

QUARTERLY REPORT

Half year ended September 30, 2019

(Results for the Period from April 1, 2019 to September 30, 2019)

Performance Outline (Consolidated)

(1) Half year ended September 30, 2018 and 2019 (Actual result) and Year ending March 31, 2020 (Forecast)

	Half year ended		Change	(Billions of yen)	
	September 30, 2018 Results	September 30, 2019 Results		Year ending March 31, 2020 Forecast	Change
Domestic sales	395.0	429.5	8.7%	810.0	0.5%
Overseas sales	593.1	565.1	-4.7%	1,200.0	-0.6%
Sales	988.2	994.7	0.7%	2,010.0	-0.2%
Gross profit	383.8	367.3	-4.3%	780.0	1.7%
Operating profit (loss)	52.0	48.6	-6.5%	100.0	15.2%
Profit (loss) before income tax expenses	50.0	46.8	-6.5%	98.0	16.7%
Profit (loss) attributable to owners of the parent	36.0	29.2	-18.8%	62.0	25.2%
Exchange rate (Yen/US\$)	110.34	108.72	-1.62	109.36	-1.59
Exchange rate (Yen/EURO)	129.90	121.48	-8.42	123.24	-5.22
Earnings per share attributable to owners of the parent-basic (yen).	49.73	40.37	-9.36	85.53	17.21
Earnings per share attributable to owners of the parent-diluted (yen).	-	40.37	-	85.53	-
Cash flows from operating activities	27.5	30.2	2.7	-	-
Cash flows from investing activities	8.8	-83.8	-92.7	-	-
Cash flows from financing activities	2.7	65.2	62.5	-	-
Cash and cash equivalents at end of period	203.0	245.9	42.9	-	-
Capital expenditures *	35.5	38.1	2.5	74.0	1.5
Depreciation *	34.1	32.4	-1.6	67.0	1.5
R&D expenditures	55.3	51.6	-3.6	112.0	0.9
	March 31, 2019	September 30, 2019	Change		
Total assets	2,725.1	2,851.9	126.8		
Equity attributable to owners of the parent	932.5	923.9	-8.6		
Interest-bearing debt	933.4	1,022.2	88.8		
Equity attributable to owners of the parent ratio (%)	34.2	32.4	-1.8		
Equity per share attributable to owners of the parent (yen)	1,286.56	1,275.36	-11.20		

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

(2) Three months ended September 30, 2018 and 2019

(Billions of yen)

	Three months ended September 30, 2018 Results	Three months ended September 30, 2019 Results	Change
Domestic sales	201.4	235.6	17.0%
Overseas sales	295.8	281.4	-4.9%
Sales	497.3	517.1	4.0%
Gross profit	189.4	182.9	-3.4%
Operating profit (loss)	32.2	21.0	-34.7%
Profit (loss) before income tax expenses	32.1	20.7	-35.4%
Profit (loss) attributable to owners of the parent	26.7	13.6	-49.1%
Exchange rate (Yen/US\$)	111.53	107.39	-4.14
Exchange rate (Yen/EURO)	129.68	119.43	-10.25
Earnings per share attributable to owners of the parent-basic (yen).	36.92	18.81	-18.11
Earnings per share attributable to owners of the parent-diluted (yen).	-	18.81	-
Capital expenditures *	21.1	23.3	2.2
Depreciation *	16.5	17.1	0.5
R&D expenditures	29.7	28.0	-1.7

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

Ricoh Company, Ltd.

* The result forecasts and forward-looking statements included in this document are based on information available to Ricoh Company, Ltd. (the Company) as at the date of submission of this quarterly report and certain assumptions that the Company considers reasonable. The Company makes no guarantees with respect to the achievement of its result forecasts or forward-looking statements. Actual results might be significantly different from the forecasts in the document, depending on various factors. For the assumptions for forecast and other related information, please refer to “3. Qualitative Information on Forecasted Consolidated Financial Results” on page 6.

Ricoh Company, Ltd. and Consolidated Subsidiaries

Financial Highlights for the Half Year Ended September 30, 2019

[Prepared on the basis of International Financial Reporting Standards]

1. Results for the Period from April 1, 2019 to September 30, 2019

(1) Operating Results

	(Millions of yen)	
	Half year ended September 30, 2018	Half year ended September 30, 2019
Sales	988,256	994,779
(% change from the previous corresponding period)	-1.1	0.7
Operating profit (loss)	52,008	48,648
(% change from the previous corresponding period)	136.2	-6.5
Profit (loss) before income tax expenses	50,077	46,846
(% change from the previous corresponding period)	181.8	-6.5
Profit (loss) for the period	38,780	32,212
(% change from the previous corresponding period)	425.8	-16.9
Profit (loss) attributable to owners of the parent	36,045	29,258
(% change from the previous corresponding period)	696.2	-18.8
Comprehensive income (loss)	55,548	4,012
(% change from the previous corresponding period)	29.0	-92.8
Earnings per share attributable to owners of the parent-basic (yen)	49.73	40.37
Earnings per share attributable to owners of the parent-diluted (yen)	-	40.37

Notes: Earnings per share attributable to owners of the parent (basic and diluted) are based on Profit attributable to owners of the parent.

(2) Financial Position

	(Millions of yen)	
	March 31, 2019	September 30, 2019
Total assets	2,725,132	2,851,991
Total equity	1,018,988	1,010,934
Equity attributable to owners of the parent	932,577	923,918
Equity attributable to owners of the parent ratio (%)	34.2	32.4

2. Dividend Information

	Year ended March 31, 2019 (Actual)	Year ending March 31, 2020 (Forecast)
Cash dividends, applicable to the year (yen)	23.00	26.00
Interim (yen)	10.00	13.00
Year-end (yen)	13.00	13.00

Notes: Revision of expected dividends during this period: No

3. Forecast of Operating Results from April 1, 2019 to March 31, 2020

	(Millions of yen)
	Year ending March 31, 2020
Sales	2,010,000
(% change from the previous corresponding period)	-0.2
Operating profit	100,000
(% change from the previous corresponding period)	15.2
Profit before income tax expenses	98,000
(% change from the previous corresponding period)	16.7
Profit attributable to owners of the parent	62,000
(% change from the previous corresponding period)	25.2
Earnings per share attributable to owners of the parent-basic (yen)	85.53

Notes: Revision of forecast of consolidated operating results during this period: No

4. Others

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

* For details, please refer to "4. Condensed Consolidated Financial Statements (7) Changes in accounting policies" on page 16.
- (3) Number of common stock outstanding (including treasury stock):
As of September 30, 2019: 744,912,078 shares; As of March 31, 2019: 744,912,078 shares
- (4) Number of treasury stock:
As of September 30, 2019: 20,474,390 shares; As of March 31, 2019: 20,049,430 shares
- (5) Average number of common stock:
Half year ended September 30, 2019: 724,755,818 shares; Half year ended September 30, 2018: 724,869,503 shares

Notes: The Company has established the Board Incentive Plan trust in which beneficiaries include Directors and Executive Officers. The shares owned by the trust account relating to this trust are accounted for as treasury shares. (421,500 shares as of September 30, 2019).

Qualitative Information on Consolidated Financial Results for the Quarter under Review

1. Qualitative Information on Consolidated Business Results

* Overview of the Half of Fiscal 2019 (April 1 – September 30, 2019)

In the fiscal year ending March 31, 2020, the final year of the 19th Mid-Term Management Plan and the second year of "RICOH Ignite", we continue striving to strengthen the profitability of core businesses while increasing earnings from growth areas.

In progressing toward "RICOH Take Off" starting in the fiscal year ending March 31, 2021, we continue to overhaul our business structure by implementing growth strategies, rolling out measures to enhance capital returns, and reforming corporate governance.

In the global economy outlook, the sense of uncertainty grew due to expanding trade friction and growing geopolitical tension. While economic growth remained moderate in Japan and the United States, there was a perception of economic deceleration mainly on the manufacturing industry in the United States. In Europe, future economy remains uncertain from such factors as Brexit and rising populism. In China, the economy continues to slow down due to the impact of Sino-American trade friction.

During this period, the average exchange rates of Japanese yen against U.S. dollar and Euro were ¥108.72 (down ¥1.62 from the previous corresponding period) and ¥121.48 (down ¥8.42 from the previous corresponding period) respectively.

Sales for the six-month period increased by 0.7% as compared to the previous corresponding period, to ¥994.7 billion. This increase reflected gains in the Office Services, Commercial Printing and Industrial Printing, which offset decline of reduced hardware and related consumables revenues, principally overseas' unprofitable sales and a decrease in MIF (machine in the field) by reconsidering contracts to emphasize profitability in the Office Printing. Consolidated sales would have risen by 4.0% after excluding the equity method adoption for consolidated logistics subsidiaries whose shares the Company transferred, consolidation removal of Ricoh India Limited, and foreign exchange impacts.

In Japan, sales were up by 8.7% from a year earlier on steady growth, particularly in Office Services, reflecting expanded demand for IT equipment as companies overhauled work practices and due to higher revenues in such areas as industry solutions services.

Sales in the Americas decreased by 3.4% as compared to the previous corresponding period due to decline of sales in the Office Printing where Ricoh focuses on profitable business, although sales in the Commercial Printing were up (a decrease of 1.9% excluding foreign currency exchange fluctuations).

Sales in the Europe, the Middle East, and Africa decreased by 6.7% as compared to the previous corresponding period due to decline of sales in the Office Printing where Ricoh focuses on profitable business same as in the Americas, although sales in the Office Service were up (a decrease of 0.2% excluding foreign currency exchange fluctuations).

Sales in other regions decreased by 4.0% as compared to the previous corresponding period due to decline of sales in the Office Printing, although sales in the Industrial Printing were up (a decrease of 0.5% excluding foreign currency exchange fluctuations).

As a result, sales in the overseas market decreased by 4.7% as compared to the previous corresponding period. Excluding effects of foreign currency fluctuations, sales in overseas would have decreased by 1.1% as compared to the previous corresponding period.

Gross profit was down 4.3% as compared to the previous corresponding period, to ¥367.3 billion mainly due to the impact of foreign currency exchange fluctuations (a decrease of 1.2% excluding foreign currency exchange fluctuations). This was despite an improvement in Office Services. A prime factor was a decrease in Office Printing because of the impact of lower sales resulting from emphasizing more profitable business sales and lower consumables revenues. The adoption of equity-method accounting for the consolidated logistics subsidiaries and the removal from consolidation detracted from earnings in other areas.

Selling, general and administrative expenses fell by 8.6% as compared to the previous corresponding period, to ¥323.7 billion. This resulted from progress in controlling expenditure through structural and business process reforms.

Other income for the six-month period included gain on sales of land, buildings and structures in Ricoh Industry Co., Ltd.'s former Saitama plant, while the transfer of Ricoh Logistics System sales was included in the previous corresponding period. Consequently, other income decreased significantly as compared to the previous corresponding period.

As a result, operating profit decreased by 6.5% as compared to the previous corresponding period, to ¥48.6 billion. After excluding structural reform expenses, one-time income, and other transient factors, operating income would have been ¥48.9 billion, up ¥1.8 billion as compared to the previous corresponding period.

Finance income and costs improved as compared to the previous corresponding period due to increase in interest income and decrease in foreign exchange loss.

Profit before income tax expenses decreased by 6.5% as compared to the previous corresponding period, to ¥46.8 billion.

As a result, profit attributable to owners of the parent decreased by 18.8% as compared to the previous corresponding period, to ¥29.2 billion.

Comprehensive income decreased by 92.8%, as compared to the previous corresponding period, to ¥4.0 billion mainly due to a decrease in exchange differences on translation of foreign operations.

* Review by Business Segment

Office Printing

Sales in the Office Printing segment decreased by 5.4%, as compared to the previous corresponding period, to ¥509.4 billion (a decrease of 2.9% excluding foreign currency exchange fluctuations). Sales and gross profit in the overseas market decreased mainly in hardware and related consumables revenues due to focusing on profitable business and decreasing in MIF (machine in the field) in accordance with 19th Mid-Term Management Plan. Selling, general and administrative expenses decreased significantly due to the effect of structural reforms. As a result, operating profit in the Office Printing segment decreased by 3.3%, as compared to the previous corresponding period, to ¥55.3 billion.

Office Service

Sales in the Office Service segment increased by 16.9%, as compared to the previous corresponding period, to ¥270.5 billion (an increase of 18.7% excluding foreign currency exchange fluctuations). Sales of business process solutions and IT services increased mainly in the domestic market, Europe, Middle East and Africa. As a result, operating profit in the Office Service segment increased by 115.4%, as compared to the previous corresponding period, to ¥13.4 billion.

Commercial Printing

Sales in the Commercial Printing segment increased by 1.2%, as compared to the previous corresponding period, to ¥87.5 billion (an increase of 4.2% excluding foreign currency exchange fluctuations). Sales of color cut sheet printers grew mainly in America. As a result, operating profit in the Commercial Printing segment increased by 4.0%, as compared to the previous corresponding period, to ¥11.6 billion.

Industrial Printing

Sales in the Industrial Printing segment increased by 19.8%, as compared to the previous corresponding period, to ¥11.7 billion (an increase of 21.5% excluding foreign currency exchange fluctuations). While the demand of mainstay inkjet head shows an increasing trend, operating expenses increased due to initial investment. As a result, we posted an operating loss of ¥2.0 billion. (Operating loss of the previous corresponding period was ¥2.0 billion.)

Thermal Media

Sales in the Thermal Media segment decreased by 4.1%, as compared to the previous corresponding period, to ¥31.6 billion (a decrease of 0.6% excluding foreign currency exchange fluctuations). Sales declined due to intensifying competition, particularly in China, despite label demand for the logistics industry has increased. While operating expenses decreased due to cost reduction, operating profit in the Thermal Media segment decreased by 9.9%, as compared to the previous corresponding period, to ¥1.5 billion.

Other

Sales in the Other segment decreased by 5.8%, as compared to the previous corresponding period, to ¥83.8 billion (a decrease of 5.5% excluding foreign currency exchange fluctuations). Sales decreased in accordance with the adoption of equity method accounting for consolidated logistics subsidiaries. Gain on sales of shares of Ricoh Logistics System Co., Ltd was recognized in FY18. As a result, operating profit in the Other segment decreased by 83.5%, as compared to the previous corresponding period, to ¥2.5 billion.

2. Analysis of Consolidated Financial Position

*Assets, Liabilities and Equity

Total assets increased by ¥126.8 billion as compared to the end of the previous year, to ¥2,851.9 billion, mainly due to the increase in “Other financial liabilities” and “Right-of-use assets” following the adoption of IFRS 16 ‘Leases’.

Total liabilities increased by ¥134.9 billion as compared to the end of the previous year, to ¥1,841.0 billion, mainly due to the significant increase in “Lease liabilities” following the adoption of IFRS 16 ‘Leases’. In addition, bonds and borrowings increased due to the finance business expansion by affiliated companies.

Total Equity decreased by ¥8.0 billion as compared to the end of the previous year, to ¥1,010.9 billion, due to a decrease in “Other components of equity” despite of an increase in “Retained earnings” caused mainly by the profit for the period.

Equity attributable to owners of the parent therefore decreased by ¥8.6 billion, to ¥923.9 billion. The equity attributable to owners of the parent ratio was again stable, at 32.4%.

*Cash Flows (Half year from April 1, 2019 to September 30, 2019)

Net cash provided by operating activities increased by ¥2.7 billion as compared to the previous corresponding period, to ¥30.2 billion, mainly due to the decrease in trade and other receivables. In addition, the increase amount in inventories for the period decreased as compared to the previous corresponding period.

Net cash used in investing activities increased by ¥92.7 billion as compared to the previous corresponding period, to ¥83.8 billion. We acquired all of the stocks of DocuWare GmbH, which provides cloud and on-premise CSP (Contents Service Platform) to support document management and workflow automation, in order to expand Digital business which is deemed as one of the growth fields.

In addition, this increase reflected the sale of shares in Coca-Cola Bottlers Japan Holdings Inc., and income from transfers of shares in subsidiary Ricoh Logistics System Co., Ltd. in the previous corresponding period.

Free cash flow (net cash provided by operating activities plus net cash used in investing activities) totaled negative ¥53.5 billion, down by ¥90.0 billion.

Net cash provided by financing activities increased by ¥62.5 billion as compared to the previous corresponding period, to ¥65.2 billion, mainly due to the increase in debt of affiliated companies with finance business expansion, which offset the impact of increase of dividends paid.

As a result, the balance of cash and cash equivalent at the end of period increased by ¥5.8 billion as compared to the end of the previous year, to ¥245.9 billion.

3. Qualitative Information on Forecasted Consolidated Financial Results

Since the business results and the business environment including foreign currency fluctuations in the second quarter were within expectation, there was no change on the forecast of sales, gross profit, operating profit, profit before income tax expenses and profit attributable to owners of the parent from those previously announced in May.

Ricoh maintains the assumed exchange rates set forth in May of ¥110 against the U.S. dollar and of ¥125 against the euro in and after the third quarter while the actual exchange rates during the second quarter have been incorporated into exchange rate assumptions for the full year.

Exchange Rate Assumptions for the full year ending March 31, 2020

US\$ 1 = ¥109.36 (¥110.95 in previous fiscal year)

EURO 1 = ¥123.24 (¥128.46 in previous fiscal year)

	Year ended March 31, 2019	Year ending March 31, 2020	(Billions of yen) Change
Domestic sales	805.7	810.0	0.5%
Overseas sales	1,207.4	1,200.0	-0.6%
Sales	2,013.2	2,010.0	-0.2%
Gross profit	766.8	780.0	1.7%
Operating profit	86.8	100.0	15.2%
Profit before income tax expenses	83.9	98.0	16.7%
Profit attributable to owners of the parent	49.5	62.0	25.2%

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

4. Condensed Consolidated Financial Statements

(1) Condensed Consolidated Statement of Financial Position

Assets

	(Millions of yen)		
	March 31, 2019	September 30, 2019	Change
Current Assets			
Cash and cash equivalents	240,099	245,911	5,812
Time deposits	70	53	-17
Trade and other receivables	604,804	592,104	-12,700
Other financial assets	294,351	298,289	3,938
Inventories	207,748	215,670	7,922
Other current assets	40,107	46,715	6,608
Subtotal	1,387,179	1,398,742	11,563
Assets classified as held for sale	2,583	-	-2,583
Total Current Assets	1,389,762	1,398,742	8,980
Non-current assets			
Property, plant and equipment	250,287	254,873	4,586
Right-of-use assets	-	69,839	69,839
Goodwill and intangible assets	219,806	231,844	12,038
Other financial assets	708,295	727,488	19,193
Investments accounted for using the equity method	12,521	14,105	1,584
Other investments	22,443	32,210	9,767
Other non-current assets	38,006	38,810	804
Deferred tax assets	84,012	84,080	68
Total Non-current Assets	1,335,370	1,453,249	117,879
Total Assets	2,725,132	2,851,991	126,859

Liabilities and Equity

	(Millions of yen)		
	March 31, 2019	September 30, 2019	Change
Current Liabilities			
Bonds and borrowings	266,957	286,054	19,097
Trade and other payables	306,189	299,405	-6,784
Lease liabilities	-	29,897	29,897
Other financial liabilities	521	41	-480
Income tax payables	15,455	16,364	909
Provisions	12,277	8,699	-3,578
Other current liabilities	242,799	238,648	-4,151
Total Current Liabilities	844,198	879,108	34,910
Non-current Liabilities			
Bonds and borrowings	666,462	736,206	69,744
Lease liabilities	-	45,465	45,465
Other financial liabilities	3,420	464	-2,956
Accrued pension and retirement benefits	105,288	99,827	-5,461
Provisions	6,610	6,498	-112
Other non-current liabilities	77,619	70,839	-6,780
Deferred tax liabilities	2,547	2,650	103
Total Non-current Liabilities	861,946	961,949	100,003
Total Liabilities	1,706,144	1,841,057	134,913
Equity			
Common stock	135,364	135,364	-
Additional paid-in capital	186,086	186,142	56
Treasury stock	-37,394	-37,790	-396
Other components of equity	73,645	45,438	-28,207
Retained earnings	574,876	594,764	19,888
Equity attributable to owners of the parent	932,577	923,918	-8,659
Non-controlling interests	86,411	87,016	605
Total Equity	1,018,988	1,010,934	-8,054
Total Liabilities and Equity	2,725,132	2,851,991	126,859

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

Condensed Consolidated Statement of Profit or Loss

Half year ended September 30, 2018 and 2019

(Millions of yen)

	Half year ended September 30, 2018	Half year ended September 30, 2019	Change	%
Sales	988,256	994,779	6,523	0.7
Cost of sales	604,363	627,406	23,043	3.8
Percentage of sales (%)	61.2	63.1		
Gross profit	383,893	367,373	-16,520	-4.3
Percentage of sales (%)	38.8	36.9		
Selling, general and administrative expenses	354,285	323,704	-30,581	-8.6
Percentage of sales (%)	35.8	32.5		
Other Income	22,400	4,979	-17,421	-77.8
Percentage of sales (%)	2.3	0.5		
Operating profit	52,008	48,648	-3,360	-6.5
Percentage of sales (%)	5.3	4.9		
Finance income	1,981	2,900	919	46.4
Percentage of sales (%)	0.2	0.3		
Finance costs	4,142	4,804	662	16.0
Percentage of sales (%)	0.4	0.5		
Share of profit (loss) of investments accounted for using the equity method	230	102	-128	-55.7
Percentage of sales (%)	0.0	0.0		
Profit before income tax expenses	50,077	46,846	-3,231	-6.5
Percentage of sales (%)	5.1	4.7		
Income tax expenses	11,297	14,634	3,337	29.5
Percentage of sales (%)	1.1	1.5		
Profit for the period	38,780	32,212	-6,568	-16.9
Percentage of sales (%)	3.9	3.2		
Profit attributable to:				
Owners of the parent	36,045	29,258	-6,787	-18.8
Percentage of sales (%)	3.6	2.9		
Non-controlling interests	2,735	2,954	219	8.0
Percentage of sales (%)	0.3	0.3		

	Half year ended September 30, 2018	Half year ended September 30, 2019	Change
Earnings per share attributable to owners of the parent-basic (yen)	49.73	40.37	-9.36
Earnings per share attributable to owners of the parent-diluted (yen)	-	40.37	-

* Gain on sales of property, plant and equipment and shares of Ricoh Logistics System Co., Ltd were 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	Change	%
Sales	497,316	517,174	19,858	4.0
Cost of sales	307,863	334,210	26,347	8.6
Percentage of sales (%)	61.9	64.6		
Gross profit	189,453	182,964	-6,489	-3.4
Percentage of sales (%)	38.1	35.4		
Selling, general and administrative expenses	178,490	162,675	-15,815	-8.9
Percentage of sales (%)	35.9	31.5		
Other Income	21,333	793	-20,540	-96.3
Percentage of sales (%)	4.3	0.2		
Operating profit	32,296	21,082	-11,214	-34.7
Percentage of sales (%)	6.5	4.1		
Finance income	715	1,265	550	76.9
Percentage of sales (%)	0.1	0.2		
Finance costs	920	1,741	821	89.2
Percentage of sales (%)	0.2	0.3		
Share of profit (loss) of investments accounted for using the equity method	60	164	104	173.3
Percentage of sales (%)	0.0	0.0		
Profit before income tax expenses	32,151	20,770	-11,381	-35.4
Percentage of sales (%)	6.5	4.0		
Income tax expenses	4,308	5,801	1,493	34.7
Percentage of sales (%)	0.9	1.1		
Profit for the period	27,843	14,969	-12,874	-46.2
Percentage of sales (%)	5.6	2.9		
Profit attributable to:				
Owners of the parent	26,763	13,634	-13,129	-49.1
Percentage of sales (%)	5.4	2.6		
Non-controlling interests	1,080	1,335	255	23.6
Percentage of sales (%)	0.2	0.3		

	Three months ended September 30, 2018	Three months ended September 30, 2019	Change
Earnings per share attributable to owners of the parent-basic (yen)	36.92	18.81	-18.11
Earnings per share attributable to owners of the parent-diluted (yen)	-	18.81	-

* Gain on sales of property, plant and equipment and shares of Ricoh Logistics System Co., Ltd were included in "Other Income".

Condensed Consolidated Statement of Comprehensive Income

Half year ended September 30, 2018 and 2019

(Millions of yen)

	Half year ended September 30, 2018	Half year ended September 30, 2019	Change
Profit for the period	38,780	32,212	-6,568
Other comprehensive income (loss):			
Components that will not be reclassified subsequently to profit or loss:			
Remeasurement of defined benefit plan	-	-	-
Net change in fair value of financial assets measured through other comprehensive income	54	193	139
Total components that will not be reclassified subsequently to profit or loss	54	193	139
Components that will be reclassified subsequently to profit or loss:			
Net gain (loss) on fair value of cash flow hedges	267	238	-29
Exchange differences on translation of foreign operations	16,447	-28,631	-45,078
Total components that will be reclassified subsequently to profit or loss	16,714	-28,393	-45,107
Total other comprehensive income (loss)	16,768	-28,200	-44,968
Comprehensive income (loss)	55,548	4,012	-51,536
Comprehensive income (loss) attributable to:			
Owners of the parent	52,725	1,104	-51,621
Non-controlling interests	2,823	2,908	85

Three months ended September 30, 2018 and 2019

(Millions of yen)

	Three months ended September 30, 2018	Three months ended September 30, 2019	Change
Profit for the period	27,843	14,969	-12,874
Other comprehensive income (loss):			
Components that will not be reclassified subsequently to profit or loss:			
Remeasurement of defined benefit plan	-	-	-
Net change in fair value of financial assets measured through other comprehensive income	499	32	-467
Total components that will not be reclassified subsequently to profit or loss	499	32	-467
Components that will be reclassified subsequently to profit or loss:			
Net gain (loss) on fair value of cash flow hedges	-193	1	194
Exchange differences on translation of foreign operations	19,531	-10,448	-29,979
Total components that will be reclassified subsequently to profit or loss	19,338	-10,447	-29,785
Total other comprehensive income (loss)	19,837	-10,415	-30,252
Comprehensive income (loss)	47,680	4,554	-43,126
Comprehensive income (loss) attributable to:			
Owners of the parent	46,642	3,080	-43,562
Non-controlling interests	1,038	1,474	436

Consolidated Sales by Product Category

Half year ended September 30, 2018 and 2019

	(Millions of yen)			
	Half year ended September 30, 2018	Half year ended September 30, 2019	Change	%
<Office Printing>	538,577	509,473	-29,104	-5.4
Percentage of sales (%)	54.5	51.2		
<Office Service>	231,367	270,525	39,158	16.9
Percentage of sales (%)	23.4	27.2		
<Commercial Printing>	86,513	87,537	1,024	1.2
Percentage of sales (%)	8.8	8.8		
<Industrial Printing>	9,786	11,726	1,940	19.8
Percentage of sales (%)	1.0	1.2		
<Thermal Media>	33,070	31,698	-1,372	-4.1
Percentage of sales (%)	3.3	3.2		
<Other>	88,943	83,820	-5,123	-5.8
Percentage of sales (%)	9.0	8.4		
Grand Total	988,256	994,779	6,523	0.7
Percentage of sales (%)	100.0	100.0		

Three months ended September 30, 2018 and 2019

	(Millions of yen)			
	Three months ended September 30, 2018	Three months ended September 30, 2019	Change	%
<Office Printing>	264,852	253,244	-11,608	-4.4
Percentage of sales (%)	53.2	49.0		
<Office Service>	123,360	154,742	31,382	25.4
Percentage of sales (%)	24.8	29.9		
<Commercial Printing>	44,089	44,481	392	0.9
Percentage of sales (%)	8.9	8.6		
<Industrial Printing>	3,949	5,757	1,808	45.8
Percentage of sales (%)	0.8	1.1		
<Thermal Media>	16,811	15,564	-1,247	-7.4
Percentage of sales (%)	3.4	3.0		
<Other>	44,255	43,386	-869	-2.0
Percentage of sales (%)	8.9	8.4		
Grand Total	497,316	517,174	19,858	4.0
Percentage of sales (%)	100.0	100.0		

* Each category includes the following product line:

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

Consolidated Sales by Geographic Area

Half year ended September 30, 2018 and 2019

	(Millions of yen)			
	Half year ended September 30, 2018	Half year ended September 30, 2019	Change	%
<Domestic>	395,095	429,591	34,496	8.7
Percentage of sales (%)	40.0	43.2		
<Overseas>	593,161	565,188	-27,973	-4.7
Percentage of sales (%)	60.0	56.8		
The Americas	278,485	269,048	-9,437	-3.4
Percentage of sales (%)	28.2	27.0		
Europe, Middle East and Africa	223,353	208,500	-14,853	-6.7
Percentage of sales (%)	22.6	21.0		
Other	91,323	87,640	-3,683	-4.0
Percentage of sales (%)	9.2	8.8		
Grand Total	988,256	994,779	6,523	0.7
Percentage of sales (%)	100.0	100.0		

Three months ended September 30, 2018 and 2019

	(Millions of yen)			
	Three months ended September 30, 2018	Three months ended September 30, 2019	Change	%
<Domestic>	201,468	235,689	34,221	17.0
Percentage of sales (%)	40.5	45.6		
<Overseas>	295,848	281,485	-14,363	-4.9
Percentage of sales (%)	59.5	54.4		
The Americas	142,238	136,000	-6,238	-4.4
Percentage of sales (%)	28.6	26.3		
Europe, Middle East and Africa	108,714	102,453	-6,261	-5.8
Percentage of sales (%)	21.9	19.8		
Other	44,896	43,032	-1,864	-4.2
Percentage of sales (%)	9.0	8.3		
Grand Total	497,316	517,174	19,858	4.0
Percentage of sales (%)	100.0	100.0		

(3) Condensed Consolidated Statement of Changes in Equity

(Millions of Yen)

	Common Stock	Additional paid-in capital	Treasury stock	Other components of equity		
				Remeasurement of defined benefit plan	Net gain (loss) on 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 (loss) 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						
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

	Other components of equity		Retained earnings	Equity attributable to owners of the parent	Non-controlling interests	Total equity
	Exchange differences on translation of foreign operations	Total other components of equity				
Balance as of April 1, 2018	76,634	114,954	510,113	909,565	79,190	988,755
Cumulative effects of changes in accounting policy		-27,856	33,691	5,835		5,835
Opening Balance reflecting changes in accounting policy	76,634	87,098	543,804	915,400	79,190	994,590
Profit (loss) 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			-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 gain (loss) on 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 (loss) 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						
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

	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 (loss) 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			-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

(4) Condensed Consolidated Statement of Cash Flows

(Millions of yen)

	Half year ended September 30, 2018	Half year ended September 30, 2019
I. Cash Flows from Operating Activities:		
Profit (loss) 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
II. Cash Flows from Investing Activities:		
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
(Increase) decrease in time deposits	379	13
Purchase of business, net of cash acquired	-	-16,118
Decrease due to loss of control of subsidiaries	10,223	-
Other, net	-9,747	-12,881
Net cash provided by (used in) investing activities	8,894	-83,823
III. Cash Flows from Financing Activities:		
Net proceeds (repayments) 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	20,000	42,119
Repayments of bonds	-10,000	-32,148
Repayments of lease liabilities	-	-14,865
Dividends paid	-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	3,006	-
Other, net	-513	-2,281
Net cash provided by (used in) financing activities	2,730	65,239
IV. Effect of Exchange Rate Changes on Cash and Cash Equivalents	3,271	-5,858
V. Net Increase (decrease) in Cash and Cash Equivalents	42,442	5,812
VI. Cash and Cash Equivalents at Beginning of Year	160,568	240,099
VII. Cash and Cash Equivalents at End of Period	203,010	245,911

(5) Notes on premise going concern
Not applicable

(6) Changes in significant subsidiaries
Not applicable

(7) Changes in accounting policies

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

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

Adoption of IFRS 16 'Leases'

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

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

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

The following is a reconciliation of non-cancellable operating lease contracts applying IAS 17 as of March 31, 2019 and lease liabilities recognized in the 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 was ¥79,807 million. There was no material impact on profit and loss of the first half of the current fiscal year from the changes.

(8) Segment Information

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	Change	%
Office Printing:				
Sales:				
Unaffiliated customers	538,577	509,473	-29,104	-5.4
Intersegment	-	-	-	-
Total	538,577	509,473	-29,104	-5.4
Operating expenses	481,338	454,101	-27,237	-5.7
Operating profit	57,239	55,372	-1,867	-3.3
Operating profit on sales in Office Printing (%)	10.6	10.9		
Office Service:				
Sales:				
Unaffiliated customers	231,367	270,525	39,158	16.9
Intersegment	-	-	-	-
Total	231,367	270,525	39,158	16.9
Operating expenses	225,144	257,120	31,976	14.2
Operating profit	6,223	13,405	7,182	115.4
Operating profit on sales in Office Service (%)	2.7	5.0		
Commercial Printing:				
Sales:				
Unaffiliated customers	86,513	87,537	1,024	1.2
Intersegment	-	-	-	-
Total	86,513	87,537	1,024	1.2
Operating expenses	75,323	75,895	572	0.8
Operating profit	11,190	11,642	452	4.0
Operating profit on sales in Commercial Printing (%)	12.9	13.3		
Industrial Printing:				
Sales:				
Unaffiliated customers	9,786	11,726	1,940	19.8
Intersegment	-	-	-	-
Total	9,786	11,726	1,940	19.8
Operating expenses	11,806	13,775	1,969	16.7
Operating loss	-2,020	-2,049	-29	-
Operating loss on sales in Industrial Printing (%)	-20.6	-17.5		
Thermal Media:				
Sales:				
Unaffiliated customers	33,070	31,698	-1,372	-4.1
Intersegment	-	-	-	-
Total	33,070	31,698	-1,372	-4.1
Operating expenses	31,317	30,118	-1,199	-3.8
Operating profit	1,753	1,580	-173	-9.9
Operating profit on sales in Thermal Media (%)	5.3	5.0		
Other:				
Sales:				
Unaffiliated customers	88,943	83,820	-5,123	-5.8
Intersegment	28,142	13,024	-15,118	-53.7
Total	117,085	96,844	-20,241	-17.3
Operating expenses	101,290	94,245	-7,045	-7.0
Operating profit	15,795	2,599	-13,196	-83.5
Operating profit on sales in Other (%)	13.5	2.7		
Eliminations and Corporate:				
Sales:				
Intersegment	-28,142	-13,024	15,118	
Total	-28,142	-13,024	15,118	-
Operating expenses:				
Intersegment	-28,142	-13,024	15,118	
Corporate	38,172	33,901	-4,271	
Total	10,030	20,877	10,847	-
Operating loss	-38,172	-33,901	4,271	-
Consolidated:				
Sales:				
Unaffiliated customers	988,256	994,779	6,523	0.7
Intersegment	-	-	-	-
Total	988,256	994,779	6,523	0.7
Operating expenses	936,248	946,131	9,883	1.1
Operating profit	52,008	48,648	-3,360	-6.5
Operating profit on consolidated sales (%)	5.3	4.9		

(Supplemental information)

Finance business included in the above is as follows:

	Half year ended September 30, 2018	Half year ended September 30, 2019	Change	%
Sales	77,869	83,959	6,090	7.8
Operating expenses	62,456	67,184	4,728	7.6
Operating profit	15,413	16,775	1,362	8.8
Operating profit on sales in Finance Business (%)	19.8	20.0		

Three months ended September 30, 2018 and 2019

(Millions of yen)

	Three months ended September 30, 2018	Three months ended September 30, 2019	Change	%
Office Printing:				
Sales:				
Unaffiliated customers	264,852	253,244	-11,608	-4.4
Intersegment	-	-	-	-
Total	264,852	253,244	-11,608	-4.4
Operating expenses	237,779	229,404	-8,375	-3.5
Operating profit	27,073	23,840	-3,233	-11.9
Operating profit on sales in Office Printing (%)	10.2	9.4		
Office Service:				
Sales:				
Unaffiliated customers	123,360	154,742	31,382	25.4
Intersegment	-	-	-	-
Total	123,360	154,742	31,382	25.4
Operating expenses	119,348	145,339	25,991	21.8
Operating profit	4,012	9,403	5,391	134.4
Operating profit on sales in Office Service (%)	3.3	6.1		
Commercial Printing:				
Sales:				
Unaffiliated customers	44,089	44,481	392	0.9
Intersegment	-	-	-	-
Total	44,089	44,481	392	0.9
Operating expenses	37,835	38,968	1,133	3.0
Operating profit	6,254	5,513	-741	-11.8
Operating profit on sales in Commercial Printing (%)	14.2	12.4		
Industrial Printing:				
Sales:				
Unaffiliated customers	3,949	5,757	1,808	45.8
Intersegment	-	-	-	-
Total	3,949	5,757	1,808	45.8
Operating expenses	5,824	7,360	1,536	26.4
Operating loss	-1,875	-1,603	272	-
Operating loss on sales in Industrial Printing (%)	-47.5	-27.8		
Thermal Media:				
Sales:				
Unaffiliated customers	16,811	15,564	-1,247	-7.4
Intersegment	-	-	-	-
Total	16,811	15,564	-1,247	-7.4
Operating expenses	15,716	14,943	-773	-4.9
Operating profit	1,095	621	-474	-43.3
Operating profit on sales in Thermal Media (%)	6.5	4.0		
Other:				
Sales:				
Unaffiliated customers	44,255	43,386	-869	-2.0
Intersegment	12,521	7,447	-5,074	-40.5
Total	56,776	50,833	-5,943	-10.5
Operating expenses	41,442	50,156	8,714	21.0
Operating profit	15,334	677	-14,657	-95.6
Operating profit on sales in Other (%)	27.0	1.3		
Eliminations and Corporate:				
Sales:				
Intersegment	-12,521	-7,447	5,074	-
Total	-12,521	-7,447	5,074	-
Operating expenses:				
Intersegment	-12,521	-7,447	5,074	-
Corporate	19,597	17,369	-2,228	-
Total	7,076	9,922	2,846	-
Operating loss	-19,597	-17,369	2,228	-
Consolidated:				
Sales:				
Unaffiliated customers	497,316	517,174	19,858	4.0
Intersegment	-	-	-	-
Total	497,316	517,174	19,858	4.0
Operating expenses	465,020	496,092	31,072	6.7
Operating profit	32,296	21,082	-11,214	-34.7
Operating profit on consolidated sales (%)	6.5	4.1		

(Supplemental information)

Finance business included in the above is as follows:

(Millions of yen)

	Three months ended September 30, 2018	Three months ended September 30, 2019	Change	%
Sales	40,654	45,086	4,432	10.9
Operating expenses	33,080	37,324	4,244	12.8
Operating profit	7,574	7,762	188	2.5
Operating profit on sales in Finance Business (%)	18.6	17.2		

-APPENDIX- (Half year ended September 30, 2019)

1. Consolidated Sales by Product Category

Half year ended September 30, 2018 and 2019

	Half year ended September 30, 2018	Half year ended September 30, 2019	Change	%	Change excluding exchange impact	%
(Millions of yen)						
<Office Printing>						
Office Printing	538,577	509,473	-29,104	-5.4	-15,771	-2.9
Percentage of sales (%)	54.5	51.2				
Domestic	170,074	173,087	3,013	1.8	3,013	1.8
Overseas	368,503	336,386	-32,117	-8.7	-18,784	-5.1
The Americas	164,437	155,211	-9,226	-5.6	-6,920	-4.2
Europe, Middle East and Africa	147,279	129,099	-18,180	-12.3	-9,250	-6.3
Other	56,787	52,076	-4,711	-8.3	-2,614	-4.6
<Office Service>						
Office Service	231,367	270,525	39,158	16.9	43,277	18.7
Percentage of sales (%)	23.4	27.2				
Domestic	129,579	165,756	36,177	27.9	36,177	27.9
Overseas	101,788	104,769	2,981	2.9	7,100	7.0
The Americas	55,352	53,744	-1,608	-2.9	-809	-1.5
Europe, Middle East and Africa	37,910	43,087	5,177	13.7	8,166	21.5
Other	8,526	7,938	-588	-6.9	-257	-3.0
<Commercial Printing>						
Commercial Printing	86,513	87,537	1,024	1.2	3,627	4.2
Percentage of sales (%)	8.8	8.8				
Domestic	12,818	12,399	-419	-3.3	-419	-3.3
Overseas	73,695	75,138	1,443	2.0	4,046	5.5
The Americas	44,481	45,645	1,164	2.6	1,849	4.2
Europe, Middle East and Africa	23,670	23,330	-340	-1.4	1,278	5.4
Other	5,544	6,163	619	11.2	919	16.6
<Industrial Printing>						
Industrial Printing	9,786	11,726	1,940	19.8	2,100	21.5
Percentage of sales (%)	1.0	1.2				
Domestic	1,571	1,887	316	20.1	316	20.1
Overseas	8,215	9,839	1,624	19.8	1,784	21.7
The Americas	2,887	3,391	504	17.5	563	19.5
Europe, Middle East and Africa	2,735	2,269	-466	-17.0	-368	-13.5
Other	2,593	4,179	1,586	61.2	1,589	61.3
<Thermal Media>						
Thermal Media	33,070	31,698	-1,372	-4.1	-205	-0.6
Percentage of sales (%)	3.3	3.2				
Domestic	6,678	6,510	-168	-2.5	-168	-2.5
Overseas	26,392	25,188	-1,204	-4.6	-37	-0.1
The Americas	9,780	9,572	-208	-2.1	-65	-0.7
Europe, Middle East and Africa	8,862	8,249	-613	-6.9	-41	-0.5
Other	7,750	7,367	-383	-4.9	69	0.9
<Other>						
Other	88,943	83,820	-5,123	-5.8	-4,855	-5.5
Percentage of sales (%)	9.0	8.4				
Domestic	74,375	69,952	-4,423	-5.9	-4,423	-5.9
Overseas	14,568	13,868	-700	-4.8	-432	-3.0
The Americas	1,548	1,485	-63	-4.1	-38	-2.5
Europe, Middle East and Africa	2,897	2,466	-431	-14.9	-273	-9.4
Other	10,123	9,917	-206	-2.0	-121	-1.2
Grand Total	988,256	994,779	6,523	0.7	28,173	2.9
Percentage of sales (%)	100.0	100.0				
Domestic	395,095	429,591	34,496	8.7	34,496	8.7
Percentage of sales (%)	40.0	43.2				
Overseas	593,161	565,188	-27,973	-4.7	-6,323	-1.1
Percentage of sales (%)	60.0	56.8				
The Americas	278,485	269,048	-9,437	-3.4	-5,420	-1.9
Percentage of sales (%)	28.2	27.0				
Europe, Middle East and Africa	223,353	208,500	-14,853	-6.7	-488	-0.2
Percentage of sales (%)	22.6	21.0				
Other	91,323	87,640	-3,683	-4.0	-415	-0.5
Percentage of sales (%)	9.2	8.8				

2. Consolidated Sales by Product Category

Three months ended September 30, 2018 and 2019

	(Millions of yen)					
	Three months ended September 30, 2018	Three months ended September 30, 2019	Change	%	Change excluding exchange impact	%
<Office Printing>						
Office Printing	264,852	253,244	-11,608	-4.4	-2,083	-0.8
Percentage of sales (%)	53.2	49.0				
Domestic	82,094	87,446	5,352	6.5	5,352	6.5
Overseas	182,758	165,798	-16,960	-9.3	-7,435	-4.1
The Americas	83,861	78,324	-5,537	-6.6	-2,588	-3.1
Europe, Middle East and Africa	70,960	62,184	-8,776	-12.4	-3,416	-4.8
Other	27,937	25,290	-2,647	-9.5	-1,431	-5.1
<Office Service>						
Office Service	123,360	154,742	31,382	25.4	34,505	28.0
Percentage of sales (%)	24.8	29.9				
Domestic	71,956	101,352	29,396	40.9	29,396	40.9
Overseas	51,404	53,390	1,986	3.9	5,109	9.9
The Americas	27,942	26,359	-1,583	-5.7	-554	-2.0
Europe, Middle East and Africa	19,063	22,630	3,567	18.7	5,465	28.7
Other	4,399	4,401	2	0.0	198	4.5
<Commercial Printing>						
Commercial Printing	44,089	44,481	392	0.9	2,420	5.5
Percentage of sales (%)	8.9	8.6				
Domestic	6,352	5,966	-386	-6.1	-386	-6.1
Overseas	37,737	38,515	778	2.1	2,806	7.4
The Americas	23,144	24,000	856	3.7	1,717	7.4
Europe, Middle East and Africa	11,663	11,465	-198	-1.7	788	6.8
Other	2,930	3,050	120	4.1	301	10.3
<Industrial Printing>						
Industrial Printing	3,949	5,757	1,808	45.8	1,946	49.3
Percentage of sales (%)	0.8	1.1				
Domestic	815	1,122	307	37.7	307	37.7
Overseas	3,134	4,635	1,501	47.9	1,639	52.3
The Americas	1,464	1,864	400	27.3	474	32.4
Europe, Middle East and Africa	1,342	1,147	-195	-14.5	-134	-10.0
Other	328	1,624	1,296	395.1	1,299	396.0
<Thermal Media>						
Thermal Media	16,811	15,564	-1,247	-7.4	-481	-2.9
Percentage of sales (%)	3.4	3.0				
Domestic	3,318	3,211	-107	-3.2	-107	-3.2
Overseas	13,493	12,353	-1,140	-8.4	-374	-2.8
The Americas	5,108	4,721	-387	-7.6	-203	-4.0
Europe, Middle East and Africa	4,317	3,865	-452	-10.5	-114	-2.6
Other	4,068	3,767	-301	-7.4	-57	-1.4
<Other>						
Other	44,255	43,386	-869	-2.0	-704	-1.6
Percentage of sales (%)	8.9	8.4				
Domestic	36,933	36,592	-341	-0.9	-341	-0.9
Overseas	7,322	6,794	-528	-7.2	-363	-5.0
The Americas	719	732	13	1.8	42	5.8
Europe, Middle East and Africa	1,369	1,162	-207	-15.1	-112	-8.2
Other	5,234	4,900	-334	-6.4	-293	-5.6
Grand Total	497,316	517,174	19,858	4.0	35,603	7.2
Percentage of sales (%)	100.0	100.0				
Domestic	201,468	235,689	34,221	17.0	34,221	17.0
Percentage of sales (%)	40.5	45.6				
Overseas	295,848	281,485	-14,363	-4.9	1,382	0.5
Percentage of sales (%)	59.5	54.4				
The Americas	142,238	136,000	-6,238	-4.4	-1,112	-0.8
Percentage of sales (%)	28.6	26.3				
Europe, Middle East and Africa	108,714	102,453	-6,261	-5.8	2,477	2.3
Percentage of sales (%)	21.9	19.8				
Other	44,896	43,032	-1,864	-4.2	17	0.0
Percentage of sales (%)	9.0	8.3				

* Each category includes the following product line:

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

3. Forecast of Consolidated Performance

(Billions of yen)

	Half year ended September 30, 2019	Change %	Half year ending March 31, 2020	Change %	Year ending March 31, 2020	Change %
	Results		Forecast		Forecast	
Sales	994.7	0.7	1,015.2	-1.0	2,010.0	-0.2
Gross profit	367.3	-4.3	412.6	7.7	780.0	1.7
Operating profit (loss)	48.6	-6.5	51.3	47.4	100.0	15.2
Profit (loss) before income tax expenses	46.8	-6.5	51.1	51.0	98.0	16.7
Profit (loss) attributable to owners of the parent	29.2	-18.8	32.7	142.9	62.0	25.2
Earnings per share attributable to owners of the parent-basic (yen)	40.37	-	45.16	-	85.53	-
Earnings per share attributable to owners of the parent- diluted (yen)	40.37	-	45.16	-	85.53	-
Capital expenditures*	38.1		35.8		74.0	
Depreciation*	32.4		34.5		67.0	
R&D expenditures	51.6		60.3		112.0	
Exchange rate (Yen/US\$)	108.72		110.00		109.36	
Exchange rate (Yen/EURO)	121.48		125.00		123.24	

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

4. Forecast of Consolidated Sales by Product Category

(Billions of yen)

	Year ended March 31, 2019	Half year ending March 31, 2020		Year ending March 31, 2020			
	Results	Forecast	Forecast excluding exchange impact	Forecast	Change %	Forecast excluding exchange impact	Change %
<Office Printing>	1,086.4	547.2	553.4	1,056.7	-2.7	1,076.2	-0.9
Domestic	346.0	170.0	170.0	343.1	-0.8	343.1	-0.8
Overseas	740.3	377.2	383.4	713.6	-3.6	733.1	-1.0
The Americas	331.0	167.5	169.0	322.8	-2.5	326.5	-1.3
Europe, Middle East and Africa	299.8	154.7	158.9	283.8	-5.3	297.0	-0.9
Other	109.5	54.9	55.3	107.0	-2.3	109.5	0.0
<Office Service>	481.3	226.1	227.8	496.7	3.2	502.5	4.4
Domestic	272.6	115.3	115.3	281.1	3.1	281.1	3.1
Overseas	208.7	110.8	112.5	215.6	3.3	221.4	6.1
The Americas	111.2	60.8	61.3	114.6	3.0	115.9	4.2
Europe, Middle East and Africa	80.2	40.1	41.2	83.2	3.7	87.2	8.8
Other	17.2	9.8	9.9	17.8	3.0	18.2	5.4
<Commercial Printing>	185.2	100.7	102.0	188.3	1.6	192.1	3.7
Domestic	25.8	14.3	14.3	26.7	3.1	26.7	3.1
Overseas	159.3	86.4	87.7	161.6	1.4	165.4	3.8
The Americas	96.7	52.1	52.6	97.8	1.1	98.9	2.2
Europe, Middle East and Africa	50.1	27.8	28.6	51.2	2.0	53.5	6.8
Other	12.4	6.4	6.4	12.6	1.1	12.9	4.0
<Industrial Printing>	20.6	13.8	14.0	25.6	23.7	25.9	25.3
Domestic	2.8	2.2	2.2	4.1	45.4	4.1	45.4
Overseas	17.8	11.6	11.8	21.5	20.3	21.8	22.1
The Americas	6.1	3.7	3.7	7.1	15.9	7.1	17.4
Europe, Middle East and Africa	5.1	3.7	3.8	6.0	16.9	6.2	20.8
Other	6.6	4.2	4.2	8.4	27.0	8.4	27.6
<Thermal Media>	66.3	42.0	42.4	73.7	11.0	75.3	13.5
Domestic	13.6	8.3	8.3	14.9	9.1	14.9	9.1
Overseas	52.7	33.6	34.0	58.8	11.6	60.4	14.7
The Americas	19.4	12.0	12.1	21.6	11.0	21.8	12.3
Europe, Middle East and Africa	17.8	9.6	9.9	17.9	0.6	18.7	5.3
Other	15.4	11.9	12.0	19.3	24.9	19.8	28.5
<Other>	173.0	85.1	85.3	169.0	-2.3	169.4	-2.1
Domestic	144.7	70.1	70.1	140.1	-3.2	140.1	-3.2
Overseas	28.3	15.0	15.2	28.9	2.1	29.3	3.7
The Americas	2.8	1.4	1.4	2.9	1.1	2.9	2.4
Europe, Middle East and Africa	5.6	3.4	3.5	5.9	4.3	6.1	8.7
Other	19.7	10.1	10.2	20.1	1.6	20.2	2.5
Grand Total	2,013.2	1,015.2	1,025.2	2,010.0	-0.2	2,041.6	1.4
Domestic	805.7	380.4	380.4	810.0	0.5	810.0	0.5
Overseas	1,207.4	634.8	644.8	1,200.0	-0.6	1,231.6	2.0
The Americas	567.4	297.7	300.3	566.8	-0.1	573.3	1.0
Europe, Middle East and Africa	458.8	239.5	246.1	448.0	-2.4	468.9	2.2
Other	181.1	97.5	98.4	185.2	2.2	189.3	4.5