

Ricoh Company, Ltd.

Condensed Consolidated Financial Statements
for the Nine Months Ended December 31, 2020

This is an English translation of the Quarterly Securities Report (Shihanki Hokokusho) for the nine months ended December 31, 2020 pursuant to the Japanese Financial Instrument and Exchange Law.

Condensed Consolidated Statement of Financial Position

Ricoh Company, Ltd. and its Consolidated Subsidiaries

ASSETS	Millions of Yen	
	As of March 31, 2020	As of December 31, 2020
Current assets:		
Cash and cash equivalents (Note 8)	262,834	328,562
Time deposits (Note 8)	50	146
Trade and other receivables	392,780	346,396
Other financial assets	87,226	90,039
Inventories	201,248	204,628
Other current assets	36,428	46,247
Subtotal	980,566	1,016,018
Assets classified as held for sale (Note 4)	1,125,582	-
Total current assets	2,106,148	1,016,018
Non-current assets:		
Property, plant and equipment (Note 9)	201,569	194,473
Right-of-use assets (Note 9)	59,425	66,258
Goodwill and intangible assets (Note 7,9)	231,898	231,503
Other financial assets	139,181	131,927
Investments accounted for using the equity method (Note 15)	14,305	78,574
Other investments	14,951	16,628
Other non-current assets	29,550	29,567
Deferred tax assets	70,618	81,941
Total non-current assets	761,497	830,871
Total assets	2,867,645	1,846,889

LIABILITIES AND EQUITY	Millions of Yen	
	As of March 31, 2020	As of December 31, 2020
Current liabilities:		
Bonds and borrowings (Note 10)	51,492	73,569
Trade and other payables	246,055	256,091
Lease liabilities	27,230	25,673
Other financial liabilities	-	795
Income tax payables	9,455	6,161
Provisions	11,686	6,778
Other current liabilities (Note 14)	233,909	219,678
Subtotal	579,827	588,745
Liabilities directly related to assets held for sale (Note 4)	969,069	-
Total current liabilities	1,548,896	588,745
Non-current liabilities:		
Bonds and borrowings (Note 10)	128,172	168,712
Lease liabilities	38,741	49,126
Accrued pension and retirement benefits	99,795	94,751
Provisions	6,458	7,231
Other non-current liabilities (Note 14)	34,143	33,881
Deferred tax liabilities	2,913	3,048
Total non-current liabilities	310,222	356,749
Total liabilities	1,859,118	945,494
Equity:		
Common stock	135,364	135,364
Additional paid-in capital	186,173	186,217
Treasury stock	(37,795)	(37,732)
Other components of equity	41,768	56,125
Other comprehensive income related to disposal group held for sale (Note 4)	130	-
Retained earnings	594,731	557,903
Equity attributable to owners of the parent	920,371	897,877
Non-controlling interests	88,156	3,518
Total equity	1,008,527	901,395
Total liabilities and equity	2,867,645	1,846,889

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

Condensed Consolidated Statement of Profit or Loss

Ricoh Company, Ltd. and its Consolidated Subsidiaries

Nine months ended December 31, 2019 and 2020

	Millions of Yen	
	Nine months ended December 31, 2019	Nine months ended December 31, 2020
Sales (Note 5,6)	1,493,882	1,193,071
Cost of sales (Note 14)	944,534	777,354
Gross profit	549,348	415,717
Selling, general and administrative expenses (Note 9,13,14,15)	487,259	447,038
Other income * (Note 14)	7,326	4,224
Impairment of goodwill (Note 9)	-	2,641
Operating profit (loss)	69,415	(29,738)
Finance income	4,361	3,754
Finance costs	5,551	3,064
Share of profit (loss) of investments accounted for using the equity method	243	3,434
Profit (loss) before income tax expenses	68,468	(25,614)
Income tax expenses	22,375	(3,140)
Profit (loss) for the period	46,093	(22,474)
Profit (loss) attributable to:		
Owners of the parent	41,469	(22,471)
Non-controlling interests	4,624	(3)

	Yen	
	Nine months ended December 31, 2019	Nine months ended December 31, 2020
Earnings per share attributable to owners of the parent: (Note 16)		
Basic	57.23	(31.02)
Diluted	57.23	(31.02)

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

* Gain on sales of property, plant and equipment and others were included in "other income."

Three months ended December 31, 2019 and 2020

	Millions of Yen	
	Three months ended December 31, 2019	Three months ended December 31, 2020
Sales (Note 5,6)	499,103	431,123
Cost of sales (Note 14)	317,128	277,823
Gross profit	181,975	153,300
Selling, general and administrative expenses (Note 9,13,14)	163,555	151,826
Other income * (Note 14)	2,347	2,047
Impairment of goodwill (Note 9)	-	2,641
Operating profit (loss)	20,767	880
Finance income	1,461	2,308
Finance costs	747	874
Share of profit (loss) of investments accounted for using the equity method	141	1,580
Profit (loss) before income tax expenses	21,622	3,894
Income tax expenses	7,741	4,187
Profit (loss) for the period	13,881	(293)
Profit (loss) attributable to:		
Owners of the parent	12,211	(276)
Non-controlling interests	1,670	(17)

	Yen	
	Three months ended December 31, 2019	Three months ended December 31, 2020
Earnings per share attributable to owners of the parent: (Note 16)		
Basic	16.86	(0.38)
Diluted	16.86	(0.38)

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

* Gain on sales of property, plant and equipment and others were included in “other income.”

Condensed Consolidated Statement of Comprehensive Income

Ricoh Company, Ltd. and its Consolidated Subsidiaries

Nine months ended December 31, 2019 and 2020

	Millions of Yen	
	Nine months ended December 31, 2019	Nine months ended December 31, 2020
Profit (loss) for the period	46,093	(22,474)
Other comprehensive income (loss):		
Components that will not be reclassified subsequently to profit or loss:		
Remeasurement of defined benefit plan	(1,910)	-
Net changes in fair value of financial assets measured through other comprehensive income	1,348	1,589
Share of other comprehensive income of investments accounted for using equity method	-	67
Total components that will not be reclassified subsequently to profit or loss	(562)	1,656
Components that will be reclassified subsequently to profit or loss:		
Net changes in fair value of cash flow hedges	(455)	(421)
Exchange differences on translation of foreign operations	(9,858)	13,547
Share of other comprehensive income of investments accounted for using equity method	-	10
Total components that will be reclassified subsequently to profit or loss	(10,313)	13,136
Total other comprehensive income (loss)	(10,875)	14,792
Comprehensive income (loss)	35,218	(7,682)
Comprehensive income (loss) attributable to:		
Owners of the parent	30,272	(7,750)
Non-controlling interests	4,946	68

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

Three months ended December 31, 2019 and 2020

	Millions of Yen	
	Three months ended December 31, 2019	Three months ended December 31, 2020
Profit (loss) for the period	13,881	(293)
Other comprehensive income (loss):		
Components that will not be reclassified subsequently to profit or loss:		
Remeasurement of defined benefit plan	(1,910)	-
Net changes in fair value of financial assets measured through other comprehensive income	1,155	884
Share of other comprehensive income of investments accounted for using equity method	-	61
Total components that will not be reclassified subsequently to profit or loss	(755)	945
Components that will be reclassified subsequently to profit or loss:		
Net changes in fair value of cash flow hedges	(693)	(179)
Exchange differences on translation of foreign operations	18,773	6,844
Share of other comprehensive income of investments accounted for using equity method	-	32
Total components that will be reclassified subsequently to profit or loss	18,080	6,697
Total other comprehensive income (loss)	17,325	7,642
Comprehensive income (loss)	31,206	7,349
Comprehensive income (loss) attributable to:		
Owners of the parent	29,168	7,353
Non-controlling interests	2,038	(4)

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

Condensed Consolidated Statement of Changes in Equity

Ricoh Company, Ltd. and its Consolidated Subsidiaries

(Millions of Yen)

	Common Stock	Additional paid-in capital	Treasury stock	Other components of equity		
				Remeasurement of defined benefit plan	Net changes in fair value of financial assets measured through other comprehensive income	Net changes in 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)				(1,910)	1,035	(413)
Comprehensive income (loss)	-	-	-	(1,910)	1,035	(413)
Net change in treasury stock			(399)			
Dividends declared and approved to owners (Note 11)						
Share-based payment transactions		25				
Share-based payment transactions of subsidiaries						
Transfer from other components of equity to retained earnings				1,910	(58)	
Equity transactions with non-controlling shareholders		44				
Total transactions with owners	-	69	(399)	1,910	(58)	-
Balance as of December 31, 2019	135,364	186,155	(37,793)	-	8,792	(354)

(Millions of Yen)

	Other components of equity		Retained earnings	Equity attributable to owners of the parent	Non-controlling interests	Total equity
	Exchange differences on translation of foreign operations	Total other components of equity				
Balance as of April 1, 2019	65,771	73,645	574,876	932,577	86,411	1,018,988
Profit (loss) for the period			41,469	41,469	4,624	46,093
Other comprehensive income (loss)	(9,909)	(11,197)		(11,197)	322	(10,875)
Comprehensive income (loss)	(9,909)	(11,197)	41,469	30,272	4,946	35,218
Net change in treasury stock				(399)		(399)
Dividends declared and approved to owners (Note 11)			(18,841)	(18,841)	(1,227)	(20,068)
Share-based payment transactions				25		25
Share-based payment transactions of subsidiaries				-	21	21
Transfer from other components of equity to retained earnings		1,852	(1,852)	-		-
Equity transactions with non-controlling shareholders				44	(1,724)	(1,680)
Total transactions with owners	-	1,852	(20,693)	(19,171)	(2,930)	(22,101)
Balance as of December 31, 2019	55,862	64,300	595,652	943,678	88,427	1,032,105

(Millions of Yen)

	Common Stock	Additional paid-in capital	Treasury stock	Other components of equity		
				Remeasurement of defined benefit plan	Net changes in fair value of financial assets measured through other comprehensive income	Net changes in fair value of cash flow hedges
Balance as of April 1, 2020	135,364	186,173	(37,795)	-	5,191	409
Profit (loss) for the period						
Other comprehensive income (loss)					1,549	(489)
Comprehensive income (loss)	-	-	-	-	1,549	(489)
Net change in treasury stock			(3)			
Dividends declared and approved to owners (Note 11)						
Share-based payment transactions		44	5			
Share-based payment transactions of subsidiaries						
Loss of control of subsidiaries (Note 15)						
Transfer from other components of equity to retained earnings (Note 15)					(212)	
Other			61			
Total transactions with owners	-	44	63	-	(212)	-
Balance as of December 31, 2020	135,364	186,217	(37,732)	-	6,528	(80)

(Millions of Yen)

	Other components of equity		Other comprehensive income related to disposal groups held for sale	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, 2020	36,168	41,768	130	594,731	920,371	88,156	1,008,527
Profit (loss) for the period				(22,471)	(22,471)	(3)	(22,474)
Other comprehensive income (loss)	13,509	14,569	152		14,721	71	14,792
Comprehensive income (loss)	13,509	14,569	152	(22,471)	(7,750)	68	(7,682)
Net change in treasury stock					(3)		(3)
Dividends declared and approved to owners (Note 11)				(14,851)	(14,851)	(34)	(14,885)
Share-based payment transactions					49		49
Share-based payment transactions of subsidiaries					-	4	4
Loss of control of subsidiaries (Note 15)					-	(84,676)	(84,676)
Transfer from other components of equity to retained earnings (Note 15)		(212)	(282)	494	-		-
Other					61		61
Total transactions with owners	-	(212)	(282)	(14,357)	(14,744)	(84,706)	(99,450)
Balance as of December 31, 2020	49,677	56,125	-	557,903	897,877	3,518	901,395

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

Condensed Consolidated Statement of Cash Flows

Ricoh Company, Ltd. and its Consolidated Subsidiaries

(Millions of Yen)

	Nine months ended December 31, 2019	Nine months ended December 31, 2020
I. Cash Flows from Operating Activities:		
Profit (loss) for the period	46,093	(22,474)
Adjustments to reconcile profit for the period to net cash provided by operating activities—		
Depreciation and amortization	91,516	79,670
Impairment of property, plant and equipment and intangible assets (Note 9)	-	7,745
Impairment of goodwill (Note 9)	-	2,641
Other income	(5,313)	(1,221)
Share of profit (loss) of investments accounted for using the equity	(243)	(3,434)
Finance income and costs	1,190	(690)
Income tax expenses	22,375	(3,140)
(Increase) decrease in trade and other receivables	20,576	67,500
(Increase) decrease in inventories	(31,309)	(1,750)
(Increase) decrease in lease receivables	(23,785)	13,061
Increase (decrease) in trade and other payables	(16,115)	(33,268)
Increase (decrease) in accrued pension and retirement benefits	(3,985)	(5,559)
Other, net	(15,195)	(13,092)
Interest and dividends received	3,928	3,393
Interest paid	(3,655)	(1,861)
Income taxes paid	(27,208)	(14,832)
Net cash provided by (used in) operating activities	58,870	72,689
II. Cash Flows from Investing Activities:		
Proceeds from sales of property, plant and equipment	7,272	2,427
Expenditures for property, plant and equipment	(61,009)	(29,941)
Proceeds from sales of intangible assets	134	60
Expenditures for intangible assets	(19,898)	(16,796)
Payments for purchases of investment securities	(13,870)	(594)
Proceeds from sales of investment securities	1,006	336
Net (increase) decrease in time deposits	4	(89)
Purchase of business, net of cash acquired (Note 7)	(16,118)	(8,431)
Net increase (decrease) due to loss of control of subsidiaries (Note 15)	-	7,846
Other, net	(22,723)	(280)
Net cash provided by (used in) investing activities	(125,202)	(45,462)
III. Cash Flows from Financing Activities:		
Net increase (decrease) of short-term debt	(11,090)	2,871
Proceeds from long-term debt	227,845	97,037
Repayments of long-term debt	(154,673)	(11,554)
Proceeds from issuance of bonds (Note 10)	72,119	-
Repayments of bonds (Note 10)	(32,148)	(12,413)
Repayments of lease liabilities	(22,605)	(26,293)
Dividends paid (Note 11)	(18,841)	(14,851)
Payments for purchase of treasury stock	(399)	(3)
Other, net	(2,907)	(34)
Net cash provided by (used in) financing activities	57,301	34,760
IV. Effect of Exchange Rate Changes on Cash and Cash Equivalents	(1,820)	212
V. Net Increase (decrease) in Cash and Cash Equivalents	(10,851)	62,199
VI. Cash and Cash Equivalents at Beginning of Year	240,099	263,688
VII. Cash and Cash Equivalents at End of Period (Note 8)	229,248	325,887

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

Notes: The difference in the amount of “cash and cash equivalents” between condensed consolidated statement of financial position and condensed consolidated statement of cash flows represents bank overdrafts.

Notes to Condensed Consolidated Financial Statements

Ricoh Company, Ltd. and its 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 December 31, 2020 comprise of the Company and its subsidiaries (the “Ricoh” as a consolidated group) and Ricoh’s interest in associates. Ricoh’s operating segments are comprised of the Office Printing segment, including MFPs and copiers, related parts and supplies, the Office Service segment, including personal computers, servers, network equipment, related service and support, the Commercial Printing segment, including cut sheet printers and continuous feed printers, the Industrial Printing segment, including inkjet heads, imaging systems and industrial printers, the Thermal Media segment, including thermal media and Other, including industrial optical component/module, electronic components and digital cameras (see Note 5, “OPERATING SEGMENTS”).

2. BASIS OF PREPARATION

(1) Statements of Compliance

The condensed consolidated financial statements meet the requirements set out under Article 1-2, Paragraph 1, Item 2 of the Rules on Terminology, Formats and Compilation Methods of Quarterly Consolidated Financial Statements (Cabinet Office Ordinance No. 64 of 2007; hereinafter referred to as the “Rules on Quarterly Consolidated Financial Statements”) under which the Company is qualified as a “specified company” and duly prepares such summary in accordance with IAS 34 “Interim Financial Reporting”, under the provisions of Article 93 of the Rules on Quarterly Consolidated Financial Statements. As the condensed consolidated financial statements do not contain all the information required in annual consolidated financial statements, it should be read in combination with the consolidated financial statements for the fiscal year ended March 31, 2020, 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, taking into consideration the impact of the novel coronavirus (the “COVID-19”).

In the consolidated financial statements for the previous fiscal year, regarding the timing of the stabilization of the impact of COVID-19, Ricoh made several assumptions and mainly assumed that the recovery of business would result from the third quarter of FY2020, while also considering the possibility that the business performance would recover from FY2021. However, the pace of recovery is slower than initially anticipated, with some countries starting to impose restrictions on activities as the number of infected persons re-expands. In the condensed consolidated financial statements for the nine months ended December 31, 2020, considering these circumstances, in the Commercial Printing business, as a result of formulating a future plan that carefully considers the COVID-19 impact on business performance in the

impairment test, the expected contribution's timing will be later than initially expected. As a result, we recorded impairment losses on some of our assets, including goodwill, recorded from past acquisitions. As for detail of impairment losses, please refer to Note 9, "IMPAIRMENT LOSSES".

In the Office Printing business, Ricoh has anticipated that the business performance would not perfectly return to pre-COVID-19 levels in view of the prolonged impact of the spread of COVID-19 and new working style (new norm) such as the decrease in attendance rate due to office space reduction and establishing teleworking. There is no significant effect on the impairment test of goodwill and fixed assets and on the assessment of recoverability of deferred tax assets.

3. SIGNIFICANT ACCOUNTING POLICIES

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

4. ASSETS CLASSIFIED AS HELD FOR SALE AND LIABILITIES DIRECTLY RELATED TO ASSETS HELD FOR SALE

(For the year ended March 31, 2020)

At a meeting on March 9, 2020, the Board of Directors of Ricoh Company Ltd. agreed to sell a portion of its shares in Ricoh Leasing Co., Ltd. (referred to as “Ricoh Leasing”), a consolidated subsidiary of the Company, to Mizuho Leasing Company, Ltd. (referred to as “Mizuho Leasing”).

This agreement enables Ricoh Leasing to expand its business domain and invest in growth beyond the scope of Ricoh even further than before, while at the same time to enhance the business base of vendor leasing, which is Ricoh Leasing’s strength. In addition, the Company will improve its asset efficiency and while maintaining its relationship with Ricoh Leasing, reduce risks arising from financial assets on the balance sheet. This will enable flexible financing and proactive investment in growth areas.

Along with the agreement, in accordance with IFRS 5 “Non-current Assets Held for Sale and Discontinued Operations”, Ricoh reclassified assets and liabilities owned by Ricoh Leasing and its subsidiaries to “Assets classified as held for sale” and “Liabilities directly related to assets held for sale”. Ricoh measured the disposal group classified as held for sale at the lower of its carrying amount and fair value less costs to sell. The reportable segments in which the assets and the liabilities are presented are the Office Printing segment, the Office Service segment, the Commercial Printing and the Other segment.

The details of the disposal group are as follows.

	Millions of Yen
	<u>As of March 31, 2020</u>
Assets classified as held for sale	
Current Assets :	
Cash and cash equivalents	854
Time deposits	3
Trade and other receivables	189,971
Other financial assets	209,875
Other current assets	13,871
Subtotal	<u>414,574</u>
Non-current assets :	
Property, plant and equipment	60,856
Right-of-use assets	2,402
Goodwill and intangible assets	2,060
Other financial assets	618,677
Other investments	15,664
Other non-current assets	9,309
Deferred tax assets	2,040
Subtotal	<u>711,008</u>
Total	<u>1,125,582</u>

	<u>Millions of Yen</u>
	<u>As of March 31, 2020</u>
Liabilities directly related to assets held for sale	
Current Liabilities :	
Bonds and borrowings	217,650
Trade and other payables	41,595
Lease liabilities	483
Other financial liabilities	261
Income tax payables	4,079
Other current liabilities	30,876
Subtotal	<u>294,944</u>
Non-current Liabilities :	
Bonds and borrowings	661,277
Lease liabilities	1,900
Other financial liabilities	80
Accrued pension and retirement benefits	978
Other non-current liabilities	9,890
Subtotal	<u>674,125</u>
Total	<u>969,069</u>

Cumulative other comprehensive income (net of taxes) related to disposal group held for sale amounted to ¥130 million (credit) and were included in equity in the consolidated statements of financial position as of March 31, 2020. Net changes in fair value of financial assets measured through other comprehensive income amounted to ¥225 million (credit) are directly reclassified to retained earnings and net changes in fair value of cash flow hedges amounted to ¥95 million (debit) are reclassified to profit or loss when the asset is sold.

On April 23, 2020, the Company concluded the partial transfer of common shares in Ricoh Leasing to Mizuho Leasing. As a result of the share transfer, the Company's voting rights in Ricoh Leasing is now 33.7%, and Ricoh Leasing, which used to be a consolidated subsidiary of the Company, became an affiliate accounted for under the equity method.

As for the impacts of loss of control on assets and liabilities as of December 31, 2020 and on profit and loss for the nine months ended December 31, 2020, please refer to Note 15 "LOSS OF CONTROL OF SUBSIDIARY."

5. OPERATING SEGMENTS

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

Some of the business in the Office Service segment have been reclassified into the Office Printing segment and Other segment from this fiscal year. In addition, some corporate expenses have been allocated to the relevant segments. Prior year comparative figures have also been reclassified to conform to the current year's presentation.

The following table presents the content of each operating segment.

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

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

The following tables present certain information regarding Ricoh's operating segments and geographic areas for the nine months ended December 31, 2019 and 2020. Intersegment transactions are made at arm's-length prices. No single customer accounted for 10% or more of the total sales for the nine months ended December 31, 2019 and 2020.

(1) Operating Segment Information

Nine months ended December 31, 2019 and 2020

	Millions of Yen	
	Nine months ended December 31, 2019	Nine months ended December 31, 2020
Segment sales:		
Office total	1,165,942	951,826
Office Printing	767,860	593,595
Office Service	398,082	358,231
Commercial Printing	133,375	98,177
Industrial Printing	17,794	16,618
Thermal Media	47,896	42,491
Other	148,491	97,693
Intersegment sales	(19,616)	(13,734)
Total segment sales	1,493,882	1,193,071
Segment profit (loss):		
Office total	94,915	26,995
Office Printing	73,086	6,137
Office Service	21,829	20,858
Commercial Printing	16,771	(3,088)
Industrial Printing	(2,925)	(2,039)
Thermal Media	2,823	1,521
Other	(1,949)	(16,050)
Total segment profit (loss)	109,635	7,339
Reconciling items:		
Corporate expenses and elimination	(40,220)	(37,077)
Finance income	4,361	3,754
Finance costs	(5,551)	(3,064)
Share of profit (loss) of investments accounted for using equity method	243	3,434
Profit (loss) before income tax expenses	68,468	(25,614)

Three months ended December 31, 2019 and 2020

	Millions of Yen	
	Three months ended December 31, 2019	Three months ended December 31, 2020
Segment sales:		
Office total	388,452	344,860
Office Printing	255,441	211,310
Office Service	133,011	133,550
Commercial Printing	45,838	35,498
Industrial Printing	6,068	6,313
Thermal Media	16,198	15,324
Other	49,139	33,639
Intersegment sales	(6,592)	(4,511)
Total segment sales	499,103	431,123
Segment profit (loss):		
Office total	28,133	21,690
Office Printing	21,788	12,410
Office Service	6,346	9,279
Commercial Printing	6,031	(5,095)
Industrial Printing	(623)	(109)
Thermal Media	1,313	602
Other	(1,297)	(4,346)
Total segment profit (loss)	33,557	12,742
Reconciling items:		
Corporate expenses and elimination	(12,790)	(11,862)
Finance income	1,461	2,308
Finance costs	(747)	(874)
Share of profit (loss) of investments accounted for using equity method	141	1,580
Profit (loss) before income tax expenses	21,622	3,894

(2) Geographic Information

Sales based on the location of customers are as follows:

Nine months ended December 31, 2019 and 2020

	Millions of Yen	
	Nine months ended December 31, 2019	Nine months ended December 31, 2020
Sales:		
Japan	637,113	516,789
The Americas	402,810	284,675
Europe, Middle East and Africa	321,835	281,792
Other	132,124	109,815
Consolidated	1,493,882	1,193,071
The United States (included in The Americas)	335,972	243,245

Three months ended December 31, 2019 and 2020

	Millions of Yen	
	Three months ended December 31, 2019	Three months ended December 31, 2020
Sales:		
Japan	207,522	181,372
The Americas	133,762	97,978
Europe, Middle East and Africa	113,335	112,311
Other	44,484	39,462
Consolidated	499,103	431,123
The United States (included in The Americas)	111,615	82,408

6. SALES

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

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

Nine months ended December 31, 2019 and 2020

Nine months ended December 31, 2019	Millions of Yen				
	Japan	The Americas	Europe, Middle East and Africa	Other	Total
Office Total	496,185	311,687	266,599	91,471	1,165,942
Office Printing	256,525	232,860	197,924	80,551	767,860
Office Service	239,660	78,827	68,675	10,920	398,082
Commercial Printing	18,823	69,411	35,928	9,213	133,375
Industrial Printing	3,116	4,902	3,446	6,330	17,794
Thermal Media	10,017	14,510	11,990	11,379	47,896
Other	108,972	2,300	3,872	13,731	128,875
Total segment sales	637,113	402,810	321,835	132,124	1,493,882

Note:

1. Intersegment transactions were excluded in the table above.
2. Revenues recognized in accordance with IFRS15 ‘Revenue from contracts with customers’ as well as revenues from leases recognized in accordance with IFRS16 ‘Leases’ were included in Sales. The amount of revenue recognized in accordance with IFRS16 was ¥225,942 million which was mainly composed of Office Printing.
3. Some of the business in the Office Service segment have been reclassified into the Office Printing segment and Other segment from this fiscal year. Prior year comparative figures have also been reclassified to conform to the current year’s presentation.

Nine months ended December 31, 2020	Millions of Yen				
	Japan	The Americas	Europe, Middle East and Africa	Other	Total
Office Total	420,803	215,968	239,155	75,900	951,826
Office Printing	226,043	151,952	150,011	65,589	593,595
Office Service	194,760	64,016	89,144	10,311	358,231
Commercial Printing	17,317	47,529	25,559	7,772	98,177
Industrial Printing	1,994	5,150	2,682	6,792	16,618
Thermal Media	9,713	13,223	10,445	9,110	42,491
Other	66,962	2,805	3,951	10,241	83,959
Total segment sales	516,789	284,675	281,792	109,815	1,193,071

Note:

1. Intersegment transactions were excluded in the table above.
2. Revenues recognized in accordance with IFRS15 ‘Revenue from contracts with customers’ as well as revenues from leases recognized in accordance with IFRS16 ‘Leases’ were included in Sales. The amount of revenue recognized in accordance with IFRS16 was ¥118,978 million which was mainly composed of Office Printing.

Three months ended December 31, 2019 and 2020

Three months ended December 31, 2019	Millions of Yen				
	Japan	The Americas	Europe, Middle East and Africa	Other	Total
Office Total	159,774	102,788	94,415	31,475	388,452
Office Printing	83,446	76,625	67,901	27,469	255,441
Office Service	76,328	26,163	26,514	4,006	133,011
Commercial Printing	6,424	23,766	12,598	3,050	45,838
Industrial Printing	1,229	1,511	1,177	2,151	6,068
Thermal Media	3,507	4,938	3,741	4,012	16,198
Other	36,588	759	1,404	3,796	42,547
Total segment sales	207,522	133,762	113,335	44,484	499,103

Note:

1. Intersegment transactions were excluded in the table above.
2. Revenues recognized in accordance with IFRS15 'Revenue from contracts with customers' as well as revenues from leases recognized in accordance with IFRS16 'Leases' were included in Sales. The amount of revenue recognized in accordance with IFRS16 was ¥75,767 million which was mainly composed of Office Printing.
3. Some of the business in the Office Service segment have been reclassified into the Office Printing segment and Other segment from this fiscal year. Prior year comparative figures have also been reclassified to conform to the current year's presentation.

Three months ended December 31, 2020	Millions of Yen				
	Japan	The Americas	Europe, Middle East and Africa	Other	Total
Office Total	148,033	73,887	95,934	27,006	344,860
Office Printing	78,429	52,585	56,899	23,397	211,310
Office Service	69,604	21,302	39,035	3,609	133,550
Commercial Printing	5,861	16,682	9,937	3,018	35,498
Industrial Printing	758	2,028	948	2,579	6,313
Thermal Media	3,606	4,465	3,749	3,504	15,324
Other	23,114	916	1,743	3,355	29,128
Total segment sales	181,372	97,978	112,311	39,462	431,123

Note:

1. Intersegment transactions were excluded in the table above.
2. Revenues recognized in accordance with IFRS15 'Revenue from contracts with customers' as well as revenues from leases recognized in accordance with IFRS16 'Leases' were included in Sales. The amount of revenue recognized in accordance with IFRS16 was ¥38,739 million which was mainly composed of Office Printing.

7. BUSINESS COMBINATIONS

(For the nine months ended December 31, 2019)

On August 5, 2019, Ricoh acquired DocuWare GmbH ("DocuWare"), which provides cloud and on-premise CSP (Contents Service Platform) to support document management and workflow automation, through the Company's wholly owned Europe holding subsidiary, Ricoh Europe Holdings, Plc., for a total cash consideration of ¥18,667 million, including transaction costs. With this acquisition, Ricoh aims to expand its digital business. Ricoh applied the acquisition method to account for the acquisition and the acquisition cost has been allocated to the assets acquired and the liabilities assumed based on the acquisition-date fair values. The amount of consideration paid in excess of the estimated fair values of the identifiable assets acquired and liabilities assumed was ¥17,000 million which was recorded as goodwill. The initial accounting for the business combination is incomplete as of December 31, 2019 and therefore, the provisional amounts of intangible assets and goodwill could possibly be adjusted upon the completion of the purchase price allocation. The operating results of DocuWare have been included in the accompanying condensed consolidated financial statements since the acquisition date.

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

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

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

Sales and profit for the period generated by DocuWare since the acquisition date amounted to ¥2,927 million and ¥310 million, respectively. Assuming the business combination was conducted at the beginning of the period, its effect on the condensed consolidated statement of profit or loss for the nine months ended December 31, 2019 would be ¥1,610 million in sales and ¥99 million in profit for the period and the pro-forma information would be ¥1,495,492 million in sales and ¥46,192 million in profit for the period, respectively. The amounts are unaudited by the independent auditor.

(For the nine months ended December 31, 2020)

There was no significant business combination.

8. CASH AND CASH EQUIVALENTS

Details of cash and cash equivalents are as follows:

	Millions of Yen	
	As of December 31, 2019	As of December 31, 2020
Cash and deposits	229,312	328,708
Time deposits with a maturity of more than three months	(64)	(146)
Cash and cash equivalents in Condensed Consolidated Statement of Financial Position	229,248	328,562
Bank overdrafts	-	(2,675)
Cash and cash equivalents in Condensed Consolidated Statement of Cash Flows	229,248	325,887

9. IMPAIRMENT LOSSES

(For the nine months ended December 31, 2020)

Ricoh recognized impairment losses on some of goodwill, property, plant and equipment and intangible assets in the Commercial Printing business for the nine months ended December 31, 2020. The carrying amount of these assets was written down to the recoverable amount which was determined based on value in use. The value in use is calculated by discounting the estimated cash flows based on the projection approved by management and the growth rate using the pre-tax weighted average cost 10%. Impairment losses for the nine months ended December 31, 2020 were included in “Selling, general and administrative expenses” in the amount of ¥7,745 million and “Impairment of goodwill” in the amount of ¥2,641 million in the condensed consolidated statement of profit or loss for the nine months ended December 31, 2020. Details of impaired assets are ¥5,861 million in intangible assets consisting primarily of development assets, ¥2,641 million in goodwill and ¥1,884 million in property, plant and equipment.

We have focused our investment on the Commercial Printing business's future business expansion, where the impairment losses were recognized. However, the Commercial Printing business was affected by the decline in customers' willingness to invest due to the uncertainty over the future of their business caused by the spread of COVID-19. As a result of incorporating investment for growth for future business expansion and formulating a future plan that carefully considers the COVID-19 impact on business performance in the impairment test, the expected timing of contribution will be later than initially expected. As a result, we recorded impairment losses on some of our assets, including goodwill recorded from past acquisitions.

10. BONDS

Details of bonds issued during the nine months ended December 31, 2019 are as follows:

Issuer	Bond name	Issue date	Total amount	Interest Rate (%)	Collateral	Maturity date
Ricoh Company, Ltd.	The 3rd series of unsecured straight bonds of EURO	July 29, 2019	100 million Euro	0.220	None	July 29, 2022
Ricoh Leasing Company, Ltd.	Bonds no. 35	July 12, 2019	25,000 million Yen	0.040	None	July 12, 2022
Ricoh Leasing Company, Ltd.	Bonds no. 36	July 12, 2019	5,000 million Yen	0.290	None	July 12, 2029
Ricoh Leasing Company, Ltd.	Bonds no. 37	October 11, 2019	20,000 million Yen	0.020	None	October 11, 2022
Ricoh Leasing Company, Ltd.	Bonds no. 38	October 11, 2019	10,000 million Yen	0.120	None	October 11, 2024

Details of bonds repaid during the nine months ended December 31, 2019 are as follows:

Issuer	Bond name	Issue date	Total amount	Interest Rate (%)	Collateral	Maturity date
Ricoh Company, Ltd.	The 1st series of unsecured straight bonds of EURO	July 28, 2016	100 million Euro	0.370	None	July 26, 2019
Ricoh Leasing Company, Ltd.	Bonds no. 20	July 11, 2014	10,000 million Yen	0.269	None	July 11, 2019
Ricoh Leasing Company, Ltd.	Bonds no. 22	September 26, 2016	10,000 million Yen	0.001	None	September 26, 2019

No issuance of bonds was noted for the nine months ended December 31, 2020.

Details of bonds repaid during the nine months ended December 31, 2020 are as follows:

Issuer	Bond name	Issue date	Total amount	Interest Rate (%)	Collateral	Maturity date
Ricoh Company, Ltd.	The 2nd series of unsecured straight bonds of EURO	July 27, 2017	100 million Euro	0.350	None	July 27, 2020

11. DIVIDENDS

(1) Dividends paid during the nine months ended December 31, 2019 and 2020 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 21, 2019	Ordinary shares	9,423	13.0	March 31, 2019	June 24, 2019	Retained earnings
Board of Directors' meeting held on November 1, 2019	Ordinary shares	9,423 (Note)	13.0	September 30, 2019	December 2, 2019	Retained earnings
Ordinary general meeting of shareholders held on June 26, 2020	Ordinary shares	9,423 (Note)	13.0	March 31, 2020	June 29, 2020	Retained earnings
Board of Directors' meeting held on November 4, 2020	Ordinary shares	5,436 (Note)	7.5	September 30, 2020	December 1, 2020	Retained earnings

Note: The total amount of dividends by the resolution of the board of directors' meeting held on November 1, 2019 includes ¥5 million corresponding to the Company's shares owned by the Board Incentive Plan trust in which beneficiaries include Directors and Executive Officers.

In addition, the total amount of dividends by the resolution of the ordinary general meeting of shareholders held on June 26, 2020 and the board of directors' meeting held on November 4, 2020 include ¥5 million and ¥3 million respectively corresponding to the Company's shares owned by the Board Incentive Plan trust in which beneficiaries include Directors and Executive Officers.

(2) Dividends whose record date is in the third quarter but whose effective date is in the following quarter are as follows:

None noted.

12. FINANCIAL INSTRUMENTS

(1) Fair value of financial instruments by type

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

The table below includes the carrying amount included in “Assets classified as held for sale” and “Liabilities directly related to assets held for sale.”

	Millions of Yen			
	As of March 31, 2020		As of December 31, 2020	
	Carrying amount	Fair value	Carrying amount	Fair value
Assets:				
Trade receivables	150,891	156,381	-	-
Lease receivables	872,031	887,174	221,965	224,960
Installment loans	180,586	181,368	-	-
Derivative assets	2,342	2,342	1	1
Securities	29,760	29,760	15,883	15,883
Bonds	855	855	745	745
Total	1,236,465	1,257,880	238,594	241,589
Liabilities:				
Derivative liabilities	341	341	795	795
Bonds and borrowings	789,449	786,493	168,712	164,797
Total	789,790	786,834	169,507	165,592

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

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

The fair value of the receivables expected not to be recovered or settled in a short period is calculated per each receivable classified per certain business type based on the 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 the inputs described above are classified as Level 3 under the fair value measurement and disclosure framework. Trade and other receivables that are not material are not included in the table above.

(iii) Lease receivables and installment loans

The fair value of lease receivables and installment loans per each receivable classified per certain period is calculated based on the present value of such receivables discounted by the interest rate which takes into account the period to maturity and the credit risk. Lease receivables and installment loans using the inputs described above are classified as Level 3 under the fair value measurement and disclosure framework.

(iv) Derivatives

Derivative instruments include foreign currency contracts and interest rate swap agreements. These derivative instruments are classified as Level 2 since the fair values of these instruments are measured mainly by obtaining quotes from brokers or proper valuation methods based on available information.

(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. Unlisted securities are classified as Level 3 since the fair value of unlisted securities is measured using comparable companies' analyses or other reasonable valuation methods.

(vi) Bonds and borrowings

Bonds 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-term maturities of these instruments.

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

(vii) Measurement of financial instruments

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

At amortized cost: trade receivables, installment loans, bonds (as liabilities) and borrowings.

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

At fair value through other comprehensive income: securities and bonds (as assets).

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

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

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

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

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

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

The following tables present the fair-value hierarchy of financial assets and liabilities that are measured at fair value in the consolidated statement of financial position, which includes the carrying amount included in "Assets classified as held for sale" and "Liabilities directly related to assets held for sale."

	Millions of Yen			Total
	Level 1	Level 2	Level 3	
As of March 31, 2020				
Financial assets at fair value through profit or loss:				
Derivative assets	-	2,342	-	2,342
Financial assets at fair value through other comprehensive income:				
Securities	13,251	-	16,509	29,760
Bonds	855	-	-	855
Total assets	14,106	2,342	16,509	32,957
Financial liabilities at fair value through profit or loss:				
Derivative liabilities	-	341	-	341
Total liabilities	-	341	-	341

	Millions of Yen			
	As of December 31, 2020			
	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss:				
Derivative assets	-	1	-	1
Financial assets at fair value through other comprehensive income:				
Securities	13,329	-	2,554	15,883
Bonds	745	-	-	745
Total assets	14,074	1	2,554	16,629
Financial liabilities at fair value through profit or loss:				
Derivative liabilities	-	795	-	795
Total liabilities	-	795	-	795

Note:

(i) Derivative instruments consist of foreign currency contracts and interest rate swap agreements. 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 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 comparable companies' share prices and unobservable inputs, therefore, unlisted securities are classified as Level 3.

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

	Millions of Yen	
	Nine months ended December 31, 2019	Nine months ended December 31, 2020
Beginning balance	4,885	16,509
Gains and losses:		
- in other comprehensive income (Note)	(26)	(252)
Purchases	11,240	559
Sales	(412)	(84)
Decrease due to disposal of interest in subsidiaries	-	(14,142)
Others	(10)	(36)
Ending balance	15,677	2,554

Note:

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

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

The following amounts were charged to selling, general and administrative expenses for the nine months and three months ended December 31, 2019 and 2020:

	Millions of Yen	
	Nine months ended December 31, 2019	Nine months ended December 31, 2020
Research and development expenses	63,953	58,479
Shipping and handling expenses	20,359	17,987
Advertising expenses	4,490	3,044

	Millions of Yen	
	Three months ended December 31, 2019	Three months ended December 31, 2020
Research and development expenses	19,952	18,182
Shipping and handling expenses	7,201	6,366
Advertising expenses	1,890	1,059

14. GOVERNMENT GRANTS

Government grants are recognized at fair value when there is a reasonable assurance that Ricoh will comply with the terms and conditions attached to the grants. In the case of government grants related to income are recognized in profit or loss over the period in which the related costs for which the grants are intended to compensate are recognized, mainly deducted in the related expenses. With regard to government grants for the purchase of assets, the amount of the grant is credited to deferred income and recognized in profit or loss over the expected useful life of the relevant assets.

For the nine months ended December 31, 2020, government grants related to income were mainly employment grants relating COVID-19. Government grants for the purchase of assets, principally arising in the Office Printing segment, were related to capital expenditures on R&D of the Company and the production facility of a manufacturing subsidiary in Japan.

For the nine months ended December 31, 2020, the amount of government grants recognized in the consolidated statement of profit or loss was ¥15,057 million, which were deducted by ¥5,367 million in "cost of sales" and ¥8,931 million in "selling, general and administrative expenses", and were included by ¥759 million in "other income".

The total balance of government grants, presented as deferred income in "other current liabilities" or "other non-current liabilities" in the consolidated statement of financial position as of March 31, 2020 and December 31, 2020 was ¥4,302 million and ¥4,031 million, respectively.

There are no unfulfilled conditions or contingencies related to government grants recognized as deferred income.

15. LOSS OF CONTROL OF SUBSIDIARY

(For the nine months ended December 31, 2019)

There was no loss of control of subsidiary.

(For the nine months ended December 31, 2020)

1. Overview of loss of control

At a meeting on March 9, 2020, the Board of Directors of Ricoh Company Ltd. agreed to sell a portion of its shares in Ricoh Leasing Co., Ltd. (referred to as “Ricoh Leasing”), a consolidated subsidiary of the Company, to Mizuho Leasing Company, Ltd. (referred to as “Mizuho Leasing”).

As of April 23, 2020, Ricoh concluded the partial transfer of common shares in Ricoh Leasing to Mizuho Leasing. As a result of the share transfer, Ricoh’s voting rights in Ricoh Leasing changed to the ownership ratio of 33.7%, and Ricoh Leasing, which used to be a consolidated subsidiary of the Company, became an affiliate accounted for under the equity method.

2. Assets and liabilities as of the date which control was lost were as follows:

	Millions of Yen
	Carrying amount
Cash and cash equivalents	28,954
Trade and other receivables	219,572
Other financial assets	824,971
Property, plant and equipment	63,855
Other assets	46,144
Bonds and borrowings	(907,957)
Trade and other payables	(40,824)
Other liabilities	(51,229)
Net assets removed	183,486

Note: Assets and liabilities included in the derecognized subsidiary were the amounts before elimination of inter-company transactions.

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

	Millions of Yen
	Nine months ended December 31, 2020
Cash received	36,800
Net assets removed	(183,486)
Non-controlling interests	84,676
Retained investment in former subsidiary	62,010
Gain or loss arising from the deconsolidation	-

Note: The loss amounting to ¥2,539 million from measuring the disposal group classified as held for sale at fair value less costs to sell was included in selling, general and administrative expenses.

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

	Millions of Yen
	Nine months ended December 31, 2020
Cash received from the sale of subsidiary	36,800
Cash and cash equivalents of derecognized subsidiary	(28,954)
Net proceeds from the sale of subsidiary	7,846

16. EARNINGS PER SHARE

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

(1) Basic earnings per share

	Nine months ended December 31, 2019	Nine months ended December 31, 2020
Profit (loss) attributable to owners of the parent (millions of yen)	41,469	(22,471)
Weighted average number of ordinary shares outstanding (thousands of shares)	724,649	724,434
Basic earnings per share (yen)	57.23	(31.02)

	Three months ended December 31, 2019	Three months ended December 31, 2020
Profit (loss) attributable to owners of the parent (millions of yen)	12,211	(276)
Weighted average number of ordinary shares outstanding (thousands of shares)	724,436	724,435
Basic earnings per share (yen)	16.86	(0.38)

(2) Diluted earnings per share

	Nine months ended December 31, 2019	Nine months ended December 31, 2020
Profit (loss) attributable to owners of the parent (millions of yen)	41,469	(22,471)
Adjustments (millions of yen)	-	-
Profit (loss) used for calculation of diluted earnings per share (millions of yen)	41,469	(22,471)
Weighted average number of ordinary shares outstanding (thousands of shares)	724,649	724,434
Effect of dilutive potential ordinary shares		
Share-based payment (thousands of shares)	9	36
Weighted-average number of ordinary shares diluted (thousands of shares)	724,658	724,471
Diluted earnings per share (yen)	57.23	(31.02)

	Three months ended December 31, 2019	Three months ended December 31, 2020
Profit (loss) attributable to owners of the parent (millions of yen)	12,211	(276)
Adjustments (millions of yen)	-	-
Profit (loss) used for calculation of diluted earnings per share (millions of yen)	12,211	(276)
Weighted average number of ordinary shares outstanding (thousands of shares)	724,436	724,435
Effect of dilutive potential ordinary shares		
Share-based payment (thousands of shares)	6	7
Weighted-average number of ordinary shares diluted (thousands of shares)	724,443	724,442
Diluted earnings per share (yen)	16.86	(0.38)

Note: For the purpose of calculation of basic earnings per share and diluted earnings per share, the shares of the Company held by Board Incentive Plan trust in which beneficiaries include directors and executive

officers are accounted as treasury shares and the number of those shares are deducted from weighted-average number of ordinary shares outstanding during the period.

17. CAPITAL COMMITMENTS AND CONTINGENCIES

As of March 31, 2020 and December 31, 2020, Ricoh had outstanding contractual commitments for acquisition of property, plant and equipment and other assets aggregating ¥6,378 million and ¥7,520 million, respectively.

As of March 31, 2020 and December 31, 2020, there were no significant contingent liabilities.

As of December 31, 2020, 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.

18. SUBSEQUENT EVENTS

There were no material subsequent events.

19. AUTHORIZATION OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The condensed consolidated financial statements were authorized for issue by Yoshinori Yamashita, Representative Director and President, and Hidetaka Matsuishi, Director and Corporate Executive Vice President, on February 12, 2021.