

**Ricoh Company, Ltd.**

Condensed Consolidated Financial Statements  
for the Three Months Ended June 30, 2015

This is an English translation of the Quarterly Securities Report (Shihanki Hokokusho) for the three months ended June 30, 2015 pursuant to the Japanese Financial Instrument and Exchange Law.

# Condensed Consolidated Statement of Financial Position

Ricoh Company, Ltd. and Consolidated Subsidiaries

ASSETS	Millions of Yen	
	As of March 31, 2015	As of June 30, 2015
Current assets:		
Cash and cash equivalents	137,722	149,727
Time deposits	927	845
Trade and other receivables	553,534	562,204
Other financial assets	260,056	268,643
Inventories	224,481	232,360
Other current assets	39,662	50,077
Total current assets	1,216,382	1,263,856
Non-current assets:		
Property, plant and equipment	276,617	280,405
Goodwill and intangible assets	435,752	441,720
Other financial assets	601,797	616,956
Investments accounted for using the equity method	450	829
Other investments	58,237	62,386
Other non-current assets	44,119	41,874
Deferred tax assets	96,853	98,424
Total non-current assets	1,513,825	1,542,594
Total assets	2,730,207	2,806,450

<b>LIABILITIES AND EQUITY</b>	Millions of Yen	
	As of March 31, 2015	As of June 30, 2015
Current liabilities:		
Bonds and borrowings (Note 5)	222,065	229,638
Trade and other payables	276,986	255,535
Other financial liabilities	1,800	1,825
Income tax payables	13,683	12,605
Other current liabilities	257,605	273,634
Total current liabilities	772,139	773,237
Non-current liabilities:		
Bonds and borrowings (Note 5)	568,515	614,513
Other financial liabilities	1,537	1,545
Accrued pension and retirement benefits	144,153	143,926
Other non-current liabilities	84,721	86,164
Deferred tax liabilities	4,830	4,977
Total non-current liabilities	803,756	851,125
Total liabilities	1,575,895	1,624,362
Equity:		
Common stock	135,364	135,364
Additional paid-in capital	186,083	186,083
Treasury stock	(37,295)	(37,299)
Other components of equity	153,547	179,746
Retained earnings	646,468	647,131
Equity attributable to owners of the parent	1,084,167	1,111,025
Non-controlling interests	70,145	71,063
Total equity	1,154,312	1,182,088
Total liabilities and equity	2,730,207	2,806,450

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

# Condensed Consolidated Statement of Profit or Loss

Ricoh Company, Ltd. and Consolidated Subsidiaries

	Millions of Yen	
	Three months ended June 30, 2014	Three months ended June 30, 2015
Sales: (Note 4)		
Products	228,566	244,248
Post sales and rentals	255,633	271,863
Other revenue	22,367	23,064
Total sales	506,566	539,175
Cost of sales:		
Products	(161,482)	(176,037)
Post sales and rentals	(112,129)	(125,428)
Other revenue	(13,640)	(12,872)
Total cost of sales	(287,251)	(314,337)
Gross profit	219,315	224,838
Selling, general and administrative expenses (Note 8)	(192,146)	(204,165)
Operating profit	27,169	20,673
Finance income	785	646
Finance costs	(2,110)	(1,879)
Share of profit (loss) of investments accounted for using the equity method	(33)	12
Profit before income tax expenses	25,811	19,452
Income tax expenses	(9,332)	(5,092)
Profit for the period	16,479	14,360
Profit attributable to:		
Owners of the parent	15,081	12,986
Non-controlling interests	1,398	1,374

	Yen	
	Three months ended June 30, 2014	Three months ended June 30, 2015
Earnings per share attributable to owners of the parent: (Note 9)		
Basic	20.80	17.91
Diluted	-	-

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

\* The compilation method has been changed from this fiscal year such as part of the lease transactions are shown in net basis instead of gross basis. Prior year comparative figures have also been adjusted to conform to the current year presentation.

# Condensed Consolidated Statement of Comprehensive Income

Ricoh Company, Ltd. and Consolidated Subsidiaries

	Millions of Yen	
	Three months ended June 30, 2014	Three months ended June 30, 2015
Profit for the period	16,479	14,360
Other comprehensive income:		
Components that will not be reclassified subsequently to profit or loss:		
Remeasurement of defined benefit plan	-	-
Total components that will not be reclassified subsequently to profit or loss	-	-
Components that will be reclassified subsequently to profit or loss:		
Net gain (loss) on fair value of available-for-sale financial assets	(280)	2,985
Net gain (loss) on fair value of cash flow hedges	(257)	198
Exchange differences on translation of foreign operations	(9,389)	22,979
Total components that will be reclassified subsequently to profit or loss	(9,926)	26,162
Total other comprehensive income (loss)	(9,926)	26,162
Comprehensive income	6,553	40,522
Comprehensive income attributable to:		
Owners of the parent	5,402	39,185
Non-controlling interests	1,151	1,337

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

# Condensed Consolidated Statement of Changes in Equity

Ricoh Company, Ltd. and Consolidated Subsidiaries

(Millions of Yen)

	Common Stock	Additional paid-in capital	Treasury stock	Other components of equity		
				Remeasurement of defined benefit plan	Net gain(loss) on fair value of available-for-sale financial assets	Net gain(loss) on fair value of cash flow hedges
Balance as of April 1, 2014	135,364	186,083	(37,278)	-	11,848	(221)
Profit for the period						
Other comprehensive income (loss)					(287)	(151)
Comprehensive income	-	-	-	-	(287)	(151)
Net change in treasury stock			(6)			
Dividends declared and approved to owners (Note 6)						
Transfer from other components of equity to retained earnings						
Total transactions with owners	-	-	(6)	-	-	-
Balance as of June 30, 2014	135,364	186,083	(37,284)	-	11,561	(372)

	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, 2014	108,277	119,904	625,340	1,029,413	64,983	1,094,396
Profit for the period			15,081	15,081	1,398	16,479
Other comprehensive income (loss)	(9,241)	(9,679)		(9,679)	(247)	(9,926)
Comprehensive income	(9,241)	(9,679)	15,081	5,402	1,151	6,553
Net change in treasury stock				(6)		(6)
Dividends declared and approved to owners (Note 6)			(11,961)	(11,961)	(358)	(12,319)
Transfer from other components of equity to retained earnings				-		-
Total transactions with owners	-	-	(11,961)	(11,967)	(358)	(12,325)
Balance as of June 30, 2014	99,036	110,225	628,460	1,022,848	65,776	1,088,624

(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 available-for-sale financial assets	Net gain(loss) on fair value of cash flow hedges
Balance as of April 1, 2015	135,364	186,083	(37,295)	-	17,082	803
Profit for the period						
Other comprehensive income (loss)					3,032	113
Comprehensive income	-	-	-	-	3,032	113
Net change in treasury stock			(4)			
Dividends declared and approved to owners (Note 6)						
Transfer from other components of equity to retained earnings						
Total transactions with owners	-	-	(4)	-	-	-
Balance as of June 30, 2015	135,364	186,083	(37,299)	-	20,114	916

	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, 2015	135,662	153,547	646,468	1,084,167	70,145	1,154,312
Profit for the period			12,986	12,986	1,374	14,360
Other comprehensive income (loss)	23,054	26,199		26,199	(37)	26,162
Comprehensive income	23,054	26,199	12,986	39,185	1,337	40,522
Net change in treasury stock				(4)		(4)
Dividends declared and approved to owners (Note 6)			(12,323)	(12,323)	(419)	(12,742)
Transfer from other components of equity to retained earnings				-		-
Total transactions with owners	-	-	(12,323)	(12,327)	(419)	(12,746)
Balance as of June 30, 2015	158,716	179,746	647,131	1,111,025	71,063	1,182,088

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

# Condensed Consolidated Statement of Cash Flows

Ricoh Company, Ltd. and Consolidated Subsidiaries

	Millions of Yen	
	Three months ended June 30, 2014	Three months ended June 30, 2015
<b>I. CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Profit for the period	16,479	14,360
Adjustments to reconcile profit for the period to net cash provided by operating activities -		
Depreciation and amortization	26,611	26,460
Share of loss (profit) of investments accounted for using the equity method	33	(12)
Finance income and costs	1,325	1,233
Income tax expenses	9,332	5,092
Decrease in trade and other receivables	22,849	2,238
Increase in inventories	(11,629)	(4,105)
Increase in lease receivables	(5,867)	(13,743)
Decrease in trade and other payables	(33,201)	(23,459)
Decrease in accrued pension and retirement benefits	(4,279)	(2,784)
Other, net	11,754	4,936
Interest and dividends received	575	601
Interest paid	(1,439)	(1,543)
Income taxes paid	(12,349)	(8,879)
Net cash provided by operating activities	20,194	395
<b>II. CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Proceeds from sales of property, plant and equipment	179	80
Expenditures for property, plant and equipment	(18,251)	(20,596)
Expenditures for intangible assets	(6,773)	(5,716)
Payments for purchases of available-for-sale securities	(79)	(95)
Proceeds from sales of available-for-sale securities	87	57
Decrease in time deposits	891	101
Purchase of business, net of cash acquired	(2,530)	(371)
Other, net	(866)	(4,025)
Net cash used in investing activities	(27,342)	(30,565)
<b>III. CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Net proceeds of short-term debt	33,611	41,339
Proceeds from long-term debt	31,532	87,105
Repayments of long-term debt	(30,549)	(16,592)
Repayments of bonds (Note 5)	(35,000)	(60,000)
Dividends paid (Note 6)	(11,961)	(12,323)
Payments for purchase of treasury stock	(6)	(4)
Other, net	(358)	(419)
Net cash provided by (used in) financing activities	(12,731)	39,106
<b>IV. EFFECT OF EXCHANGE RATE CHANGE ON CASH AND CASH EQUIVALENTS</b>	(1,573)	3,069
<b>V. NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(21,452)	12,005
<b>VI. CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	140,047	137,722
<b>VII. CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	118,595	149,727

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



# Notes to Condensed Consolidated Financial Statements

*Ricoh Company, Ltd. and Consolidated Subsidiaries*

## 1. REPORTING ENTITY

Ricoh Co., Ltd. (the “Company”) is a company domiciled in Japan. The condensed consolidated financial statements of the Company as of and for the period ended June 30, 2015 comprise of the Company and its subsidiaries (the “Ricoh” as a consolidated group) and Ricoh's interest in associates. Ricoh's operating segments are composed of Imaging & Solutions, including MFPs & copiers, related parts & supplies, communications & information systems and services & solutions, Industrial Products, including thermal media and semiconductors, and Other, including digital cameras (see Note 4 “Operating Segment”).

## 2. BASIS OF PREPARATION

### (1) Statements of Compliance

The condensed consolidated financial statements meets the requirements set out under Article 1-2, Paragraph 1, Item 2 of the Rules on Terminology, Formats and Compilation Methods of Quarterly Consolidated Financial Statements (Cabinet Office Ordinance No. 64 of 2007; hereinafter referred to as the “Rules on Quarterly Consolidated Financial Statements”) under which the Company is qualified as a “specified company” and duly prepares such summary in accordance with IAS 34 “Interim Financial Reporting”, under the provisions of Article 93 of the Rules on Quarterly Consolidated Financial Statements. As the condensed consolidated financial statements do not contain all the information required in annual consolidated financial statements, it should be read in combination with the consolidated financial statements for the fiscal year ended March 31, 2015, prepared in accordance with International Financial Reporting Standards (“IFRSs”).

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

### (2) Use of Estimates and Judgments

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

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

Estimates and judgments that have significant impact on the amounts in the condensed consolidated financial statements for the three months ended June 30, 2015 remain the same as those that had significant impact on the amounts in the consolidated financial statements for the previous fiscal year.

### 3. SIGNIFICANT ACCOUNTING POLICIES

Ricoh did not change the significant accounting policies from the previous fiscal year, with the exception of the following.

The adoption of the following IFRSs has no material impact on Ricoh's condensed consolidated financial statements.

IFRSs	Title	Summaries of new IFRSs/amendments
IFRS 13	Fair Value Measurement	Clarifying a scope exception for measuring the fair value of a portfolio
IAS 19	Employee Benefits	Clarifying accounting treatment for contributions from employees or third parties as required in the terms of defined benefit plans

### 4. OPERATING SEGMENTS

Ricoh's operating segments are comprised of Imaging & Solutions, including MFPs & copiers, related parts & supplies, communications & information systems and services & solutions, Industrial Products, including thermal media and semiconductors, and Other, including digital cameras.

Segment profit (loss) is determined by subtracting "cost of sales" and "selling, general and administrative expenses" from "sales", and is used by Ricoh's chief operating decision maker in deciding how to allocate resources and in assessing performance. Segment profit (loss) excludes certain corporate expenses, such as costs related to human resources, legal relations, investor relations, public relations, corporate planning and environmental activities.

The following tables present certain information regarding Ricoh's operating segments and geographic areas for the three months ended June 30, 2014 and 2015. Intersegment sales are made at arm's-length prices. No single customer accounted for 10% or more of the total sales for the three months ended June 30, 2014 and 2015.

**(a) Operating Segment Information**

	Millions of Yen	
	Three months ended June 30, 2014	Three months ended June 30, 2015
Segment sales:		
Imaging & Solutions	450,596	481,473
Industrial Products	30,640	33,921
Other	28,573	26,613
Intersegment sales	(3,243)	(2,832)
Total segment sales	506,566	539,175
Segment profit (loss):		
Imaging & Solutions	39,697	31,998
Industrial Products	1,192	2,927
Other	(1,144)	406
Total segment profit	39,745	35,331
Reconciling items:		
Corporate expenses and elimination	(12,576)	(14,658)
Finance income	785	646
Finance costs	(2,110)	(1,879)
Share of profit (loss) of investments accounted for using equity method	(33)	12
Profit before income tax expenses	25,811	19,452

Intersegment sales represent sales of Industrial Products segment to Imaging & Solutions segment.

Finance business included in the above is as follows:

	Millions of Yen	
	Three months ended June 30, 2014	Three months ended June 30, 2015
Sales	32,303	33,030
Operating profit	6,812	7,344

\* Finance business information was not reviewed by Independent Auditor.

## (b) Geographic Information

Sales based on the location of customers are as follows:

	Millions of Yen	
	Three months ended June 30, 2014	Three months ended June 30, 2015
Sales:		
Japan	185,555	179,877
The Americas	147,324	174,239
Europe, Middle East and Africa	128,095	129,812
Other	45,592	55,247
Consolidated	506,566	539,175
The United States (included in The Americas)	124,168	147,561

\* The compilation method has been changed from this fiscal year such as part of the lease transactions are shown in net basis instead of gross basis. Prior year comparative figures have also been adjusted to conform to the current year presentation.

## 5. BONDS

During the three months ended June 30, 2014, there were repayments of straight bonds of ¥35,000 million (1.47% per annum, due April 2014). No material repayment of bonds was noted in the same period.

During the three months ended June 30, 2015, there were repayments of straight bonds of ¥20,000 million (0.61% per annum, due May 2015) and straight bonds of ¥40,000 million (0.57% per annum, due June 2015). No material repayment of bonds was noted in the same period.

## 6. DIVIDENDS

(a) Dividends paid during the three months ended June 30, 2014 and 2015 are as follows:

Resolution	Class of shares	Amount of dividends	Dividends per share	Record date	Effective date	Source of dividends
		(Millions of Yen)	(Yen)			
Ordinary general meeting of shareholders held on June 20, 2014	Ordinary shares	11,961	16.5	March 31, 2014	June 23, 2014	Retained earnings
Ordinary general meeting of shareholders held on June 19, 2015	Ordinary shares	12,323	17.0	March 31, 2015	June 22, 2015	Retained earnings

(b) Dividends whose record date is in the current quarter but whose effective date is in the following quarter

No such dividend was noted for the first quarter ended June 30, 2014 and 2015.

## 7. FINANCIAL INSTRUMENTS

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

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

	Millions of Yen			
	As of March 31, 2015		As of June 30, 2015	
	Carrying amount	Fair value	Carrying amount	Fair Value
<b>Assets:</b>				
Trade receivables	71,531	74,214	72,937	75,673
Lease receivables	753,920	777,935	774,730	799,170
Installment loans	103,764	104,600	105,925	106,779
Derivative assets	4,169	4,169	4,944	4,944
Securities	56,220	56,220	60,435	60,435
Bonds	2,017	2,017	1,951	1,951
<b>Total</b>	<b>991,621</b>	<b>1,019,155</b>	<b>1,020,922</b>	<b>1,048,952</b>
<b>Liabilities:</b>				
Derivative liabilities	(2,484)	(2,484)	(2,457)	(2,457)
Loans and borrowings	(568,515)	(564,609)	(614,513)	(608,188)
Lease liabilities	(853)	(853)	(913)	(913)
<b>Total</b>	<b>(571,852)</b>	<b>(567,946)</b>	<b>(617,883)</b>	<b>(611,558)</b>

Note:

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

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

#### (ii) Trade and other receivables

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

Fair value of the receivables expected to be recovered or settled after more than 12 months, per each receivable classified per certain business types, are calculated based on present value of such receivable discounted by the interest rate, which takes into account the period to maturity and the credit risk.

Trade and other receivables using inputs described above are classified as Level 2 under the fair value measurement and disclosure framework.

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

Fair value of lease receivables and installment loans, per each receivable classified per certain period, are calculated based on present value of such receivable discounted by the interest rate, which takes into account the period to maturity and the credit risk. Lease receivables and installment loans using inputs described above are classified as Level 2 under the fair value measurement and disclosure framework.

#### (iv) Derivatives

Derivative instruments consist of interest rate swap agreements, foreign currency contracts and foreign currency options. Fair values of these instruments are mainly measured by obtaining quotes from brokers.

#### (v) Securities and bonds

Securities and bonds include mainly marketable securities, bonds and unlisted securities. Marketable securities and bonds are held at fair value using quoted prices in an active market. The fair value of unlisted securities is measured using the comparable companies' analysis or other reasonable valuation methods.

(vi) Loans, borrowings and lease liabilities

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

Fair value of loans, borrowings and lease liabilities are calculated from estimated present value using year-end borrowing rates derived from future cash flows, on a per-loan basis, as well as calculated based on market prices. Loans, borrowings and lease liabilities using inputs described above are classified as Level 2 under the fair value measurement and disclosure framework.

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

The fair value hierarchy of financial instruments is categorized as follows from Level 1 to Level 3:

Level 1: Quoted prices in active markets with respect to identical assets or liabilities

Level 2: Inputs other than quoted prices that are observable, either directly or indirectly

Level 3: Inputs not based on observable market data

The following tables present the fair value hierarchy of financial assets and liabilities that are measured at the fair values in the condensed consolidated statement of financial position.

	Millions of Yen			
	As of March 31, 2015			
	Level 1	Level 2	Level 3	Total
Derivative assets	-	4,169	-	4,169
Securities	53,736	-	2,484	56,220
Bonds	2,017	-	-	2,017
Total assets	55,753	4,169	2,484	62,406
Derivative liabilities	-	2,484	-	2,484
Total liabilities	-	2,484	-	2,484

	Millions of Yen			
	As of June 30, 2015			
	Level 1	Level 2	Level 3	Total
Derivative assets	-	4,944	-	4,944
Securities	58,103	-	2,332	60,435
Bonds	1,951	-	-	1,951
Total assets	60,054	4,944	2,332	67,330
Derivative liabilities	-	2,457	-	2,457
Total liabilities	-	2,457	-	2,457

Note:

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

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

There were no significant changes in the nature of Level 3 securities during the period.

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

The following amounts were charged to selling, general and administrative expenses for the three months ended June 30, 2014 and 2015:

	Millions of Yen	
	Three months ended June 30, 2014	Three months ended June 30, 2015
Research and development expenses	24,044	23,843
Shipping and handling costs	6,809	7,298
Advertising costs	2,456	2,603

## 9. EARNINGS PER SHARE

Earnings per share are as follows.

Diluted net income per share for the three months ended June 30, 2014 and 2015 is omitted because the Company did not have potentially dilutive common shares that were outstanding for the period.

	Three months ended June 30, 2014	Three months ended June 30, 2015
Profit attributable to owners of the parent (millions of yen)	15,081	12,986
Weighted average number of issued and outstanding shares (thousands of shares)	724,914	724,899
Earnings per share attributable to owners of the parent-basic (yen)	20.80	17.91

## 10. CAPITAL COMMITMENTS AND CONTINGENCIES

As of March 31, 2015 and June 30, 2015, Ricoh had outstanding contractual commitments for acquisition of property, plant and equipment and other assets aggregating ¥29,314 million and ¥29,276 million.

As of March 31, 2015 and June 30, 2015, there were no significant contingent liabilities.

As of June 30, 2015, the Company and certain subsidiaries were parties to litigation involving routine matters, such as patent rights. In the opinion of management, the ultimate liability, if any, resulting from such litigation will not materially affect the financial position or the results of operations of Ricoh.

## 11. SUBSEQUENT EVENTS

There are no material subsequent events.

## 12. AUTHORIZATION OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The condensed consolidated financial statements were authorized for issue by Zenji Miura, Representative Director, President and Chief Executive Officer, and Daisuke Segawa, Corporate Senior Vice President and Corporate Financial Executive, on August 7, 2015.