Consolidated Results for Six Months Ended September 30, 2020

November 4, 2020
Ricoh Company, Ltd

- Today, I will present Ricoh's results for the first half of fiscal 2020.

Forward-Looking Statements

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

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

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

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

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

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

Overview of FY2020 H1 Results

Key Indicators

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Performances recovered moderately in Q2 after bottoming out in Q1 (while Q2 results almost as projected, recovery outlook depends on developments with pandemic)

(billions of yen)		FY2019 H1	FY2020 Q1	FY2020 Q2	**FY2020 H1**	Year-on-year change	Effective change*
Sales		994.7	352.3	409.6	**761.9**	-23.4%	-22.9%
Gross profit		367.3	122.0	140.3	262.4	-28.6%	-24.9%
Selling, general and administrative expenses		318.7	143.3	149.6	293.0	-8.1%	-6.5%
Operating profit		48.6	-21.2	-9.3	**-30.6**	-	-
Operating margin		4.9%	-	-	-	-	-
Profit attributable to owners of the parent		29.2	-18.6	-3.5	**-22.1**	-	-
ROE		3.2%	-	-	-		
Exchange rate	Yen/US$	108.72	107.60	106.21	106.90	-1.82	
	Yen/euro	121.48	118.47	124.09	121.29	-0.19	
R&D expenditures		51.6	21.6	23.2	**44.9**	-6.6	
Capital expenditures		38.1	12.0	10.4	**22.4**	-15.6	
Depreciation		32.4	11.3	11.5	**22.9**	-9.5	

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

- Overall, our performance recovered moderately in the second quarter after bottoming out in the first quarter. But, we note that the outlook has become uncertain in view of developments with the pandemic in Europe.
- First-half sales were 761.9 billion yen, down 23.4% from the previous corresponding period. Sales recovered in all regions after bottoming in the first quarter. A global recovery in non-hardware sales was basically as projected.
- We explained in our first-quarter results briefing that we would cut 55 billion yen in expenses for the full year through emergency measures. Reductions for the first half alone were 46 billion yen.
- The operating loss for the first half was 30.6 billion yen, while the loss attributable to owners of the parent was 22.1 billion yen.

FY2020 H1 Results

Segment Operating Profit Changes

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In Q2, momentum built in all businesses for improvements after results bottomed in Q1

Office Services

- Sales and earnings declined in light of absence of previous year's demand in Japan related to Windows 10 transition and tax hike and US Business Process Services site closures
- Demand solid for service packages for the "new normal", particularly in Japan and Europe

Commercial Printing

- Non-hardware performance recovered moderately with event and business activity restarts in Q2
- Little customer appetite for investing in hardware owing to recession

Thermal

- Demand remained slow for event and travel tickets in Q2
- Despite of higher e-commerce demand, revenues are down due to a trend toward halving label sizes
- Continued to lower costs through process improvements and other initiatives

Office Printing

- Returned to profitability in Q2 after bottoming out in Q1
- Office attendance and print volume rate recoveries slower than expected, particularly in Europe and United States, so H1 earnings down

Industrial Printing

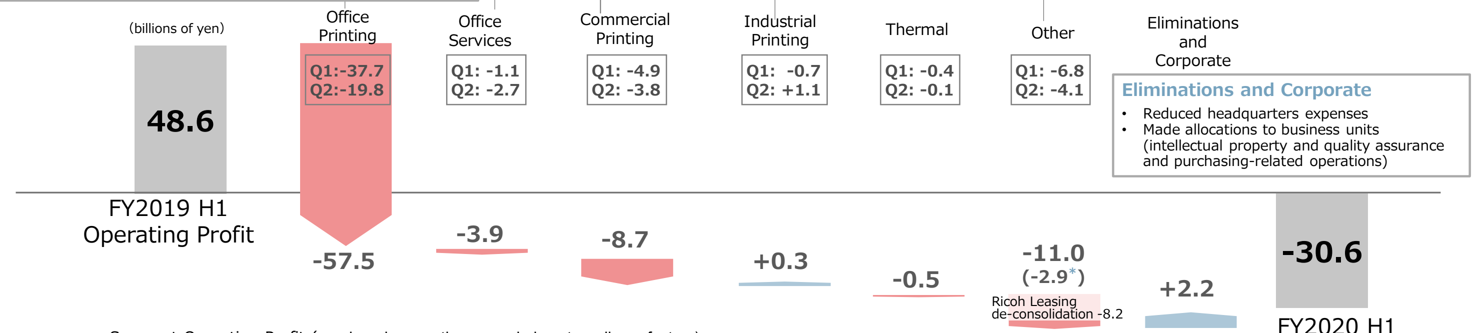
- Earnings up YoY on recovery in Chinese inkjet head demand
- Business activities gradually resumed among customers in Japanese and European markets

Others

- De-consolidation of leasing business cut earnings by ¥8.2 billion
- In industrial products, domestic automotive market experienced recovery, boosting second quarter earnings
- In SmartVision, demand for THETA camera remained robust

Eliminations and Corporate

- Reduced headquarters expenses
- Made allocations to business units (intellectual property and quality assurance and purchasing-related operations)



Segment Operating Profit (numbers in parentheses exclude extraordinary factors)

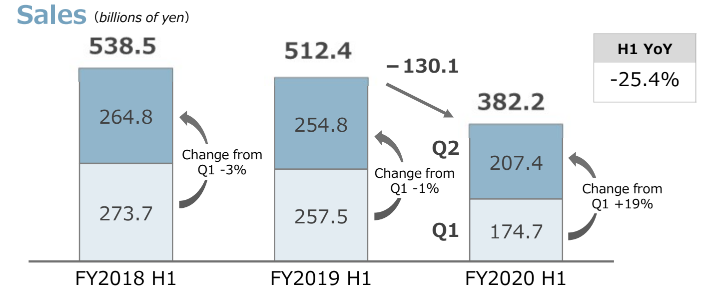
	Office Printing	Office Services	Commercial Printing	Industrial Printing	Thermal	Other	Eliminations and Corporate
H1	**-6.2**(3.4)	**11.5**	**2.0**	**-1.9**	**0.9**	**-11.7**	**-25.2**
Q1	-8.0(-2.7)	3.8	0.8	-1.2	0.5	-6.4	-10.6
Q2	1.7(6.1)	7.7	1.1	-0.6	0.3	-5.2	-14.5

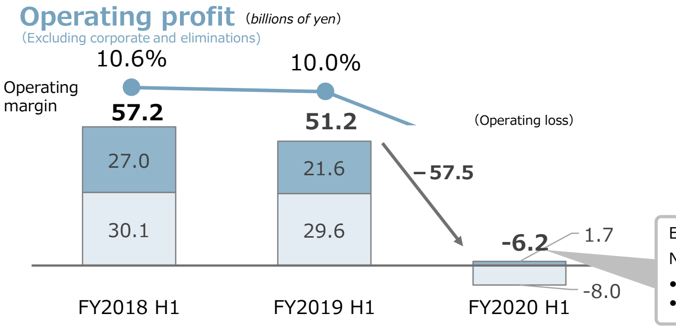
*After factoring out Ricoh Leasing de-consolidation

- In the second quarter, we returned to profitability in all segments except Industrial Printing and Other.
- Although the operating loss for Office Printing was 6.2 billion yen for the first half, we effectively generated an operating profit of 3.4 billion yen after stripping out extraordinary factors. They were 4.2 billion yen in costs associated with shifting to a new plant in Dongguan, China, and 5.5 billion yen in personnel optimization expenses, primarily in the Americas.
- Although a decrease in the operating loss of 11 billion yen for the Other segment was certainly large, this stemmed from 8.2 billion yen earnings cut from the deconsolidation of Ricoh Leasing.

Office Printing

Performance recovered and returned to profitability in Q2 after bottoming in Q1, While delayed recoveries particularly in Europe and United States drove revenues and earnings down.





Effective H1 operating profit: ¥3.4 billion
Note: Extraordinary factors
- Personnel optimization (¥5.5 billion)
- Production structure reorganization (¥4.1 billion)

H1 Overview

- Revenues and earnings declined on a 23% drop in hardware sales owing to fewer deal opportunities and a 28% drop in non-hardware sales because of lower office attendance
- Profitable after stripping out extraordinary factors

Q2 Overview

- Revenues declined 18.6% in Q2 after dropping 32.1% in Q1, and we regained profitability
- On improvement track despite fewer business deal opportunities
  Hardware sales dropped 15% (down 31% in Q1)
- Experienced delays in recoveries of office attendance rates and print volumes, principally in Europe and United States
  Non-hardware sales down 23% (down 33% in Q1)

* Office printing sales – YoY sales change
* Hardware and non-hardware sales
  - YoY sales change after excluding forex impact

- In the Office Printing business, the operating loss and sales were both better in the second quarter than in the first.
- While second-quarter sales were lower than in the previous corresponding period, they were up 19% from the first quarter.
- After excluding extraordinary factors, our operating profit in the first half was effectively 3.4 billion yen.
- Hardware sales were off 31% year on year in the first quarter. The second-quarter decline was 15%. So, we were on an improvement track despite fewer business deal opportunities.
- Our non-hardware performance was almost as projected. First-quarter sales were off 33% year on year. They plunged 45% in April and May ,but were off 23% in the second quarter.
- Still recovery progress varied across regions, as we explain on the next page.

Office Printing Results trends by country and region

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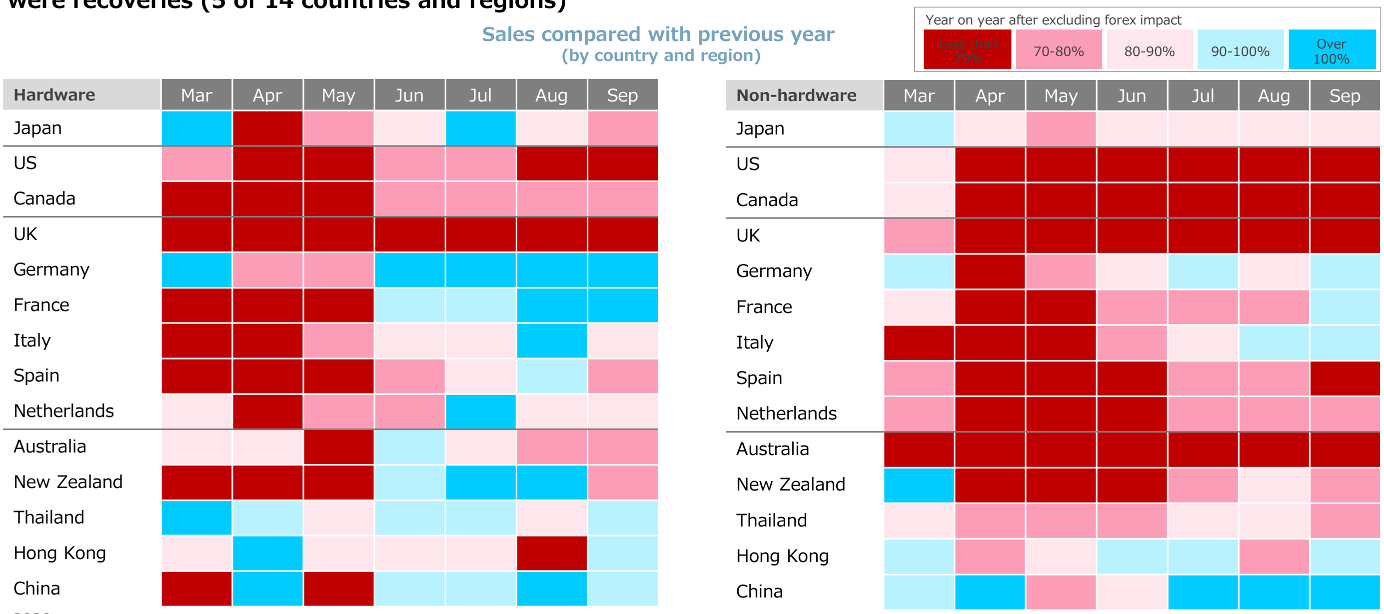
- **Hardware: On recovery track, centered on countries and regions relaxing lockdowns and social distancing, although situations adverse in United States and United Kingdom**
- **Non-hardware: Despite hitting bottom in Q1 performances remained sluggish in such markets as United States, United Kingdom, and Australia; in September, sales returned to more than 90% of previous year levels in markets where there were recoveries (5 of 14 countries and regions)**



- Here, we show results trends by country and region in hardware and non-hardware.
- Red shows that sales were at less than 70% of the previous corresponding period levels. Pink shows that they were at 70% to 80% of the previous corresponding period levels, and so on through dark blue, where sales were up year on year.
- As the months progressed, red turned to light blue for hardware. There were major improvements in Japan and elsewhere in Asia and in Europe (excluding United Kingdom).
- In September, red prevailed in many more countries for non-hardware than for hardware. Circumstances remained particularly adverse in North America, the United Kingdom, and Australia.
- We experienced sales recoveries to more than 90% of the previous corresponding period levels in five of 14 pandemic-affected countries and regions. We stated when announcing first-quarter results that we expected recoveries to these levels by the end of this year, and those forecasts have materialized.
- That said, non-hardware sales have plunged in Spain after a recovery, owing to a second wave of the pandemic, with office attendance rates dropping.
- Infection numbers in major European countries are worsening, so we need to carefully assess the risks.

FY2020 H1 Results
Office Printing　Impact of Pandemic on MFP Printing Volumes

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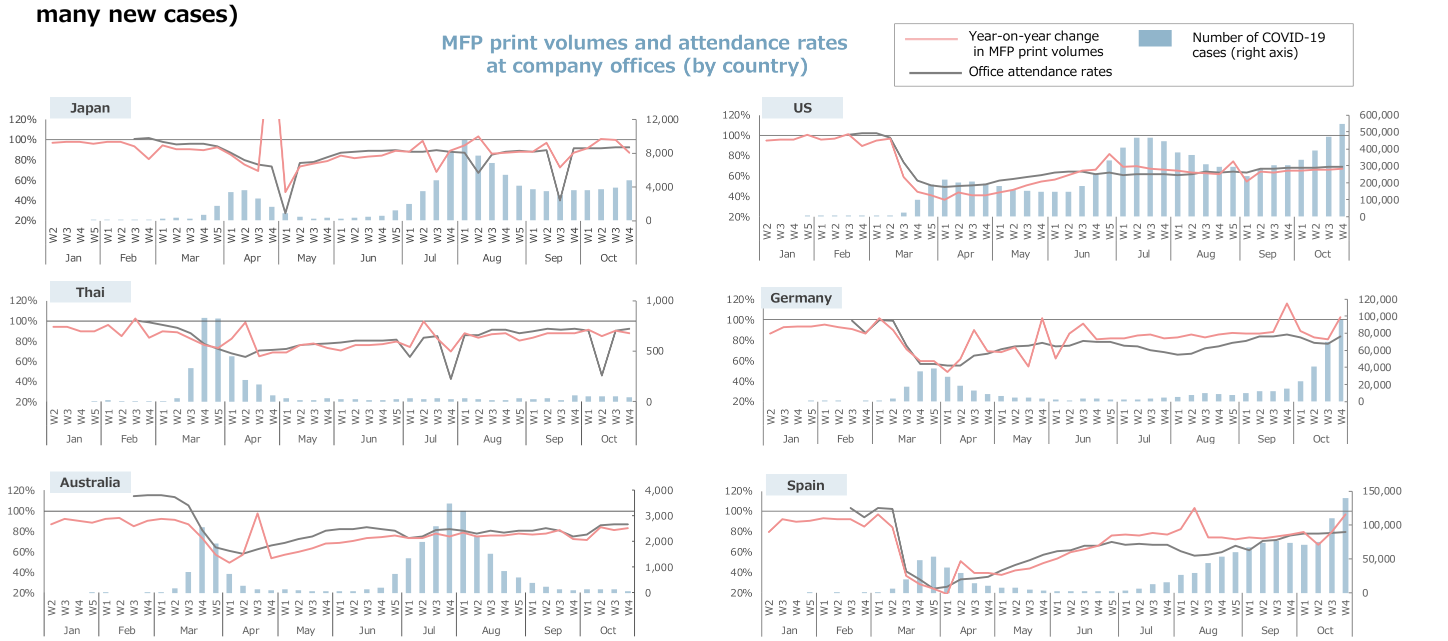
- **Print volumes and office attendance rates correlated**
- **New infection case numbers and office attendance rates not necessarily proportional (flat at low levels in countries with many new cases)**



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

- We have compiled data on MFP print volumes and office attendance rates, which both remain closely correlated.
- Still, new infection case numbers are not necessarily proportional to office attendance rates and print volumes. We have seen volumes and rates flatten at low levels for countries with many new cases and improve in countries with few cases.
- The impact on printing volumes is less from infection case numbers and more from government regional, industry, and time zone restrictions. It is hard to project how things will turn out from current lockdowns across Europe.

FY2020 H1 Results

Office Services

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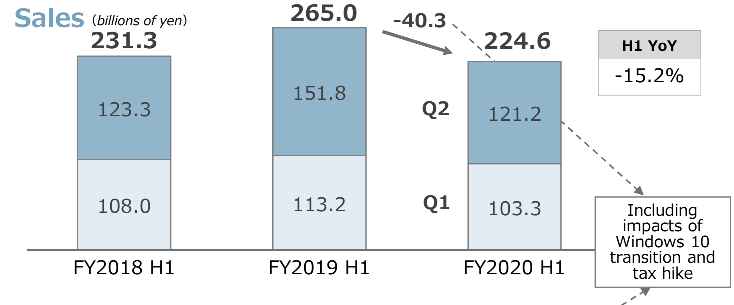
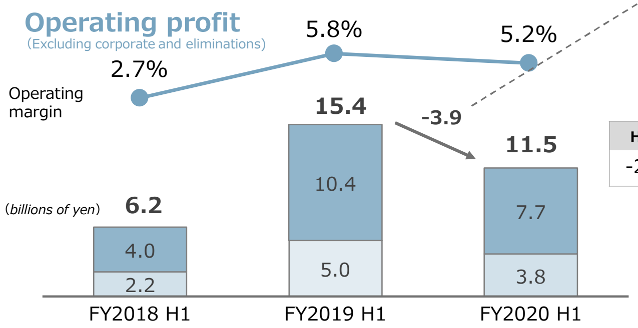
Sales off amid absence of extraordinary demand spikes relating to Windows 10 transition and tax hike and BPS closures. Package demand solid particularly in Japan and Europe





Q2 Overview

- IT Services and Applications
  Japan : "Scrum Series" sales surged 67% YoY in Q2 on expanded marketing and industry and business demand and online demand
  Europe : Revenues rose 19%[*1] on stronger IT services structure in key countries
- IT infrastructure : Demand was down after Windows 10 transition spike in previous year
  → Anticipating more GIGA school deals in Japan in H2
- Business Process Services:
  Revenues down from site closures (about 10%[*2])

FY20 H1 billions of yen	Sales	YoY change
Office services business	**224.6**	**-15.2%**
IT infrastructure (hardware and software)	93.6	-23.1%
IT services (including maintenance and outsourcing)	49.4	-3.6%
Applications (business-specific apps and in-house apps)	33.8	+2.2%
Business Process Services	42.2	-21.4%

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

- Office Services sales dropped 15.2%, or 40.3 billion yen, from a previous fiscal year in the first half. Operating profit was down 25.2%, or 3.9 billion yen.
- These declines largely reflected the absence of the previous year's demand related to a transition to Windows 10 and a tax hike.
- The operating margin improved to 6.4% in the second quarter. We anticipate further gains.
- In IT services and applications, demand remained robust in Japan for Scrum packages, whose sales surged 67% in the second quarter, with sales reaching a monthly record of 7,500 units in September.
- In Europe, revenues rose 19% on a stronger IT services structure in key countries.
- While IT infrastructure sales experienced lower demand after the Windows 10 transition spike of the previous year, we anticipate more GIGA school deals in Japan in the second half.
- Business Process Services sales were down again, reflecting closures of almost 10% of output centers in the United States.

Office Services Regional situations

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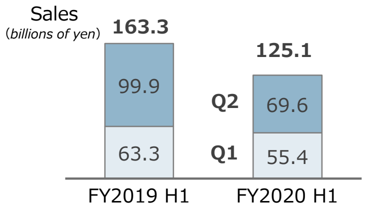
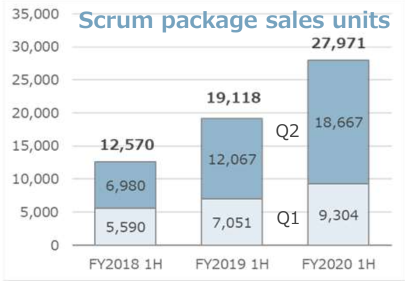
Japan

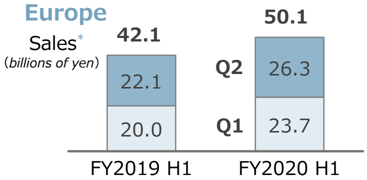


Despite lower revenues in absence of Windows 10 transition and tax hike, solutions for the "New Normal" sold well

1. Scrum packages for small and medium-sized enterprises
   Sales of ¥18.2 billion (H1 up 32% from year earlier, with unit sales jumping 46%)
2. Scrum assets for mid-tier companies
   Orders of ¥9.8 billion (H1 up 139%)



Europe

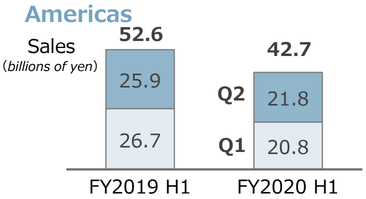


* Includes the Middle East and Africa

Sales higher on strengthened structures in key countries and package deployments

1. Demand solid for Work Together, Anywhere solution package
   Orders totaled 1,400 units, worth ¥2.4 billion, with 5,300 units worth ¥16 billion in pipeline (from ¥1.1 billion in orders and ¥8.7 billion in pipeline in Q1)
2. DocuWare demand solid on expanded teleworking (number of cloud contracts surged 40%)
3. Strengthened structure in key countries, acquiring Germany's Data Vision and Poland's Simplicity in September and Britain's mti in October

Americas



Sales dropped owing to BPS site closures, while business development accelerated to match changing customer needs

1. Accelerated deployment of Business Continuity Package encompassing DocuWare, RSI, and IT Essentials
   Changed sales position assessment system, conducted training, and held webinars
2. Rolled out new services for remote work
   Fully deployed Digital Mail (a solution for digitizing and distributing mail room postal items)
   → Secured more than 20 new large corporate customers (equivalent to $500 million in annual sales)

- Here, we present regional situations for Office Services.
- We have achieved steady growth in Japan for Scrum packages and assets. We have sold an aggregate 100,000 Scrum packages.
- In Europe, we have done well with our Work Together, Anywhere, campaign, with the demand pipeline expected to double from the first quarter.
- Demand for DocuWare has benefited from expanded teleworking. Companies that we acquired to reinforce our structure are performing well.
- In the Americas, we have finished our package training program, are set to roll out offerings. In Managed Services, demand has emerged for digitizing postal items owing to the expansion of teleworking.

Reference: Stock Growth in Domestic Office Services Field

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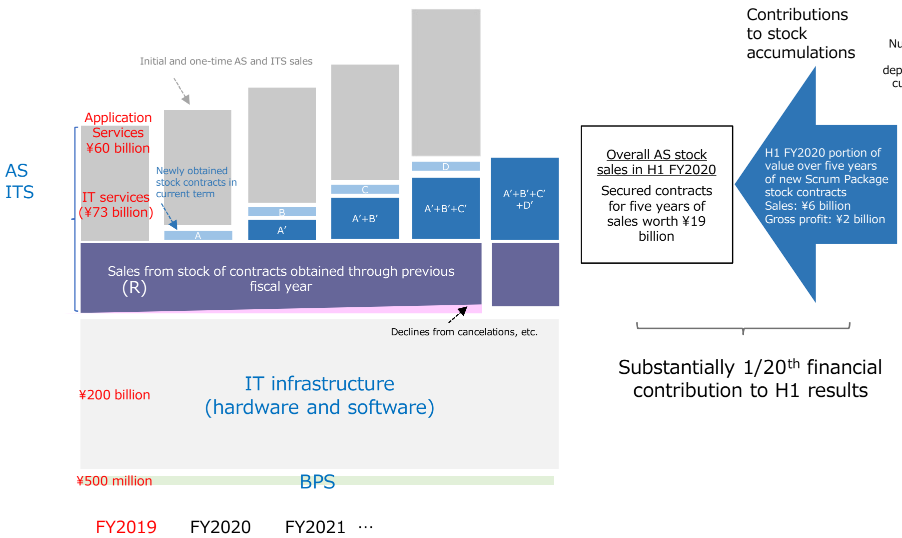
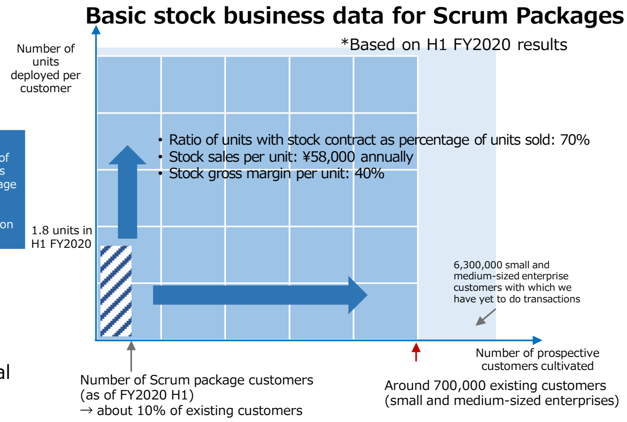
- Stock rapidly accumulating owing to steady growth in Office Services area
- Cloud-based product and package sales expanded on growth in the expansion of remote work, boosting subscription sales ratio
  (Ratio of subscriptions as percentage of stock contracts obtained rising from 24%, to 40%)
  (divided into monthly amounts from conventional bulk posting when contracts acquired (annual contracts, etc.)





Units sales of Scrum Packages

	FY2019	Q1 FY2020	Q2
New Scrum Package sales	41,560	9,304	18,667
Cumulative sales	72,589	81,893	100,560

- Stock is accumulating owing to favorable conditions in the Office Services business.
- The graph on the right of this page shows the potential of Scrum packages. The horizontal axis shows the number of prospective customers cultivated and the vertical axis shows the number of units deployed per customer.
- We have around 700,000 existing customers, of which about 10% have deployed Scrum packages. We still have potential to tap 630,000 of our customers.
- Existing customers have deployed an average 1.8 packages to date. We think that this number will rise to 3~5 packages, so there is considerable potential.
- New Scrum package stock contracts for five years are worth 6 billion yen in sales, with gross profit of 2 billion yen. In the first half, we secured Application Services stock contracts for five years of sales worth 19 billion yen.
- Subscription model sales have increased, so sales posted in the first half were limited.
- We anticipate further stock expansions in view of overseas deployments unfolding as in Japan, as explained.

FY2020 H1 Results
Office Business Total

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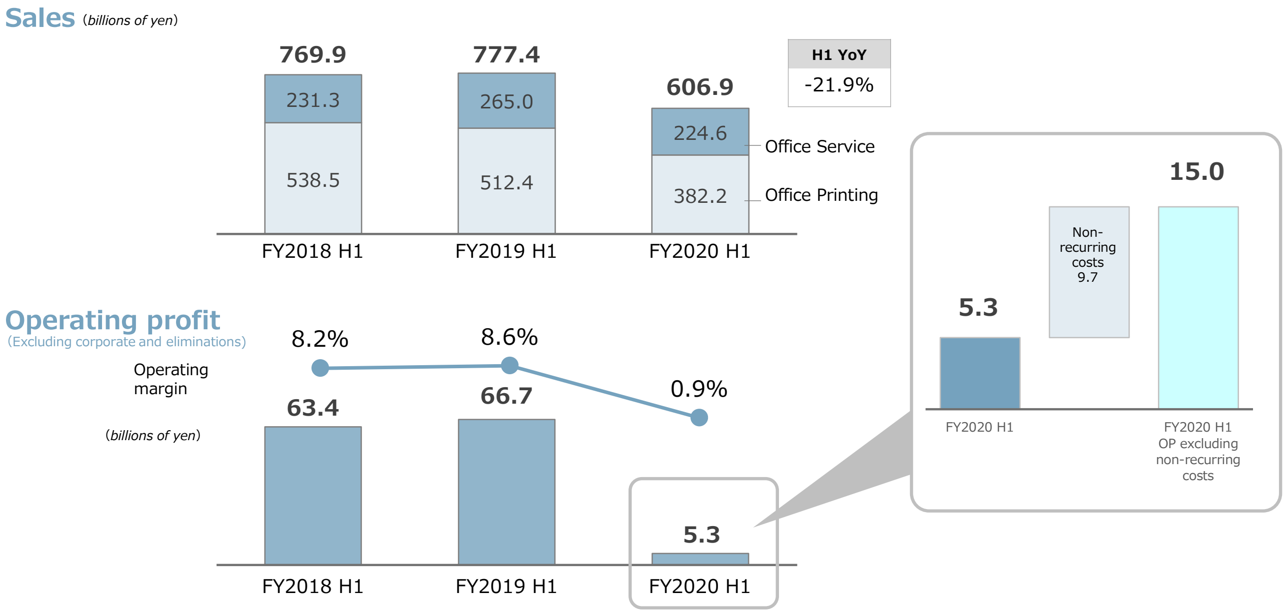
Office Business revenues and earnings down but operating profit still ¥5.3 billion (effectively ¥15 billion)

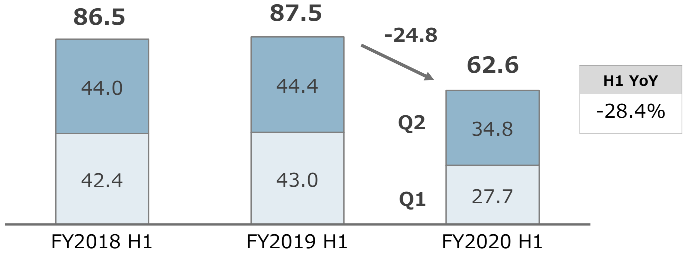


- Operating profit for the Office Business, which encompasses the Office Printing and Office Services businesses, was 5.3 billion yen in the first half of the year.
- After factoring out nonrecurring costs, operating profit would have been 15 billion yen. The breakdown would have been 1.1 billion yen in the first quarter and a much improved 13.9 billion yen in the second quarter.

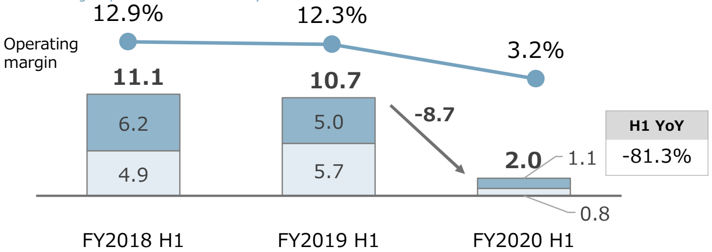
FY2020 H1 Results
Commercial Printing

Sales and earnings down. Non-hardware performance recovered moderately, while little customer appetite for investing in hardware.

Sales (billions of yen)



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



H1 Overview

YoY sales changes*

Commercial Printing	Q1: -34%	Q2: -22%
Hardware	Q1: -39%	Q2: -28%
Non-hardware	Q1: -34%	Q2: -20%

* After stripping out forex impact

Q2 Overview

- European demand on recovery track but turnarounds delayed in key Americas markets

YoY sales changes*

Americas	Q1: -34%	Q2:-29%
Europe	Q1: -44%	Q2:-22%

- Non-hardware demand on recovery track owing to customer events and business activity resumptions

⇒ Secured automation and labor-saving print demand in line with expanded teleworking

⇒ Expanded sales of new light production systems and continuous feed printers

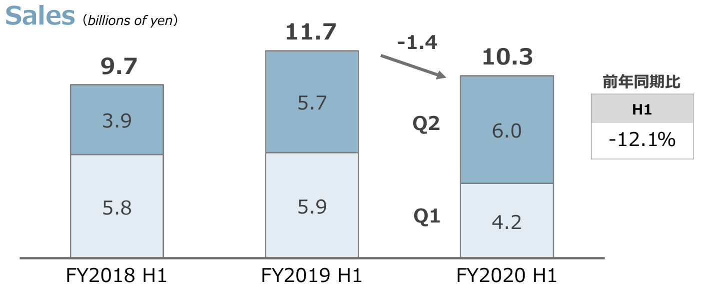
RICOH Pro C5300s/C5310s color production printer

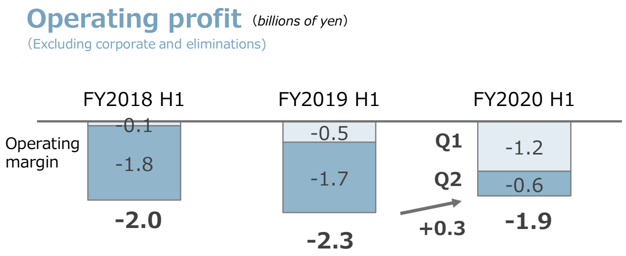
RICOH Pro VC70000 high-speed continuous feed inkjet printing system

- In the Commercial Printing business, our non-hardware performance recovered moderately, but revenues and earnings declined as there was little customer appetite for high-ticket hardware in view of concerns about businesses prospects.
- In the second quarter, we headed toward recoveries in Europe, and Japan experienced turnaround delays in the Americas, which account for around 50% of sales.
- Customer events and business activity resumptions in regions experiencing recoveries from infections boosted enterprise business output, while demand for non-hardware recovered more than for hardware.

Industrial Printing

China's domestic inkjet head market recovered, with revenues and earnings improving in Q2





H1 Overview

- Profitability improved on Chinese market recovery and expense constraints

Q2 Overview

- Revenues and earnings up on improved inkjet head market conditions and industrial printer demand
- Sales up YoY on inkjet head market recovery
  → Expanded sales of products launched in Q1

RICOH TH5241
industrial inkjet head

- Industrial printer sales recovered to previous year's levels
  Wide format printers:
  Demand recovered, with own sales robust
  Textile printers: Personal demand up

- The Industrial Printing business benefited from a domestic recovery in China in the core inkjet head business, enhancing second-quarter revenues and earnings.
- The inkjet head and industrial printer businesses performed well, offering upside potential.

FY2020 H1 Results
Thermal

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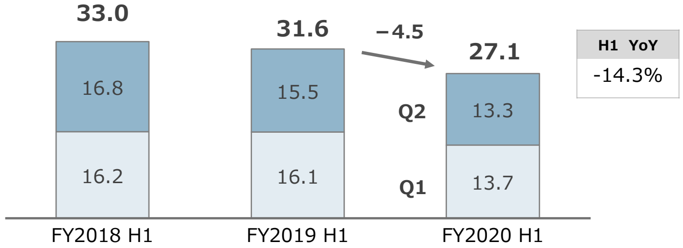
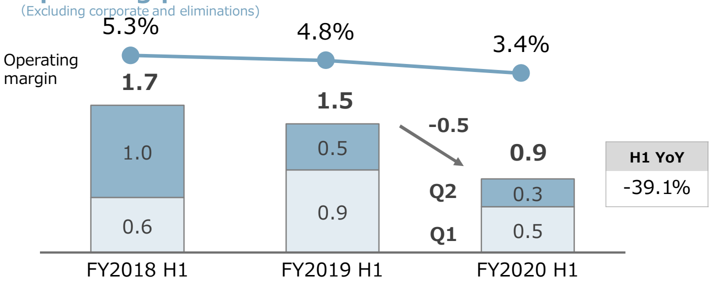
Revenues and earnings dropped on delayed recoveries in European and American markets

Sales (billions of yen)



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



H1 Overview

- Sales and earnings dropped amid sluggish demand for events and travel tickets, with label revenues declining despite higher e-commerce demand because of smaller label areas

Q2 Overview

- While Japanese and Chinese markets recovered steadily, recoveries were delayed in Europe and United States
- Continued to improve costs market and progressed in such measures as securing large customers in American market

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

- Thermal business revenues and earnings dropped owing to delayed recoveries in the European and American markets. Decreased movements of people caused event ticket demand to decline.
- That said, measures to cut costs and secure large customers made progress.
- We seek to secure demand by bringing out products that resolve social issues.

Others

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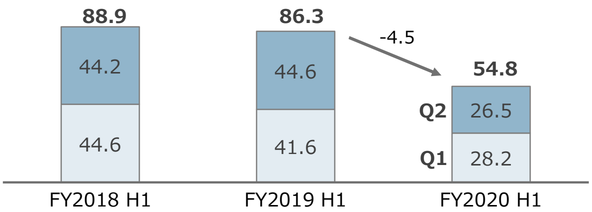
While existing businesses were on recovery track, revenues and earnings down from de-consolidation of leasing business and investments in growth businesses

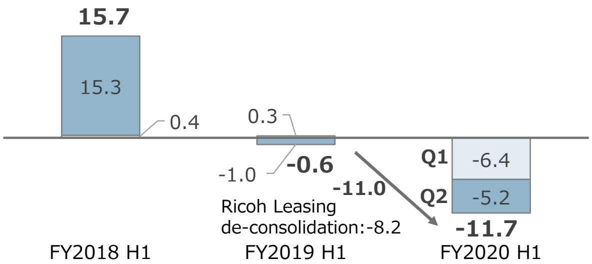
Sales *(billions of yen)*



H1 YoY
-36.5%

Operating profit *(billions of yen)*

(Excluding corporate and eliminations)



H1 Overview

- Revenues and earnings dropped owing to de-consolidation of leasing business and downturns in Smart Vision and Industrial Products businesses

Q2 Overview

- Sales of existing business sales increased YoY and profit margins improved in Smart Vision business, for steady recovery after bottoming in Q1
- Smart Vision: Solid performances of THETA and related cloud services amid rising demand for 360° cameras
- Industrial Products: Demand on track for recovery among customers making finished products (automobiles and Chinese industrial equipment)

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

- In the Others segment, revenues and earnings were down owing to the de-consolidation of the leasing business and investments in growth businesses.
- The Smart Vision and Industrial Products businesses recovered in the second quarter, with revenues increasing.
- Demand for THETA cameras was favorable, with sales of 360° virtual tour services doubling.
- Industrial products sales were up in the second quarter as a result of recoveries in automotive-related and Chinese production facilities demand.

Operating Profit Comparisons

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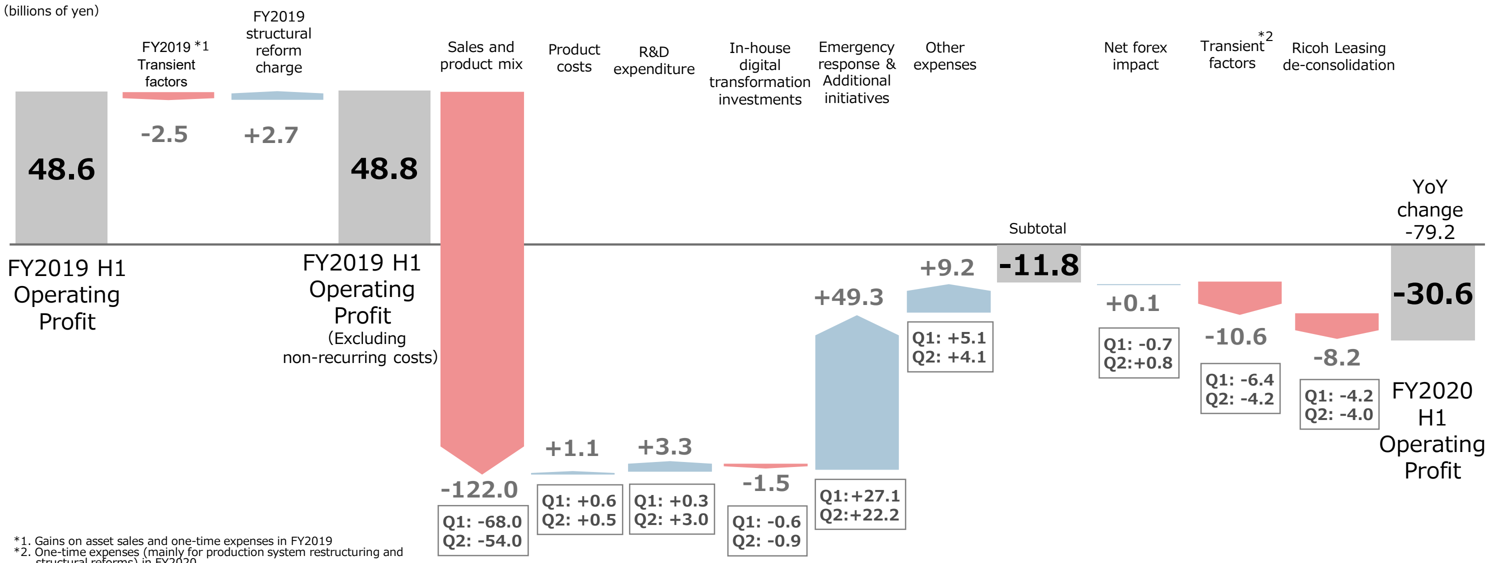
Gross profit down significantly owing to pandemic's impact on sales volumes, prompting management to institute emergency cost-cutting measures



*1. Gains on asset sales and one-time expenses in FY2019
*2. One-time expenses (mainly for production system restructuring and structural reforms) in FY2020

- Here, we present operating profit comparisons.
- The downside sales and product mix impact was 122 billion yen. This stemmed from print volumes and sales opportunities dropping with lower hardware sales as a result of office attendance rates sliding. The effective pandemic impact of the 122 billion yen was 113 billion yen.
- Emergency measures saved 49.3 billion yen, comprising 46 billion yen in expense reductions and 3.3 billion yen in measures to enhance sales. We have progressed in broad-based cost-cutting.
- Other expenses declined on the strength of decreases in incentives, sales promotion spending, and other variable costs as a result of volume drops.
- Transient factors were expenses associated with locating to a new plant in China and optimizing personnel in the United States.
- We thus posted an operating loss of 30.6 billion yen, from an operating profit of 48.8 billion yen a year earlier.

Statement of Financial Position as of September 30, 2020

RICOH imagine. change.

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

Assets

(Billions of yen)	As of Sep 30, 2020	Change from Mar 31, 2020	
Current Assets	**1,002.5**	-1,103.6	Cash pool balance in Group Impact of balancing
Cash & time deposits	**337.1**	+74.2	Sales of Ricoh Leasing shares and increases from financing
Trade and other receivables	**339.6**	-53.0	Decreases in year-end receivables and operating receivables from pandemic impact
Other financial assets	**90.3**	+3.0	
Inventories	**196.7**	-4.5	
Other current assets	**38.6**	+2.2	
Assets classified as held for sale	**0.0**	-1,125.5	Decrease from Ricoh Leasing de-consolidation
Non-current assets	**835.0**	+73.5	
Property, plant and equipment	**201.5**	+0.0	
Right-of-use assets	**62.4**	+3.0	
Goodwill and intangible assets	**235.6**	+3.7	
Other financial assets	**132.7**	-6.4	
Other non-current assets	**202.5**	+73.1	Ricoh Leasing shares posted as equity method investments
Total Assets	**1,837.5**	-1,030.0	

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

Exchange rate as of Sep 30, 2020: (change from Mar 31, 2020, rate)		
	US$ 1	= ¥ 105.80 (-3.03)
	EURO 1	= ¥ 124.17 (+4.62)

Liabilities and Equity

(Billions of yen)	As of Sep 30, 2020	Change from Mar 31, 2020	
Current Liabilities	**582.8**	-966.0	
Bonds and borrowings	**94.2**	+42.7	
Trade and other payables	**227.3**	-18.7	Year-end trade payables down
Lease liabilities	**26.3**	-0.8	
Other current liabilities	**234.9**	-20.1	Bonus reserve decrease
Liabilities directly related to assets held for sale	**0.0**	-969.0	Decrease from Ricoh Leasing de-consolidation
Non-current Liabilities	**355.2**	+44.9	
Bonds and borrowings	**168.3**	+40.1	Increased borrowings for pandemic and other measures
Lease liabilities	**44.7**	+5.9	
Accrued pension & retirement benefits	**96.5**	-3.2	
Other non-current liabilities	**45.6**	+2.1	
Total Liabilities	**938.0**	-921.0	
Total equity attributable to owners of the parent	**895.9**	-24.4	Decrease from loss
Noncontrolling Interest	**3.5**	-84.6	Decrease from Ricoh Leasing de-consolidation
Total Equity	**899.4**	-109.0	
Total Liabilities and Equity	**1,835.6**	-1,032.0	
Total Debt	**262.5**	+82.8	

- I will now overview our financial position.
- Total assets were 1,837.5 billion yen, down around 1,000 billion yen from the end of the previous fiscal year, as a result of the de-consolidation of Ricoh Leasing.
- Cash and time deposits and bonds and borrowings were up 53.9 billion yen from the end of March this year. This reflected the impact of the cash pool balance in the Group, and does not mean an actual rise.
- Interest-bearing debt was down around 700 billion yen as a result of the de-consolidation of Ricoh Leasing.
- Decreases in trade and other receivables and payables reflected lower revenues.
- Borrowings rose on 30 billion yen secured to tackle the pandemic and 10 billion yen in sustainability-linked loans.

FY2020 H1 Statement of Cash Flows

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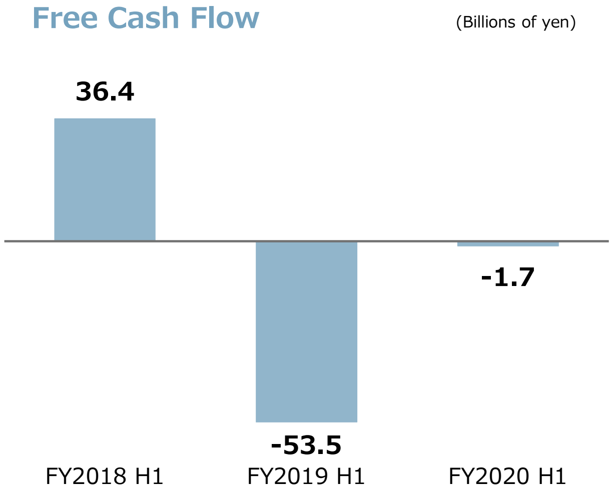
Free cash flow improved on Ricoh-Leasing de-consolidation and investment constrains amid falling earnings

(Billions of yen)	FY2019 H1	**FY2020 H1**
Profit	32.2	**-22.1**
Depreciation and amortization	61.7	**53.3**
Other operating activities	-63.6	**-1.5**
Net cash provided by operating activities	30.2	**29.5**
Plant and equipment	-31.2	**-22.3**
Purchase of business	-16.1	**-4.8**
Other investing activities	-36.4	**-4.1**
Net cash used in investing activities	-83.8	**-31.3**
Increase (Decrease) of debt	92.2	**91.2**
Dividend paid	-9.4	**-9.4**
Other financing activities	-17.5	**-16.0**
Net cash provided by financing activities	65.2	**65.8**
Effect of exchange rate changes	-5.8	**0.3**
Net increase in cash and cash equivalents	5.8	**64.3**
Cash and cash equivalents at end of period	245.9	**328.0**
Free cash flow (Operating + Investing net cash)	-53.5	**-1.7**



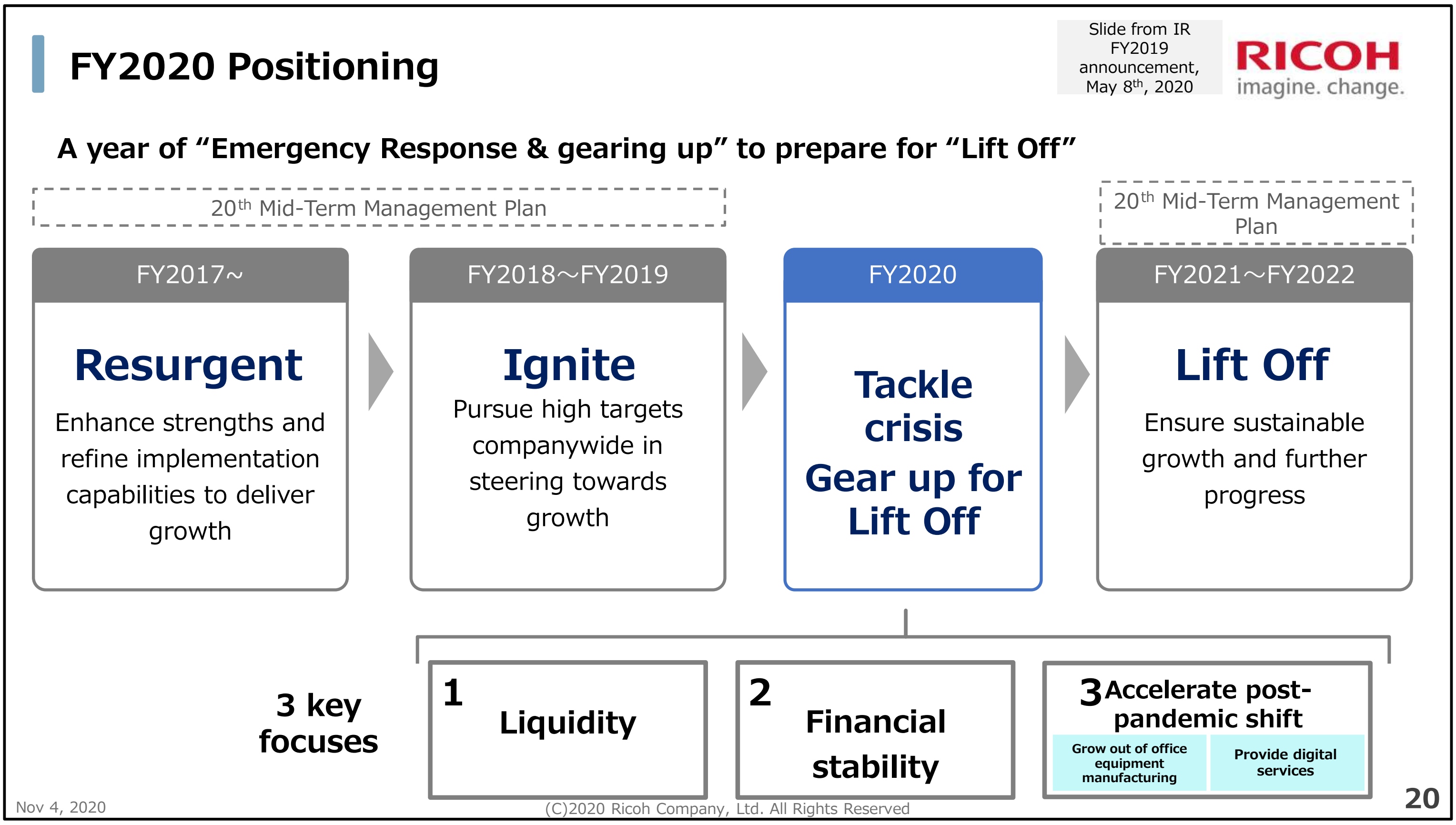
*Including ¥55.9 billion in proceeds from sale of Coca-Cola BCBJ shares

*Including ¥7.8 billion from transfer of Ricoh Leasing shares
Net increase by transfer of Ricoh Leasing shares
+¥36.7 billion: total share sales
- ¥28.9 billion: cash in Ricoh Leasing

- I will now discuss our Statement of Cash Flows.
- We improved free cash flow amid declining earnings by de-consolidating Ricoh Leasing and constraining investments.
- Net cash provided by operating activities was down only a little despite losses, reflecting working capital improvements.
- Net cash used in investing activities was lower because there were fewer corporate acquisitions than last year, and as a result of partial transfers of Ricoh Leasing shares.
- Having posted a 22.1 billion yen loss attributable to owners of the parent, free cash flow was negative 1.7 billion yen, reflecting working capital improvements and investment constraints.

FY2020 Full-Year Outlook and Actions

- I, Jake Yamashita, will discuss our full-year outlook and actions.

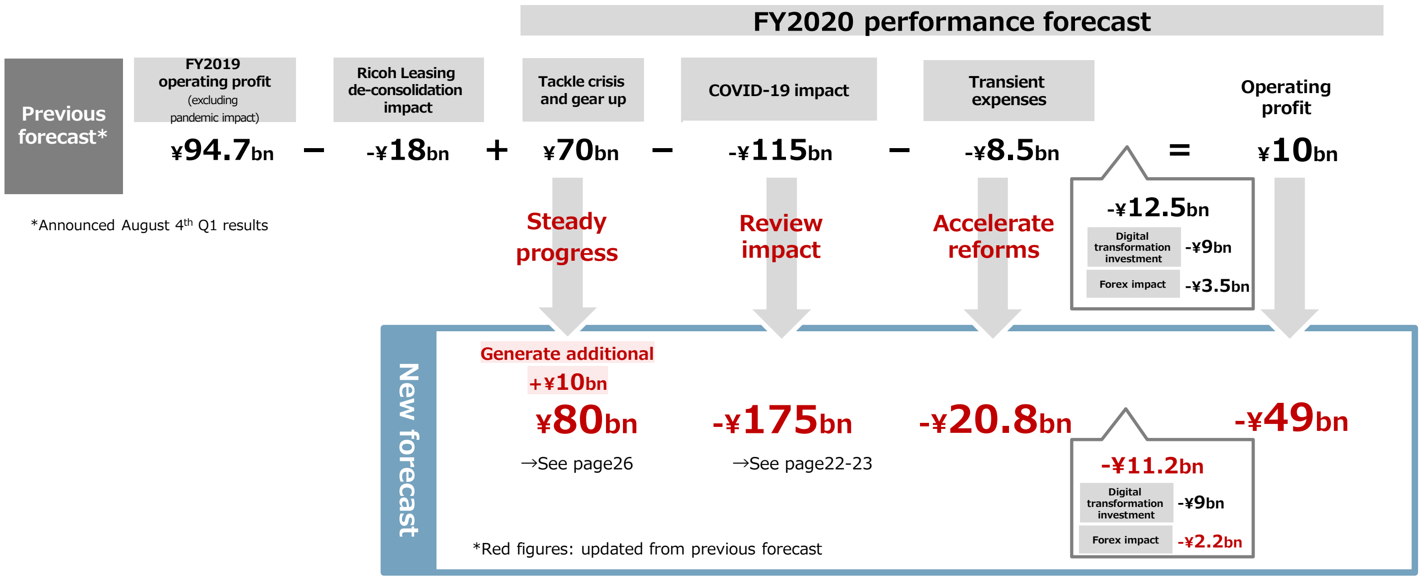


- I presented this chart when we announced on May 8. I noted that we positioned this year as one for tackling crisis and gearing up for Lift Off.
- We also look to work on a new mid-term management plan for next fiscal year and beyond.
- Responses to COVID-19 have varied among regions, and the pandemic has yet to abate around the world.
- We concluded that we need to overhaul our business structure on the assumption that societies will have to live with COVID-19 for some time to come.
- We will accordingly accelerate our shift away from office equipment manufacturing and become a digital services company.

Update on FY2020 Performance Forecast

RICOH imagine. change.

Update FY2020 performance forecast assuming greater impact due to expansion of pandemic in H2. Accelerate initiatives for business structural reform



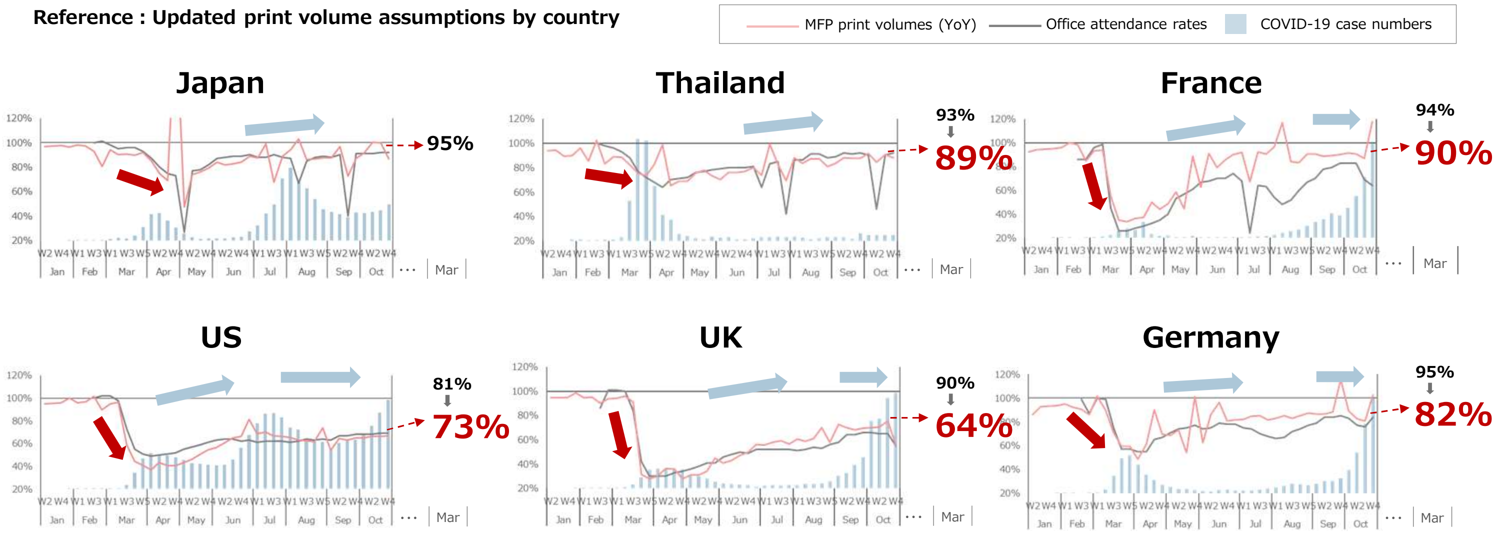
- We previously projected an operating profit of 10 billion yen for fiscal 2020, and now revised down to operating loss of 49 billion yen for the year.
- The impact of the pandemic in the second quarter was basically as expected.
- But the economic brakes have been applied with declarations of repeat lockdowns not just in the United States and the United Kingdom but also across Europe.
- In what we concluded had become an unpredictable situation, we carefully factored in business and regional risks.
- We accordingly project a downside impact of the pandemic at 175 billion yen on our business.
- We have accordingly accelerated emergency measures and other improvements that should deliver 10 billion yen in savings.
- We have lifted structural reform expenses to accelerate business structure transformations to 20.8 billion yen.
- That is why we project an operating loss of 49 billion yen for the year.

MFP Print Volumes Owing to Pandemic and Outlook

RICOH imagine. change.

Print volume assumptions updated to reflect the risk of increasing case numbers in major European and American countries

Reference : Updated print volume assumptions by country



Note: Office attendance rates based on the Google Community Mobility Report, showing rates of change in traffic to workplace since before pandemic. Weekly data published each Tuesday. Print volumes based on Ricoh @Remote data, with changes in MFP print volumes from previous corresponding period

- I will now explain why we are projecting such a large loss.
- Here, we have updated a chart that we presented in the first quarter covering print volume performances and assumptions for major countries.
- When we analyzed office attendance rates and print volumes as of the first quarter based on our @Remote management system for output equipment, we forecast that global demand would recover to 90% of the levels of a year earlier within this fiscal year.
- While results for the second quarter were broadly as we assumed in many countries, print volume recoveries lagged considerably more than we envisaged in the United States, the United Kingdom, and some other key markets.
- On top of that, we saw lockdowns declared in major cities across Europe.
- It was against that backdrop that we also factored in expert opinions and other sources in reviewing the extents of prospective recoveries as of March next year.
- As I mentioned earlier, we were forced to conclude that conditions in September this year would remain unchanged through next March in countries with very unfavorable recovery prospects.

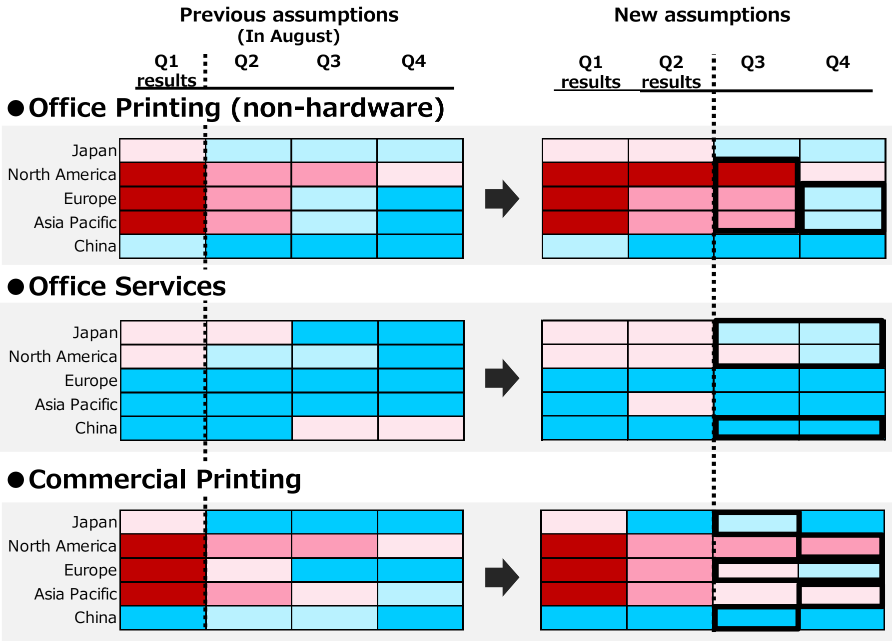
Pandemic Impact Assumptions by Core Business

RICOH imagine. change.

Updated each business forecast based on the risk of increasing case numbers. Recovery speed differs region by region

Reference: Demand levels compared with previous year levels

70%未満 | 70-80% | 80-90% | 90-100% | 100%以上



Office Printing (non-hardware)

- Given risks of second wave of infections, recovery in H2 of fiscal year likely to be delayed, except in Japan and China
- Global demand to recover to 80% (compared to the level of non-COVID 19) of previous year levels by fiscal year-end

Office Services

- Scrum package sales in Japan continuing to trend at 50% up year-on-year; revised H2 outlook in view of previous year's PC demand spike and overall results for H1
- Reviewing North American outlook in light of prolonged pandemic impact
- Ongoing European, Asia-Pacific, and Chinese growth

Commercial Printing

- Hardware investment constraints continuing, particularly in United States and Europe, amid prolonged pandemic impact
- Non-hardware demand recovery continuing

- This chart color-codes changes by region in the pandemic's impact on core businesses.
- We estimated the impact on results for Commercial Printing hardware and non-hardware as an assumption for Office Printing non-hardware assumptions mentioned before.
- We also made and color-coded assumptions for the extent of recoveries or growth in Office Services.
- After reformulating our results based on this information, the downside impact of the pandemic was an additional 60 billion yen or so.
- We have commented on differences between assumptions at the end of the first quarter and now.
- For Office Services, which is a growth area for us, we have sensed growth potential, particularly in Japan and Europe.
- In Japan in particular, we have seen unit sales of Scrum packages keep trending at around 50% above previous year levels. Expansion also continues in Europe, the Asia-Pacific, and in China.

Forecasts for FY2020 - Key Indicators

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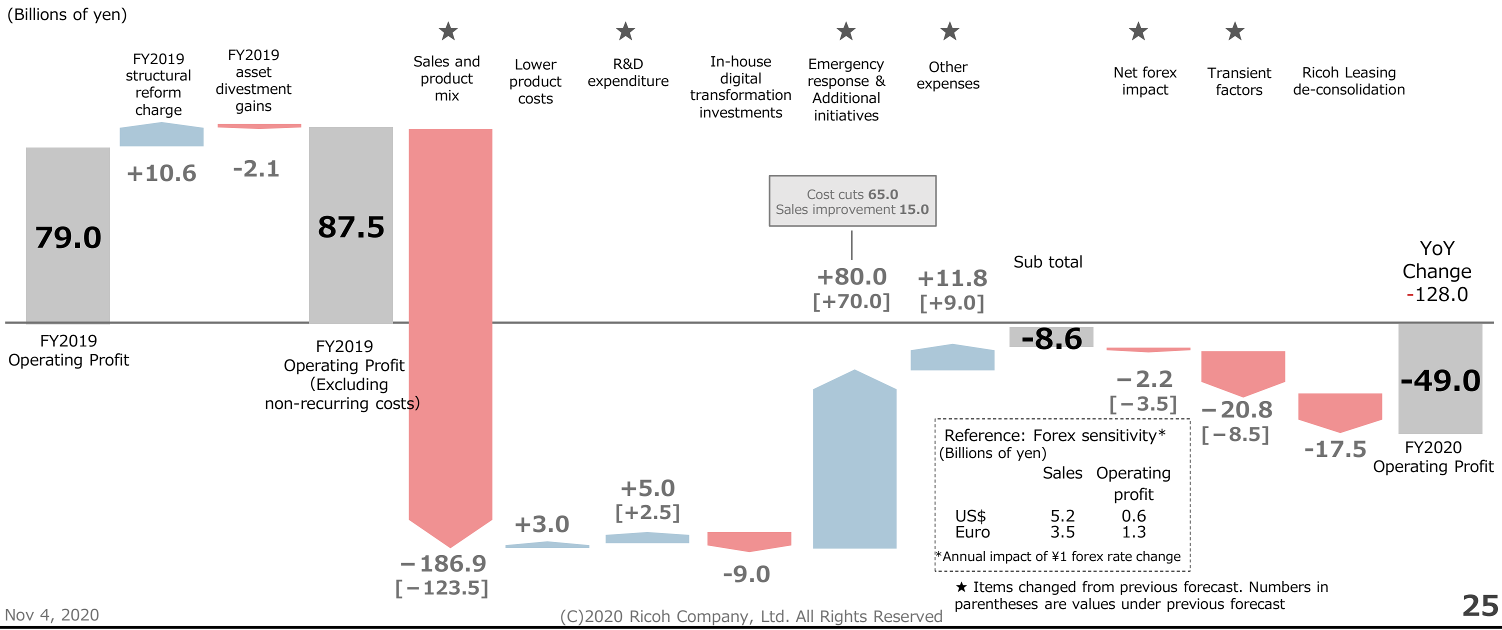
(billions of yen)		FY2019	Previous FY2020 forecast in August 2020	**FY2020 forecast**	YoY Change
Sales		2,008.5	1,780.0	**1,664.0**	-17.2%
Gross profit		721.5	600.8	547.6	-24.1%
Selling, general and administrative expenses		642.5	590.8	596.6	-7.1%
Operating profit		79.0	10.0	**-49.0**	–
Profit attributable to owners of the parent		39.5	3.6	**-36.4**	–
ROE		4.3%	0.4%	–	–
Average exchange rates	Yen/US$	108.80	105.65	105.95	-2.85
	Yen/euro	120.90	119.62	120.65	-0.25
R&D expenditures		102.8	92.5	**92.5**	-10.2
Capital expenditures		86.5	48.0	**48.0**	-38.5
Depreciation		62.5	46.0	**46.0**	-16.5

- This slide presents forecasts for fiscal 2020.
- We look for 1,664 billion yen in sales, representing a drop of around 340 billion yen year on year.
- The gross profit projection is 547.6 billion yen, or down around 170 billion yen. We project an operating loss of 49 billion yen.

Forecasts for FY2020 - Operating Profit Comparisons

RICOH imagine. change.

Reap benefits of urgent measures more swiftly assuming greater impact due to expansion of pandemic in H2.



- This chart shows operating profit factors.
- As mentioned earlier, the pandemic’s downside impact of 175 billion yen is net of the 186.9 billion yen for the sales and product mix just left of center in the slide and 11.8 billion yen in other expenses toward the right.
- Our expense decrease reflected lower logistics costs and sales commissions as a result of lower volumes.
- The 80 billion yen just right of center in the slide represents improvements from emergency and permanent actions.
- I’ll touch our progress in these regards on next slide.

Progress with Emergency and Permanent Actions

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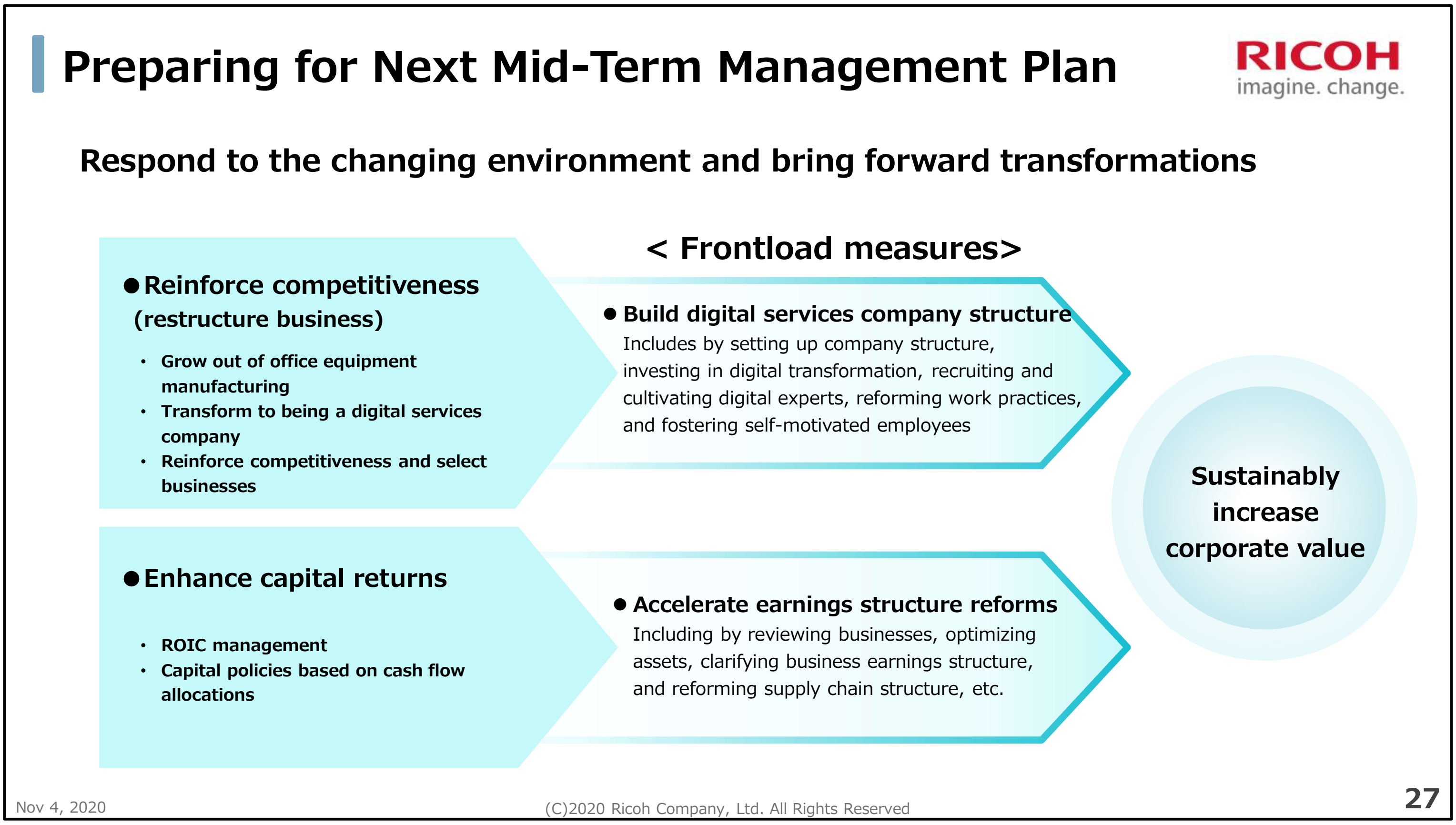
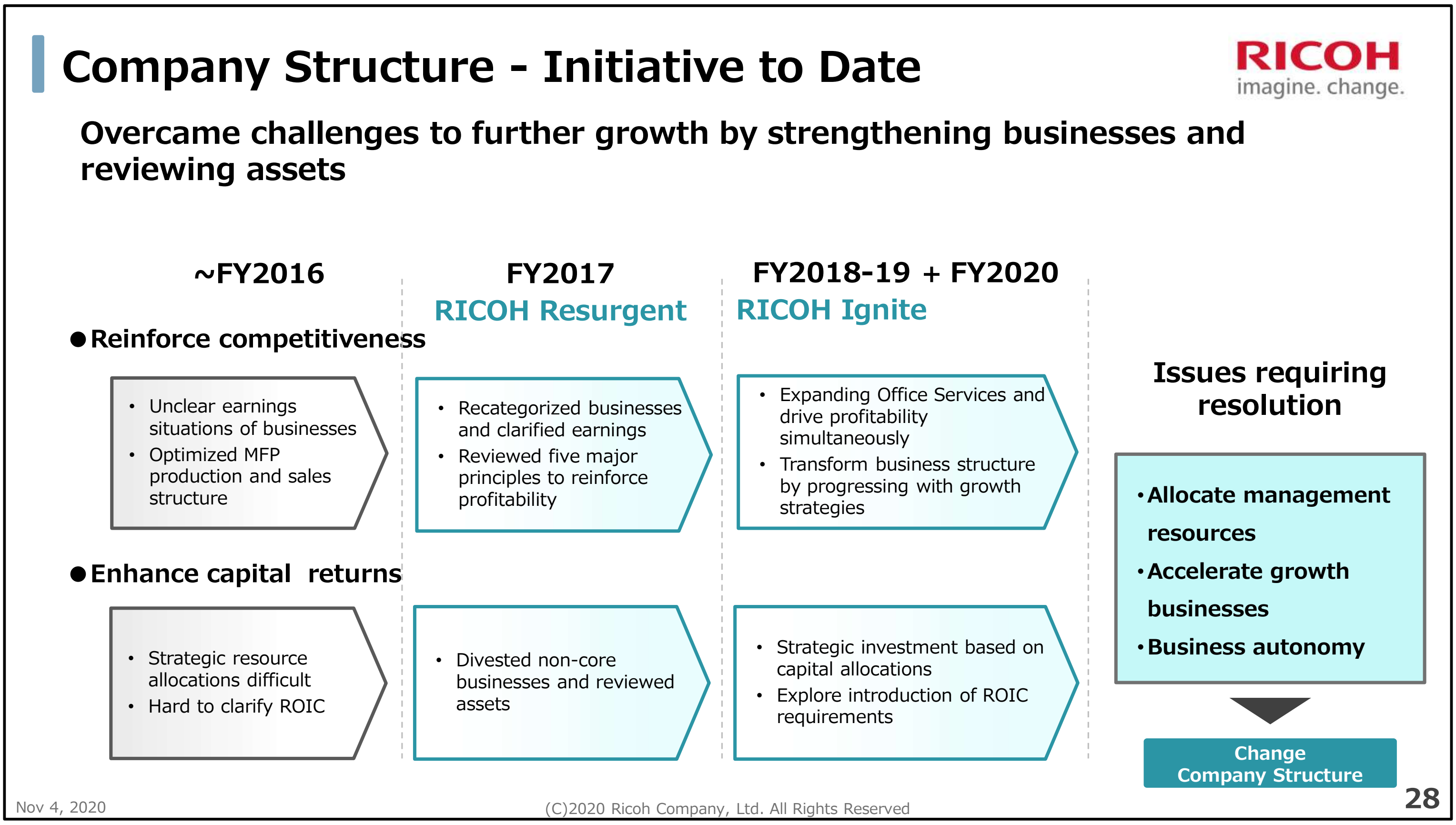
Generate earnings greater than plan by accelerating measure deployments

Categories		Measures 「●」… Measures generate additional efforts	H1 results	Full year (at Q1 announcement)	Full year (New)
Emergency measures	SG&A expense cuts	✓ Trim SG&A expenses ✓ Cut costs through work practice reforms ● Optimize spending in line with activity declines ● Continue structural optimization ● Review benefits and allowances	¥22.2 bn	¥25 bn	→ ¥31 bn +¥6 bn
Permanent measures	SG&A expense cuts and structural reductions	✓ Review development themes aimed at making Ricoh world's top manufacturer ✓ Digitalize headquarters business processes, etc.	¥23.8 bn	¥30 bn	→ ¥34 bn +¥4 bn
	Cost of goods sold reductions	✓ Reinforce digital manufacturing ✓ Optimize production sites to being a digital services company ● Enhance service operations productivity ● Accelerate global deployment of failure prediction and remote maintenance			
	Sales boost efforts	✓ Tailor services businesses to local needs ✓ Continue rolling out products and services for new normal	¥3.3 bn	¥15 bn	
*Operating profit contributions		Total	¥49.3 bn	¥70 bn	→ ¥80 bn +¥10 bn

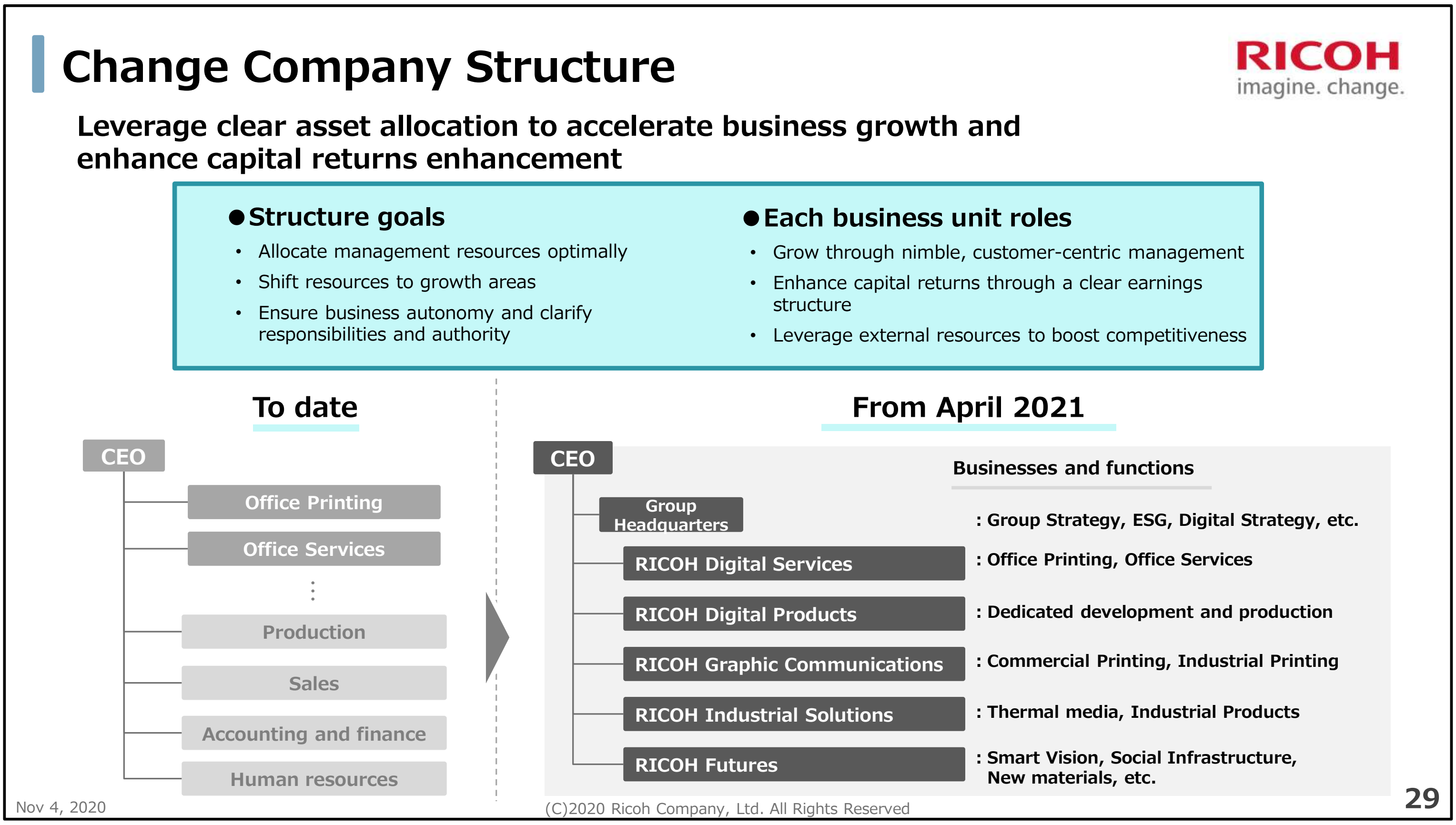
- This chart shows how we have progressed with emergency and permanent actions.
- In the first half, we attained savings of 49.3 billion yen, representing 70% of 70 billion yen in cuts targeted for the full year.
- While some first-half savings were temporary, the acceleration of our activities prompted us to lift the 70 billion yen in savings to 80 billion yen for the year.
- We continue to accelerate our initiatives.
- We particularly need to step up permanent actions.
- We have improved the productivity of customer engineers in failure prediction and remote maintenance by accelerating sales of advanced MFPs.
- Efforts to minimize the frequency of customer visits and resolve issues remotely have delighted customers as a measure for preventing COVID-19 infections.
- It is also vital to accelerate measures to boost sales, and here, too, we have responded.
- In the first half, we added 3.3 billion yen to sales by expanding our lineup of Scrum packages and assets in Japan and making acquisitions and running a Work Together, Anywhere, campaign in Europe. In the Americas, we are endeavoring to expand our services business.
- We will accelerate business expansion efforts worldwide, and look to add 15 billion yen to sales through such measures.



- We will grow while collaborating closely with our customers.
- Over the past three years, we have sought to sustainably expand corporate value by reinforcing competitiveness and enhancing capital returns.
- We have accordingly accelerated efforts to transition away from being an office equipment manufacture to become a digital services company.
- We consider it necessary to run our businesses more effectively by making returns on invested capital a key benchmark.
- The pandemic has underscored the correctness of our approach.
- The global economy now operates through flows of information, money, and goods without movements of people.
- We have constantly questioned whether Ricoh in its current form is ideal for delivering customer value.
- We saw the pandemic as a driver for redesigning our organization and processes from the ground up to keep providing that value.
- These considerations led us to decide that we would adopt a new company structure in April next year.



- I will review some of our activities to date in explaining why we are shifting to a new company structure.
- When I took the helm in 2017, the exact earnings positions of our businesses were still unclear, and we adopted a structure and processes to optimize MFP production and sales.
- That year, we announced RICOH Resurgent to recategorize our businesses and clarify earnings.
- We reviewed our five major principles to reinforce profitability. These principles were to pursue market share, expand machines in field, offer a full lineup, manufacture in-house, and offer direct sales and service.
- We relentlessly divested non-core businesses and reviewed assets.
- Under RICOH Ignite, which we rolled out in fiscal 2018, we have pursued business growth, simultaneously expanding the Office Services business and driving profitability. We have also transformed our business structure by progressing with growth strategies.
- At the same time, we have explored the introduction of return on invested capital requirements.
- Today, three issues require resolution.
- The first is to optimally allocate management resources. The second is to accelerate growth businesses. The third is to secure business autonomy.
- We decided to adopt a new company system to resolve those issues.
- We previously looked to deploy the new setup in 2023 but brought that decision forward two years.



- We have defined the goals of the new company structure and the roles of each business unit.
- We will delegate great authority to the presidents of each business unit, and they will make swift, customer-centric decisions. We will step up return on invested capital-based management and enhance those returns. We will accelerate collaboration with external resources to boost competitiveness.
- The table on the left shows our current organizational structure, in which we link businesses and functional departments. We will reorganize into what you see on the right, which business units that have target customers.
- The business units will be as shown here, although some names could change. At the top is RICOH Digital Services. Its customers will be office workers the world over. Our value proposition will be to connect offices and sites to improve workflows.
- Next is RICOH Digital Products. Its customers will be the digital services company, as well as competitors, resellers, and partners. Its value proposition will encompass manufacturing and supplying MFPs, printers, and edge devices.
- Third is RICOH Graphic Communications, which will serve customers in all sorts of printing businesses and enterprises. Its value proposition will be to supply digital printing solutions that streamline the operational efficiency of printing customers.
- Fourth is RICOH Industrial Solutions. Its customers will be manufacturing processes and logistics sites in various industries. This business unit will offer hardware that integrates thermal media and industrial products hardware and supplies it to manufacturing processes and logistics sites.
- Finally, RICOH Futures will differ from other business units in that it will bring together various businesses in which we are investing to help resolve social issues in the years ahead. We aim through this unit to cultivate leaders to whom we delegate authority and foster an open corporate culture that drives co-creation.

Company Structure Governance

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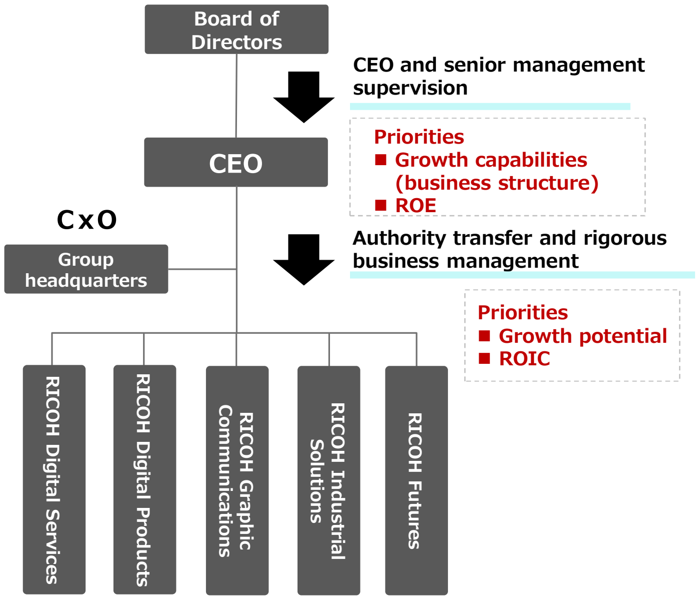
Strengthen governance while delegating authority and continuing to boost corporate value sustainably



●Board of Directors

- Extensively monitor growth capabilities (business structure) and capital returns
- Assess and supervise CEO, CxOs, and president of each business unit

●Group headquarters

- Allocate resources to restructure business portfolio → Become a digital services company
- Manage businesses rigorously in terms of growth potential and capital returns → ROIC exceeding capital costs

●Business Units

- Grow through nimble, customer-centric management
- Enhance capital returns through a clear earnings structure
- Leverage external resources to boost competitiveness

- Under the new company structure we will delegate the appropriate authority from the Board of Directors through the parent CEO to business units, clarifying roles and responsibilities, and maintaining governance that underpins nimble management.
- In making management nimble by delegating authority, we will need to transition to a digital services company business structure to implement stricter governance and enhance capital returns.
- The Group headquarters will concentrate on allocating resources to restructure the business portfolio and manage businesses in terms of their growth potential and capital returns.
- We will rigorously manage business units in terms of growth potential and capital returns, thereby reaching the Group’s return on equity targets. We will specifically concentrate investments and resources on growth businesses.
- In principle, we will discontinue businesses that do not deliver returns on invested capital that exceed capital costs. We look to explain to stakeholders when we decide to strategically continue businesses.
- The Board of Directors will foster sustainable corporate value growth. It will oversee the CEO and the management team to ensure that we transition our business structure into the envisioned growth areas. The board will also assess whether return on equity has improved from better capital returns and policies for each business.
- We recognize that we are in a crisis situation, and will do our best through a new management structure to overcome the challenges and prepare for the next mid-term management plan.

Capital Policies: Cash Flow Allocations

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- Reviewed based on H1 results and results forecast revisions
- Maintain liquidity to overcome prolonged pandemic impact
- Growth investments to being a digital services company
- Deliver stable dividends based on cash flow

FY2020 cash allocation
(Forecast as of Q2 FY2020)

Sources*	Uses
Operating cash flow ¥45bn	Investments Around ¥100bn (Capex / Strategic investment)
Funding ¥30bn	
End-FY2019 cash ¥262.8bn	End-FY2020 cash ¥260~270 bn (including additional ¥100 billion in shareholder returns)
Asset sales ¥37bn	Dividends ¥11bn

* Excluding cash and deposits in Group fund pool

- I believe that balancing three key perspectives regarding cash flow allocations is vital for management.
- The first is to secure liquidity during the pandemic. The second is to invest in growth in progressing toward becoming a digital services company. The third is to deliver stable dividends.
- As you can see, although we expect to post losses this fiscal year we will be able to draw on an operating cash flow of 45 billion yen and 37 billion yen in cash from sales of non-core assets.
- We will also procure 30 billion yen in external funds, which means that we have secured sufficient cash to run our businesses, notwithstanding an unclear outlook for the pandemic.
- We will transition to a digital services company through strategic investments totaling 100 billion yen. These encompass spending on an in-house digital transformation, building customer value in remote environments, and augmenting shortfalls in capabilities.
- Our operating cash holdings would normally be around 180 billion yen, but we seek to maintain cash as of the start of the year at around 260 billion yen as a contingency to stabilize operations.
- While it is vital to continue strategic investments and secure cash it is also important to prioritize stable dividends to shareholders.
- Although we will be in the net loss this fiscal year, we still seek to pay 11 billion yen in dividends based on our cash allocations.
- Regarding the 100 billion yen in additional shareholder returns that I discussed in summarizing the 19th Mid-Term Management plan, we will continue to assess the timing of such returns in light of the importance to management of maintaining solid cash holdings to overcome the pandemic and in view of the future business climate and growth investment requirements.

Capital Policies: Shareholder Returns

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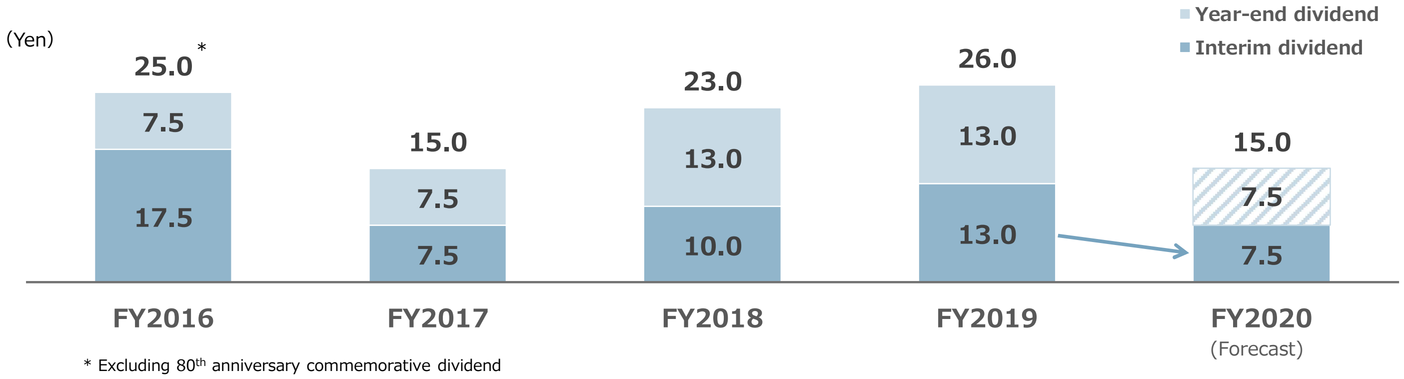
- Maintain stable dividends notwithstanding projected losses for year, factoring in changes in cash flow generated and working capital changes
- Lowered previous full-year dividend forecasts from ¥26 per share to ¥15 per share, and will pay an interim dividend of ¥7.5 per share
- Continuing to scrutinize changing business conditions and growth investment scales for additional shareholder returns announced on March 27, 2020



* Excluding 80th anniversary commemorative dividend

- Finally, I would like to discuss shareholder returns.
- In keeping with the cash allocations I spoke about in the previous page, we seek to pay dividends totaling 11 billion yen, or 15 yen per share annually, with an interim dividend of 7.5 yen per share.
- This represents a reduction from the 26 yen per share that we previously forecast for the year.
- Note that we have not altered our basic policy of sustainably enhancing corporate value and generating appropriate returns for shareholders.

Supplementary Information

Summary of FY2020 H1 Results

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H1 Results	• Sales dropped 23% owing to pandemic impact → urgently reduced costs • Posted ¥30.6 billion operating loss (performance bottomed out in April and May and improved in Q2)
H1 business conditions	• **Office Printing** Returned to profitability in Q2 after resulted bottomed out in Q1; office attendance rate recovery pace slower than expected, and hardware and non-hardware demand both down significantly • **Office Services** Package deployments solid in Japan and Europe In Q2, revenues declined in absence of previous year's demand Windows 10 transition demand and sales spike ahead of tax hike • **Commercial Printing**: Print volumes on recovery track after bottoming in Q1, although revenues down owing to lower hardware investment appetite • **Industrial Printing** Earnings improved YoY in Q2, reflecting such factors as sales recovery in China for domestic demand
Full-year forecasts	• Forecasts lowered in light of second pandemic wave • Reap benefits of urgent measures more swiftly
Shareholder returns	• Notwithstanding losses, looking to pay annual dividend of ¥15 per share in view of cash and stable commitment to dividend stability • Maintaining stance on delivering additional shareholder returns; factoring in pandemic trends, growth investments, and cash

ESG update（FY2020 H1)

ESG action

- Ricoh updated information disclosure based on the TCFD framework
- Ricoh endorses the "Business Ambition for 1.5°C" campaign
- Ricoh's proposal was selected as a verification project for building a resource recycling system for plastics and other materials to support a carbon-free society by the Ministry of the Environment
- Ricoh concluded an agreement of "Sustainability-linked loan"

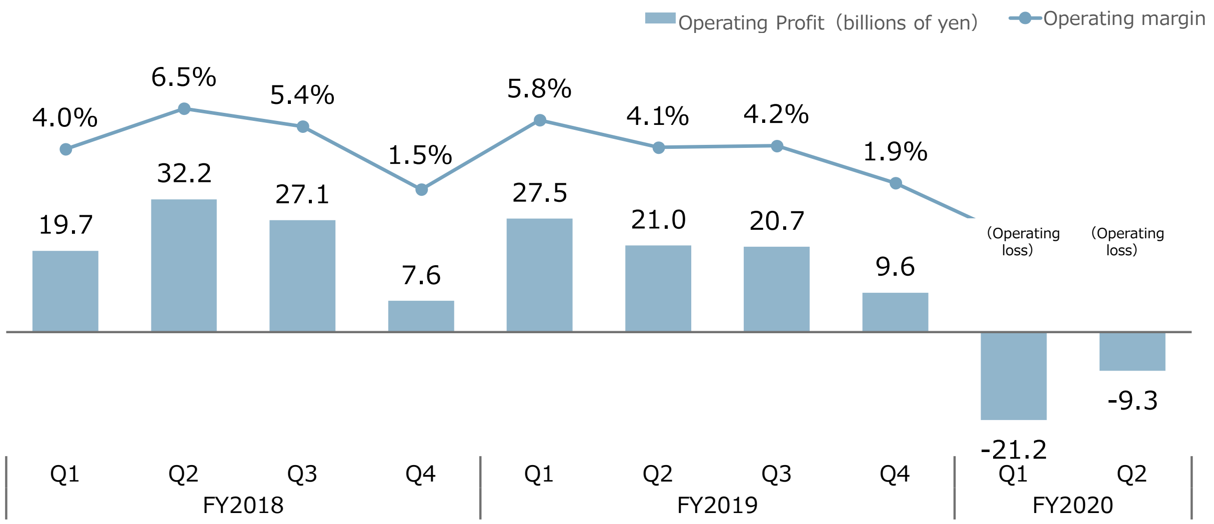
Major Awards and Recognition

- Shortlisted for RE100 Leadership Award
- Continued to be included in
  the FTSE4 Good Index Series,
  the FTSE Blossom Japan Index, and
  the MSCI Japan Empowering Women Index (WIN)

Ricoh publishes the Ricoh Group ESG Data Book 2020 and the Ricoh Group Integrated Report 2020.

Note: The English version of the Integrated Report will be published soon.

Quarterly Operating Profit



Office Printing: Hardware and Non-Hardware Situation

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◆Unit sales growth rates for MFPs and printers

FY2020 YoY unit sales change	Q1	Q2	H1
Japan	-21%	-7%	-14%
Overseas	-32%	-14%	-24%
MFP total	-30%	-13%	-23%
LP total	-26%	-12%	-19%

FY2020 YoY unit sales change	A3 MFP			A4 MFP		
	Q1	Q2	H1	Q1	Q2	H1
Japan	-21%	-6%	-14%	-18%	-19%	-19%
Overseas	-32%	-16%	-24%	-32%	-9%	-20%
MFP total	-30%	-14%	-22%	-31%	-10%	-20%

◆Sales growth rates for MFP and printer hardware and non-hardware
(excluding forex impact)

FY2020 YoY sales change	Hardware			Non-hardware		
	Q1	Q2	H1	Q1	Q2	H1
Japan	-21%	-6%	-14%	-16%	-12%	-14%
Overseas	-31%	-14%	-23%	-44%	-29%	-37%
MFP total	-29%	-13%	-21%	-35%	-23%	-29%
LP total	-45%	-34%	-39%	-25%	-20%	-22%
MFP + Printer total	-31%	-15%	-23%	-33%	-23%	-28%

Note: See Consolidated Financial Figures for information on hardware and non-hardware sales growth and growth rates.

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