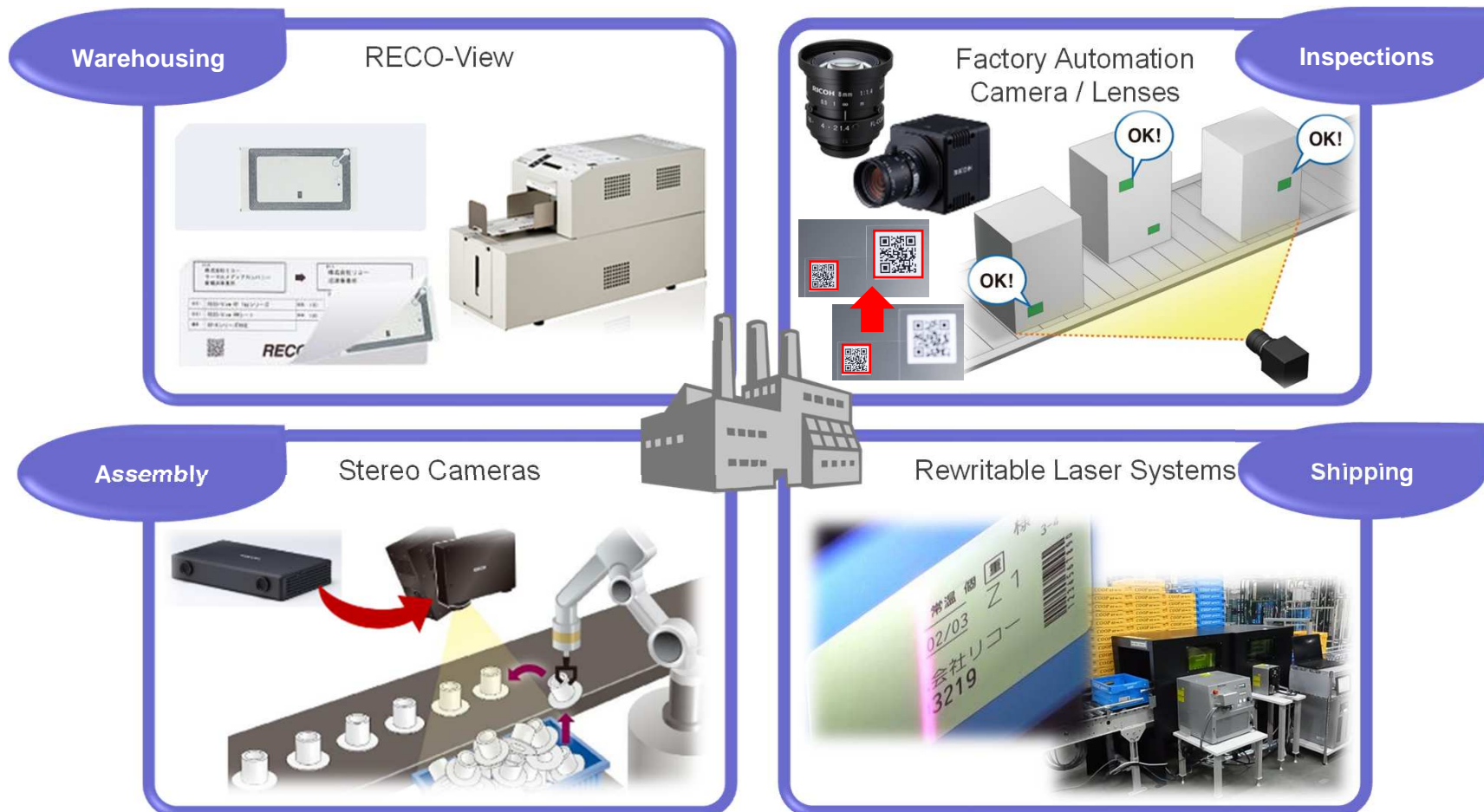
In-vehicle



Security

Industrial (Factory Automation)

- ◆ Create new value in Factory Automation area and deploy products that enhance efficiency



Providing Value in Consumer and Public Infrastructure Domains

◆ Harness optical and image processing technologies of Ricoh and Pentax to revolutionize the imaging experience

- Expand applications for RICOH THETA spherical camera
 - ✓ Real estate, etc.



◆ Environmental initiatives

- Established RICOH Eco Business Development Center
- Developing eco-friendly communities
 - ✓ Participating in development project near Ebina Station
 - ✓ Demonstrating natural energy systems with Katsuragi, Nara Prefecture



Computer image of urban development west of Ebina Station

Summary of Efforts to Go Forward

18th MTP Basic Strategies

① Reinforce and develop earnings power for core businesses

- ◆ Streamline
 1. Overhaul value chain processes
 2. Reduce production and service costs by improving products
- ◆ Improve value
 1. Further evolve “Products and Services”
 2. Reinforce sector specialization structure for each region

② Achieve growth by creating new profit generators

- ◆ Key focuses
 1. Commercial Printing
 2. Industrial (Inkjet, Additive Manufacturing, Factory Automation, In-vehicle, etc.)
 3. New Businesses (Visual Revolution, Environmental Solutions, etc.)

