

**Ricoh Company, Ltd.**

Condensed Consolidated Financial Statements  
for the Nine Months Ended December 31, 2018

This is an English translation of the Quarterly Securities Report (Shihanki Hokokusho) for the nine months ended December 31, 2018 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, 2018	As of December 31, 2018
Current assets:		
Cash and cash equivalents	160,568	201,290
Time deposits	68	106
Trade and other receivables	589,741	584,977
Other financial assets	291,144	296,458
Inventories	180,484	218,236
Other Investment	55,921	-
Other current assets	50,052	41,965
Total current assets	1,327,978	1,343,032
Non-current assets:		
Property, plant and equipment	250,005	245,073
Goodwill and intangible assets	217,130	217,912
Other financial assets	689,629	687,967
Investments accounted for using the equity method	3,703	12,625
Other investments	26,985	25,116
Other non-current assets	36,806	40,582
Deferred tax assets	88,794	89,725
Total non-current assets	1,313,052	1,319,000
Total assets	2,641,030	2,662,032

<b>LIABILITIES AND EQUITY</b>	Millions of Yen	
	As of March 31, 2018	As of December 31, 2018
Current liabilities:		
Bonds and borrowings (Note 6)	223,194	303,241
Trade and other payables	300,724	283,237
Other financial liabilities	453	419
Income tax payables	17,871	11,155
Provisions	12,235	15,170
Other current liabilities	234,045	227,512
Total current liabilities	788,522	840,734
Non-current liabilities:		
Bonds and borrowings (Note 6)	658,707	598,759
Other financial liabilities	3,788	4,452
Accrued pension and retirement benefits	104,998	98,746
Provisions	12,709	6,740
Other non-current liabilities	80,174	78,705
Deferred tax liabilities	3,377	4,991
Total non-current liabilities	863,753	792,393
Total liabilities	1,652,275	1,633,127
Equity:		
Common stock	135,364	135,364
Additional paid-in capital	186,463	186,122
Treasury stock	(37,329)	(37,391)
Other components of equity	114,954	77,553
Retained earnings	510,113	582,368
Equity attributable to owners of the parent	909,565	944,016
Non-controlling interests	79,190	84,889
Total equity	988,755	1,028,905
Total liabilities and equity	2,641,030	2,662,032

*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

Nine months ended December 31, 2017 and 2018

	Millions of Yen	
	Nine months ended December 31, 2017	Nine months ended December 31, 2018
Sales (Note 4,5)	1,516,200	1,489,451
Cost of sales	(922,256)	(914,382)
Gross profit	593,944	575,069
Selling, general and administrative expenses (Note 9)	(558,184)	(518,954)
Other income	12,274	23,064
Operating profit	48,034	79,179
Finance income	2,866	2,346
Finance costs	(7,786)	(5,135)
Share of profit of investments accounted for using the equity method	51	507
Profit before income tax expenses	43,165	76,897
Income tax expenses	(21,367)	(21,889)
Profit for the period	21,798	55,008
Profit attributable to:		
Owners of the parent	17,335	50,633
Non-controlling interests	4,463	4,375

	Yen	
	Nine months ended December 31, 2017	Nine months ended December 31, 2018
Earnings per share attributable to owners of the parent: (Note 11)		
Basic	23.91	69.85
Diluted	-	-

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

*\* Gain on sales of noncurrent assets and shares of Ricoh Logistics System Co., Ltd were included in "other income."*

Three months ended December 31, 2017 and 2018

	Millions of Yen	
	Three months ended December 31, 2017	Three months ended December 31, 2018
Sales (Note 4,5)	517,363	501,195
Cost of sales	(313,847)	(310,019)
Gross profit	203,516	191,176
Selling, general and administrative expenses (Note 9)	(181,425)	(164,669)
Other income	3,928	664
Operating profit	26,019	27,171
Finance income	963	365
Finance costs	(1,606)	(993)
Share of profit of investments accounted for using the equity method	17	277
Profit before income tax expenses	25,393	26,820
Income tax expenses	(10,971)	(10,592)
Profit for the period	14,422	16,228
Profit attributable to:		
Owners of the parent	12,808	14,588
Non-controlling interests	1,614	1,640

	Yen	
	Three months ended December 31, 2017	Three months ended December 31, 2018
Earnings per share attributable to owners of the parent: (Note 11)		
Basic	17.67	20.13
Diluted	-	-

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

*\* Gain on sales of noncurrent assets and others were included in "other income."*

# Condensed Consolidated Statement of Comprehensive Income

Ricoh Company, Ltd. and Consolidated Subsidiaries

Nine months ended December 31, 2017 and 2018

	Millions of Yen	
	Nine months ended December 31, 2017	Nine months ended December 31, 2018
Profit for the period	21,798	55,008
Other comprehensive income (loss):		
Components that will not be reclassified subsequently to profit or loss:		
Remeasurement of defined benefit plan	(3,344)	-
Net changes in fair value of financial assets measured through other comprehensive income	10,396	(3,067)
Total components that will not be reclassified subsequently to profit or loss	7,052	(3,067)
Components that will be reclassified subsequently to profit or loss:		
Net changes in fair value of cash flow hedges	225	52
Exchange differences on translation of foreign operations	38,535	(5,979)
Total components that will be reclassified subsequently to profit or loss	38,760	(5,927)
Total other comprehensive income (loss)	45,812	(8,994)
Comprehensive income	67,610	46,014
Comprehensive income attributable to:		
Owners of the parent	62,969	41,704
Non-controlling interests	4,641	4,310

*Three months ended December 31, 2017 and 2018*

	Millions of Yen	
	Three months ended December 31, 2017	Three months ended December 31, 2018
Profit for the period	14,422	16,228
Other comprehensive income (loss):		
Components that will not be reclassified subsequently to profit or loss:		
Remeasurement of defined benefit plan	(3,344)	-
Net changes in fair value of financial assets measured through other comprehensive income	7,940	(3,121)
Total components that will not be reclassified subsequently to profit or loss	4,596	(3,121)
Components that will be reclassified subsequently to profit or loss:		
Net changes in fair value of cash flow hedges	89	(215)
Exchange differences on translation of foreign operations	5,433	(22,426)
Total components that will be reclassified subsequently to profit or loss	5,522	(22,641)
Total other comprehensive income (loss)	10,118	(25,762)
Comprehensive income (loss)	24,540	(9,534)
Comprehensive income (loss) attributable to:		
Owners of the parent	22,754	(11,021)
Non-controlling interests	1,786	1,487

# 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 change in fair value of financial assets measured through other comprehensive income	Net change in fair value of cash flow hedges
Balance as of April 1, 2017	135,364	186,423	(37,318)	-	34,330	73
Profit for the period						
Other comprehensive income (loss)				(3,344)	10,190	156
Comprehensive income (loss)	-	-	-	(3,344)	10,190	156
Net change in treasury stock			(7)			
Dividends declared and approved to owners (Note 7)						
Transfer from other components of equity to retained earnings				3,344		
Equity transactions with non-controlling shareholders		40				
Total transactions with owners	-	40	(7)	3,344	-	-
Balance as of December 31, 2017	135,364	186,463	(37,325)	-	44,520	229



(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, 2017	65,791	100,194	657,443	1,042,106	74,771	1,116,877
Profit for the period			17,335	17,335	4,463	21,798
Other comprehensive income (loss)	38,632	45,634		45,634	178	45,812
Comprehensive income (loss)	38,632	45,634	17,335	62,969	4,641	67,610
Net change in treasury stock				(7)		(7)
Dividends declared and approved to owners (Note 7)			(14,498)	(14,498)	(954)	(15,452)
Transfer from other components of equity to retained earnings		3,344	(3,344)	-		-
Equity transactions with non-controlling shareholders				40	(216)	(176)
Total transactions with owners	-	3,344	(17,842)	(14,465)	(1,170)	(15,635)
Balance as of December 31, 2017	104,423	149,172	656,936	1,090,610	78,242	1,168,852

(Millions of Yen)

	Common Stock	Additional paid-in capital	Treasury stock	Other components of equity		
				Remeasurement of defined benefit plan	Net change in fair value of financial assets measured through other comprehensive income	Net change in 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 (Note 3)					(41,149)	13,293
Opening Balance reflecting changes in accounting policy	135,364	186,463	(37,329)	-	10,432	32
Profit for the period						
Other comprehensive income (loss)				-	(2,969)	29
Comprehensive income (loss)	-	-	-	-	(2,969)	29
Net change in treasury stock			(7)			
Dividends declared and approved to owners (Note 7)						
Transfer from other components of equity to retained earnings					(616)	
Equity transactions with non-controlling shareholders		(341)				
Other			(55)			
Total transactions with owners	-	(341)	(62)	-	(616)	-
Balance as of December 31, 2018	135,364	186,122	(37,391)	-	6,847	61

(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, 2018	76,634	114,954	510,113	909,565	79,190	988,755
Cumulative effects of changes in accounting policy (Note 3)		(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 for the period			50,633	50,633	4,375	55,008
Other comprehensive income (loss)	(5,989)	(8,929)		(8,929)	(65)	(8,994)
Comprehensive income (loss)	(5,989)	(8,929)	50,633	41,704	4,310	46,014
Net change in treasury stock				(7)		(7)
Dividends declared and approved to owners (Note 7)			(12,685)	(12,685)	(1,101)	(13,786)
Transfer from other components of equity to retained earnings		(616)	616	-		-
Equity transactions with non-controlling shareholders				(341)	2,490	2,149
Other				(55)		(55)
Total transactions with owners	-	(616)	(12,069)	(13,088)	1,389	(11,699)
Balance as of December 31, 2018	70,645	77,553	582,368	944,016	84,889	1,028,905

*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	
	Nine months ended December 31, 2017	Nine months ended December 31, 2018
<b>I. CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Profit for the period	21,798	55,008
Adjustments to reconcile profit for the period to net cash provided by operating activities -		
Depreciation and amortization	81,520	71,333
Other income	(12,274)	(23,064)
Share of profit of investments accounted for using the equity method	(51)	(507)
Finance income and costs	4,920	2,789
Income tax expenses	21,367	21,889
Decrease in trade and other receivables	9,038	15,136
Increase in inventories	(5,079)	(40,744)
Increase in lease receivables	(11,645)	(1,665)
Decrease in trade and other payables	(27,212)	(12,908)
Decrease in accrued pension and retirement benefits	(5,349)	(4,691)
Other, net	10,596	(18,634)
Interest and dividends received	2,705	1,957
Interest paid	(4,957)	(3,698)
Income taxes paid	(45,067)	(25,567)
Net cash provided by operating activities	40,310	36,634
<b>II. CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Proceeds from sales of property, plant and equipment	18,136	9,329
Expenditures for property, plant and equipment	(46,137)	(50,472)
Proceeds from sales of intangible assets	5,652	919
Expenditures for intangible assets	(21,564)	(19,736)
Payments for purchases of available-for-sale securities	(1,005)	(7,914)
Proceeds from sales of available-for-sale securities	186	63,154
Net proceeds of time deposits	8,564	448
Purchase of business, net of cash acquired	(458)	(5,080)
Net proceeds due to loss of control of subsidiaries (Note 10)	-	10,223
Other, net	(3,989)	(6,686)
Net cash used in investing activities	(40,615)	(5,815)
<b>III. CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Net proceeds (repayments) of short-term debt	42,428	(12,112)
Proceeds from long-term debt	97,681	62,627
Repayments of long-term debt	(85,722)	(59,254)
Proceeds from issuance of bonds (Note 6)	43,285	40,000
Repayments of bonds (Note 6)	(50,000)	(10,000)
Dividends paid (Note 7)	(14,498)	(12,685)
Payments for purchase of treasury stock	(7)	(7)
Proceeds from sales of shares of subsidiaries which does not involve changes in the scope of consolidation (Note 10)	-	3,006
Other, net	(1,130)	(1,958)
Net cash provided by financing activities	32,037	9,617
<b>IV. EFFECT OF EXCHANGE RATE CHANGE ON CASH AND CASH EQUIVALENTS</b>	3,386	286
<b>V. NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	35,118	40,722
<b>VI. CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	126,429	160,568
<b>VII. CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	161,547	201,290

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 December 31, 2018 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 Office Printing, including MFPs & copiers, related parts & supplies, and services & solutions, Office Services, including personal computers, servers, and network related services, Commercial Printing, including cut sheet printers, Industrial Printing, including inkjet heads, Thermal Media, including thermal media and Other, including digital cameras (see Note 4 “Operating Segments”).

## 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, 2018, 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 December 31, 2018 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 new IFRSs.

IFRSs	Title	Summaries of new IFRSs/amendments
IFRS 9	Financial instruments	Classification of financial instruments, revisions concerning the measurement and recognition and adoption of provisions with regard to impairment loss based on the expected credit loss model.
IFRS 15	Revenue from contracts with customers	Presentation of a unified framework applied to accounting treatment related to revenue recognition.

#### 1. Adoption of IFRS 9 ‘Financial Instruments’

Ricoh implemented IFRS 9 ‘Financial Instruments’ as of April 1, 2018. Ricoh applied this standard in compliance with the transitional provisions, thereby recognizing the cumulative effects of adoption of this standard as an adjustment to the opening balance of retained earnings as at the beginning of the current fiscal year.

Ricoh made an irrevocable election at initial recognition to present subsequent changes in fair value with regard to equity instruments previously classified as available for sale under the prior standard in other comprehensive income in principle, while part of equity instruments previously classified as available for sale under the prior standard were classified as equity instruments measured at fair value through profit and loss. As a result, ¥27,856 million was reclassified from other components of equity to retained earnings as at the beginning of the current fiscal year. Accordingly, the changes caused a decrease by ¥27,856 million in profit for the period as compared to the case where the prior standard would be applied.

In respect of equity instruments measured at fair value through other comprehensive income, changes in fair value are recognized as other comprehensive income. When the fair value significantly declines or the equity instruments are derecognized, accumulated other comprehensive income are reclassified to retained earnings.

Impairment losses are recognized with respect to the financial assets based on the expected credit loss model. As a result, retained earnings increased by ¥661 million as at the beginning of the current fiscal year. There was no material impact on profit and loss of the nine months of the current fiscal year from the changes.

#### 2. Adoption of IFRS 15 ‘Revenue from contracts with customers’

Ricoh implemented IFRS 15 ‘Revenue from contracts with customers’ as of April 1, 2018. Ricoh applied this standard in compliance with the transitional provisions, thereby recognizing the cumulative effects of adoption of this standard as an adjustment to the opening balance of retained earnings as at the beginning of the current fiscal year.

Ricoh recognizes the incremental costs of obtaining a contract with a customer as an asset and amortizes subsequently in accordance with recognition of revenue.

As a result, retained earnings increased by ¥5,174 million as at the beginning of the current fiscal year in comparison with the case where the prior standard would be applied. There was no material impact on profit and loss of the nine months of the current fiscal year from the changes.

Upon the adoption of the standard, disaggregated revenues shall be disclosed to depict the relationships between sales and the operating segments. We, therefore, changed the disclosure method as described in “5. SALES.” Accordingly, we abolished previously disclosed classification of sales and cost of sales in “Products,” “Post sales and rentals” and “Other revenue.”

#### 4. OPERATING SEGMENTS

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

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 Services	Personal computers, servers, network equipment, related services, support, software service and 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 media
Other	Industrial optical component/module, electronic components, precision mechanical component, digital cameras, 3D printing, ECO, Healthcare, financial services

Segment profit (loss) is based on operating profit 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 and three months ended December 31, 2017 and 2018. 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 and three months ended December 31, 2017 and 2018.

## (1) Operating Segment Information

Nine months ended December 31, 2017 and 2018

	Millions of Yen	
	Nine months ended December 31, 2017	Nine months ended December 31, 2018
Segment sales:		
Office Printing	849,247	809,213
Office Service	317,583	348,835
Commercial Printing	137,797	135,147
Industrial Printing	13,429	15,614
Thermal Media	46,292	50,608
Other	203,569	165,170
Intersegment sales	(51,717)	(35,136)
Total segment sales	1,516,200	1,489,451
Segment profit (loss):		
Office Printing	88,581	90,248
Office Service	(3,007)	9,412
Commercial Printing	19,998	20,236
Industrial Printing	(1,778)	(2,999)
Thermal Media	4,640	2,638
Other	5,705	17,063
Total segment profit	114,139	136,598
Reconciling items:		
Corporate expenses and elimination	(66,105)	(57,419)
Finance income	2,866	2,346
Finance costs	(7,786)	(5,135)
Share of profit of investments accounted for using equity method	51	507
Profit before income tax expenses	43,165	76,897



Three months ended December 31, 2017 and 2018

	Millions of Yen	
	Three months ended December 31, 2017	Three months ended December 31, 2018
Segment sales:		
Office Printing	289,877	270,636
Office Service	105,506	117,468
Commercial Printing	47,213	48,634
Industrial Printing	4,534	5,828
Thermal Media	16,874	17,538
Other	70,678	48,085
Intersegment sales	(17,319)	(6,994)
<b>Total segment sales</b>	<b>517,363</b>	<b>501,195</b>
Segment profit (loss):		
Office Printing	37,861	33,009
Office Service	(467)	3,189
Commercial Printing	8,549	9,046
Industrial Printing	(795)	(979)
Thermal Media	1,759	885
Other	3,600	1,268
<b>Total segment profit</b>	<b>50,507</b>	<b>46,418</b>
Reconciling items:		
Corporate expenses and elimination	(24,488)	(19,247)
Finance income	963	365
Finance costs	(1,606)	(993)
Share of profit of investments accounted for using equity method	17	277
<b>Profit before income tax expenses</b>	<b>25,393</b>	<b>26,820</b>

## (2) Geographic Information

Sales based on the location of customers are as follows:

Nine months ended December 31, 2017 and 2018

	Millions of Yen	
	Nine months ended December 31, 2017	Nine months ended December 31, 2018
Sales:		
Japan	579,205	587,705
The Americas	431,905	420,364
Europe, Middle East and Africa	348,024	340,727
Other	157,066	140,655
Consolidated	1,516,200	1,489,451
The United States (included in The Americas)	359,283	346,756

Three months ended December 31, 2017 and 2018

	Millions of Yen	
	Three months ended December 31, 2017	Three months ended December 31, 2018
Sales:		
Japan	194,089	192,610
The Americas	143,843	141,879
Europe, Middle East and Africa	123,866	117,374
Other	55,565	49,332
Consolidated	517,363	501,195
The United States (included in The Americas)	119,323	117,566

## 5. SALES

As described in “4. 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, 2017 and 2018

Nine months ended December 31, 2017	Millions of Yen				
	Japan	The Americas	Europe, Middle East and Africa	Other	Total
Office Printing	262,055	260,671	233,682	92,839	849,247
Office Service	166,520	78,164	56,130	16,769	317,583
Commercial Printing	18,076	72,592	37,703	9,426	137,797
Industrial Printing	2,104	3,799	2,630	4,896	13,429
Thermal Media	10,028	13,934	12,116	10,214	46,292
Other	120,422	2,745	5,763	22,922	151,852
<b>Total segment sales</b>	<b>579,205</b>	<b>431,905</b>	<b>348,024</b>	<b>157,066</b>	<b>1,516,200</b>

Nine months ended December 31, 2018	Millions of Yen				
	Japan	The Americas	Europe, Middle East and Africa	Other	Total
Office Printing	255,679	245,167	222,956	85,411	809,213
Office Service	192,076	83,655	59,465	13,639	348,835
Commercial Printing	19,462	70,052	36,627	9,006	135,147
Industrial Printing	2,023	4,539	4,014	5,038	15,614
Thermal Media	10,492	14,713	13,296	12,107	50,608
Other	107,973	2,238	4,369	15,454	130,034
<b>Total segment sales</b>	<b>587,705</b>	<b>420,364</b>	<b>340,727</b>	<b>140,655</b>	<b>1,489,451</b>

Three months ended December 31, 2017 and 2018

Three months ended December 31, 2017	Millions of Yen				
	Japan	The Americas	Europe, Middle East and Africa	Other	Total
Office Printing	89,706	85,474	83,219	31,478	289,877
Office Service	51,307	26,961	20,380	6,858	105,506
Commercial Printing	6,003	24,553	13,208	3,449	47,213
Industrial Printing	638	1,240	878	1,778	4,534
Thermal Media	3,677	4,598	4,239	4,360	16,874
Other	42,758	1,017	1,942	7,642	53,359
<b>Total segment sales</b>	<b>194,089</b>	<b>143,843</b>	<b>123,866</b>	<b>55,565</b>	<b>517,363</b>

Three months ended December 31, 2018	Millions of Yen				
	Japan	The Americas	Europe, Middle East and Africa	Other	Total
Office Printing	85,605	80,730	75,677	28,624	270,636
Office Service	62,497	28,303	21,555	5,113	117,468
Commercial Printing	6,644	25,571	12,957	3,462	48,634
Industrial Printing	452	1,652	1,279	2,445	5,828
Thermal Media	3,814	4,933	4,434	4,357	17,538
Other	33,598	690	1,472	5,331	41,091
<b>Total segment sales</b>	<b>192,610</b>	<b>141,879</b>	<b>117,374</b>	<b>49,332</b>	<b>501,195</b>

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 IAS17 'Leases' were included in Sales.

## 6. BONDS

As for the nine months ended December 31, 2017, there were issuances of straight bonds of ¥15,000 million (0.05% per annum, due July 2020), ¥10,000 million (0.16% per annum, due July 2022), ¥5,000 million (0.35% per annum, due July 2027), EURO 100 million (¥13,494 million) (0.35% per annum, due July 2020). There were repayments of straight bonds of 20,000 million (0.88% per annum, due June 2017), ¥10,000 million (0.15% per annum, due July 2017) and ¥20,000 million (0.35% per annum, due November 2017).

As for the nine months ended December 31, 2018, there were issuances of straight bonds of ¥10,000 million (0.05% per annum, due September 2021), ¥10,000 million (0.19% per annum, due September 2023), ¥10,000 million (0.20% per annum, due December 2023) and ¥10,000 million (0.46% per annum, due December 2028). There was a repayment of straight bonds of 10,000 million (0.47% per annum, due July 2018).

## 7. DIVIDENDS

Dividends paid during the nine months ended December 31, 2017 and 2018 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 16, 2017	Ordinary shares	9,061	12.5	March 31, 2017	June 19, 2017	Retained earnings
Board of Directors' meeting held on October 30, 2017	Ordinary shares	5,437	7.5	September 30, 2017	December 1, 2017	Retained earnings
Ordinary general meeting of shareholders held on June 22, 2018	Ordinary shares	5,437	7.5	March 31, 2018	June 25, 2018	Retained earnings
Board of Directors' meeting held on October 26, 2018	Ordinary shares	7,249	10.0	September 30, 2018	December 3, 2018	Retained earnings

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

None noted.

## 8. FINANCIAL INSTRUMENTS

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

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

	Millions of Yen			
	As of March 31, 2018		As of December 31, 2018	
	Carrying amount	Fair value	Carrying amount	Fair value
Assets:				
Trade receivables	110,375	115,018	126,017	131,318
Lease receivables	842,908	860,968	838,389	855,741
Installment loans	136,260	137,055	144,082	144,923
Derivative assets	1,605	1,605	1,954	1,954
Securities	100,883	100,883	24,070	24,070
Bonds	1,147	1,147	1,046	1,046
<b>Total</b>	<b>1,193,178</b>	<b>1,216,676</b>	<b>1,135,558</b>	<b>1,159,052</b>
Liabilities:				
Derivative liabilities	19,830	19,830	596	596
Loans and borrowings	658,707	657,165	598,759	597,512
Lease liabilities	3,535	3,616	4,275	4,372
<b>Total</b>	<b>682,072</b>	<b>680,611</b>	<b>603,630</b>	<b>602,480</b>

Note:

(i) Cash and cash equivalents, time deposits, financial assets included in other current assets 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 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 per each receivable classified per certain business type 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.

Trade and other receivables are classified as Level 3 under the fair value measurement and disclosure framework, since they are valued using inputs not based on observable market data.

(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 are classified as Level 3 under the fair value measurement and disclosure framework, since they are valued using inputs not based on observable market data.

(iv) Derivatives

Derivative instruments consist of interest rate swap agreements and foreign currency contracts. 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 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.

The fair value of loans, 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. Loans, borrowings and lease liabilities 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, Loans (as a liability) and borrowings.

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

At fair value through other comprehensive income: Securities and Bonds (as an asset).

(viii) The carrying amount and fair value decreased in securities and derivative liabilities during the current period primarily due to completion of the transactions relating to the tender offer of Ricoh owned shares in Coca-Cola Bottlers Japan Holdings Inc.

**(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

Financial instruments measured at fair value	Millions of Yen			
	As of March 31, 2018			
	Level 1	Level 2	Level 3	Total
Derivative assets	-	1,605	-	1,605
Securities	97,259	-	3,624	100,883
Bonds	1,147	-	-	1,147
Total assets	98,406	1,605	3,624	103,635
Derivative liabilities	-	19,830	-	19,830
Total liabilities	-	19,830	-	19,830

Financial assets at fair value through profit or loss: Derivative assets	Millions of Yen			
	As of December 31, 2018			
	Level 1	Level 2	Level 3	Total
Derivative assets	-	1,954	-	1,954
Financial assets at fair value through other comprehensive income: Securities	19,602	-	4,468	24,070
Bonds	1,046	-	-	1,046
Total assets	20,648	1,954	4,468	27,070
Financial liabilities at fair value through profit or loss: Derivative liabilities	-	596	-	596
Total liabilities	-	596	-	596

Note:

(i) Derivative instruments consist of interest rate swap agreements and foreign currency contracts. 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 include marketable equity securities, bonds and unlisted securities. Marketable equity securities and bonds are observable and valued using a market approach based on the quoted market prices of identical instruments in active markets, and therefore marketable equity securities and bonds are classified as Level 1. 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.



## 9. 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, 2017 and 2018:

	Millions of Yen	
	Nine months ended December 31, 2017	Nine months ended December 31, 2018
Research and development expenses	68,019	67,963
Shipping and handling costs	20,677	20,252
Advertising costs	5,600	4,748

	Millions of Yen	
	Three months ended December 31, 2017	Three months ended December 31, 2018
Research and development expenses	21,318	20,755
Shipping and handling costs	6,994	6,896
Advertising costs	1,853	1,176

## 10. LOSS OF CONTROL OF SUBSIDIARY

### (1) Ricoh India Limited

On January 29, 2018, our consolidated subsidiary Ricoh India Limited ("Ricoh India"), with headquarters in New Delhi and listed on the Bombay Stock Exchange, filed a petition with the National Company Law Tribunal (NCLT) pursuant to Section 10 of the Insolvency and Bankruptcy Code of India, to initiate corporate insolvency resolution process (\*1). The petition had been admitted in May 2018. Along with this, a moratorium (\*2) was issued by the NCLT, and an interim resolution professional was appointed.

Ricoh had a majority of the voting rights of Ricoh India, whereas Ricoh India was excluded from the scope of consolidation in the first quarter ended June 30, 2018 based on our judgement that Ricoh lost control of Ricoh India in the situation above-mentioned where Ricoh India was under the control of the resolution professional.

There was no material impact on profit and loss of the nine months of the current fiscal year from the exclusion

A creditors committee, composed of Ricoh India's financial creditors, decided whether or not the current interim resolution professional would continue or be replaced and thereby the creditor committee appointed the current interim resolution professional as the official resolution professional in June 2018.

Public offering to the parties concerned in the corporate insolvency resolution called as Expression of Interest was announced in July 2018. The participants in the offering called as Resolution Prospective Applicants prepared a reorganization plan and submitted to a creditors committee. Accordingly, the creditors committee is now going to examine the reorganization plan and make decisions.

There is a risk of additional losses as Ricoh may be required to waive loans to Ricoh India or for other reasons depending on the reorganization plan to be adopted by the creditors committee.

\*1...Reconstruction process based on the Insolvency and Bankruptcy Code of India:

After the NCLT admits an application filed under Section 10 of the Code, it appoints a resolution professional to be vested with the management of Ricoh India, and there is a prescribed time period during which a resolution plan is to be prepared and submitted to the creditors committee and to the NCLT for their respective approval. In the event a resolution plan is not submitted to the NCLT within

the period or if other events set out in the Code occur, the NCLT will pass an order requiring the corporate debtor to be liquidated.

\*2...About the moratorium:

The NCLT issues a moratorium simultaneously with the decision to commence insolvency proceedings. By issuing the moratorium, actions such as the recovery of assets owned by debtors, judicial or other procedures against debtors, the granting of security interest, and the disposal of debtors' assets or rights are prohibited. The moratorium continues until the NCLT approves a resolution plan or a liquidation order is given.

(2) Ricoh Logistics System Co., Ltd.

1. Overview of loss of control

Ricoh concluded an agreement to sell approximately 66.6% of the Company's shares in Ricoh Logistics System Co., Ltd. ("Ricoh Logistics"), to SBS Holdings Co., Ltd ("SBS Holdings") on May 18, 2018 and completed the transfer on August 1, 2018.

In conjunction with this, Ricoh transferred all its remaining shares in Ricoh Logistics after the share transfer transaction to SBS Holdings representing approximately a 33.3% stake, to a new joint venture, RO Holdings Co., Ltd ("RO Holdings").

Following that transfer, Ricoh transferred ordinary shares equivalent to 33.4% of RO Holdings to Otsuka Corporation.

Along with the series of transactions, Ricoh Logistics becomes an affiliated company accounted for by the equity method.

2. Assets and liabilities included in the derecognized subsidiary were as follows:

	Millions of Yen
	Nine months ended December 31, 2018
	Carrying amount
Cash and cash equivalents	4,663
Trade and other receivables	11,774
Inventories	7,233
Property, plant and equipment	1,281
Trade and other payables	(10,520)
Accrued pension and retirement benefits	(1,485)
Other liabilities	(173)
Net assets removed	12,773

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

	Millions of Yen
	Nine months ended December 31, 2018
Cash received	18,000
Net assets removed	(12,773)
Retained investment in former subsidiary	9,000
Gain arising from the sale of subsidiaries with loss of control	14,227

Note: The gain amounting to ¥4,742 million from measuring the retained investment in the former subsidiary at fair value at the date of loss of control was included in "Gain arising from the sale of subsidiaries with loss of control."

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

	Millions of Yen
	Nine months ended December 31, 2018
Cash received from the sale of subsidiary	18,000
Cash and cash equivalents of derecognized subsidiary	(4,663)
Net proceeds from the sale of subsidiary	13,337

Note: The received consideration from Otsuka Corporation for the transfer of ordinary shares equivalent to 33.4% of RO Holdings was included in “Proceeds from sales of shares of subsidiaries which does not involve changes in the scope of consolidation” in Condensed Consolidated Statement of Cash Flows.

## 11. EARNINGS PER SHARE

Earnings per share attributable to owners of the parent-basic are as follows.

Diluted net income per share for the nine months ended December 31, 2017 and 2018 is omitted because the Company did not have potentially dilutive common shares that were outstanding for the period.

	Nine months ended December 31, 2017	Nine months ended December 31, 2018
Profit attributable to owners of the parent (millions of yen)	17,335	50,633
Weighted average number of issued and outstanding shares (thousands of shares)	724,878	724,868
Earnings per share attributable to owners of the parent-basic (yen)	23.91	69.85

	Three months ended December 31, 2017	Three months ended December 31, 2018
Profit attributable to owners of the parent (millions of yen)	12,808	14,588
Weighted average number of issued and outstanding shares (thousands of shares)	724,874	724,865
Earnings per share attributable to owners of the parent-basic (yen)	17.67	20.13

## 12. CAPITAL COMMITMENTS AND CONTINGENCIES

As of March 31, 2018, and December 31, 2018, Ricoh had outstanding contractual commitments for acquisition of property, plant and equipment and other assets aggregating ¥14,449 million and ¥13,076 million.

As of March 31, 2018, and December 31, 2018, there were no significant contingent liabilities.

As of December 31, 2018, 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.

## 13. 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 13, 2019.