

Ricoh Company, Ltd.

Condensed Consolidated Financial Statements
for the Nine Months Ended December 31, 2023

This is an English translation of the Quarterly Securities Report (Shihanki Hokokusho) for the nine months ended December 31, 2023 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, 2023	As of December 31, 2023
Current assets:		
Cash and cash equivalents (Note 7)	221,890	181,548
Time deposits (Note 7)	207	249
Trade and other receivables	476,429	472,473
Other financial assets	93,906	102,452
Inventories	314,368	326,530
Other current assets	68,499	71,168
Subtotal	1,175,299	1,154,420
Assets classified as held for sale (Note 8)	—	8,365
Total current assets	1,175,299	1,162,785
Non-current assets:		
Property, plant and equipment	196,512	195,478
Right-of-use assets	57,003	60,371
Goodwill and intangible assets	366,394	401,061
Other financial assets	135,158	155,052
Investments accounted for using the equity method	83,529	86,669
Other investments	19,359	18,620
Other non-current assets	44,540	50,247
Deferred tax assets	72,162	77,502
Total non-current assets	974,657	1,045,000
Total assets	2,149,956	2,207,785

LIABILITIES AND EQUITY	Millions of Yen	
	As of March 31, 2023	As of December 31, 2023
Current liabilities:		
Bonds and borrowings (Note 9)	157,828	200,926
Trade and other payables	312,429	271,885
Lease liabilities	26,185	22,073
Other financial liabilities	2,582	26,242
Income tax payables	11,864	12,103
Provisions	10,968	9,857
Other current liabilities	307,258	327,725
Subtotal	829,114	870,811
Liabilities directly related to assets held for sale (Note 8)	—	1,105
Total current liabilities	829,114	871,916
Non-current liabilities:		
Bonds and borrowings (Note 9)	205,110	175,211
Lease liabilities	38,147	46,775
Other financial liabilities	27,566	7,160
Accrued pension and retirement benefits	41,058	39,075
Provisions	8,347	8,494
Other non-current liabilities	24,742	27,175
Deferred tax liabilities	17,790	18,309
Total non-current liabilities	362,760	322,199
Total liabilities	1,191,874	1,194,115
Equity:		
Common stock	135,364	135,364
Additional paid-in capital	158,529	158,424
Treasury stock (Note 10)	(427)	(400)
Other components of equity	167,368	215,930
Retained earnings	470,722	478,596
Equity attributable to owners of the parent	931,556	987,914
Non-controlling interests	26,526	25,756
Total equity	958,082	1,013,670
Total liabilities and equity	2,149,956	2,207,785

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, 2022 and 2023

	Millions of Yen	
	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Sales (Note 4,5)	1,528,608	1,697,688
Cost of sales	989,744	1,101,013
Gross profit	538,864	596,675
Selling, general and administrative expenses	504,551	567,606
Other income	5,295	8,089
Operating profit (loss)	39,608	37,158
Finance income	2,807	6,524
Finance costs	5,780	6,134
Share of profit (loss) of investments accounted for using the equity method	5,686	5,136
Profit (loss) before income tax expenses	42,321	42,684
Income tax expenses	14,067	12,497
Profit (loss) for the period	28,254	30,187
Profit (loss) attributable to:		
Owners of the parent	27,438	30,277
Non-controlling interests	816	(90)

	Yen	
	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Earnings per share attributable to owners of the parent: (Note 13)		
Basic	44.29	49.71
Diluted	44.28	49.69

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, 2022 and 2023

	Millions of Yen	
	Three months ended December 31, 2022	Three months ended December 31, 2023
Sales (Note 4,5)	555,072	585,098
Cost of sales	362,494	374,704
Gross profit	192,578	210,394
Selling, general and administrative expenses	178,031	195,781
Other income	1,613	2,984
Operating profit (loss)	16,160	17,597
Finance income	1,460	592
Finance costs	1,698	1,865
Share of profit (loss) of investments accounted for using the equity method	1,795	1,731
Profit (loss) before income tax expenses	17,717	18,055
Income tax expenses	4,805	3,193
Profit (loss) for the period	12,912	14,862
Profit (loss) attributable to:		
Owners of the parent	12,524	14,663
Non-controlling interests	388	199

	Yen	
	Three months ended December 31, 2022	Three months ended December 31, 2023
Earnings per share attributable to owners of the parent: (Note 13)		
Basic	20.56	24.07
Diluted	20.56	24.06

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, 2022 and 2023

	Millions of Yen	
	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Profit (loss) for the period	28,254	30,187
Other comprehensive income (loss):		
Components that will not be reclassified subsequently to profit or loss:		
Remeasurements of defined benefit plans	(581)	–
Net changes in fair value of financial assets measured through other comprehensive income	(120)	45
Share of other comprehensive income of investments accounted for using equity method	(439)	(281)
Total components that will not be reclassified subsequently to profit or loss	(1,140)	(236)
Components that will be reclassified subsequently to profit or loss:		
Net changes in fair value of cash flow hedges	(77)	87
Exchange differences on translation of foreign operations	27,060	48,248
Share of other comprehensive income of investments accounted for using equity method	263	(75)
Total components that will be reclassified subsequently to profit or loss	27,246	48,260
Total other comprehensive income (loss)	26,106	48,024
Comprehensive income (loss)	54,360	78,211
Comprehensive income (loss) attributable to:		
Owners of the parent	53,750	77,754
Non-controlling interests	610	457

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

Three months ended December 31, 2022 and 2023

	Millions of Yen	
	Three months ended December 31, 2022	Three months ended December 31, 2023
Profit (loss) for the period	12,912	14,862
Other comprehensive income (loss):		
Components that will not be reclassified subsequently to profit or loss:		
Remeasurements of defined benefit plans	(11)	–
Net changes in fair value of financial assets measured through other comprehensive income	23	(169)
Share of other comprehensive income of investments accounted for using equity method	329	(337)
Total components that will not be reclassified subsequently to profit or loss	341	(506)
Components that will be reclassified subsequently to profit or loss:		
Net changes in fair value of cash flow hedges	70	87
Exchange differences on translation of foreign operations	(32,876)	(20,025)
Share of other comprehensive income of investments accounted for using equity method	197	(59)
Total components that will be reclassified subsequently to profit or loss	(32,609)	(19,997)
Total other comprehensive income (loss)	(32,268)	(20,503)
Comprehensive income (loss)	(19,356)	(5,641)
Comprehensive income (loss) attributable to:		
Owners of the parent	(19,330)	(5,447)
Non-controlling interests	(26)	(194)

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		
				Remeasurements of defined benefit plans	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, 2022	135,364	180,942	(460)	—	4,540	246
Profit (loss) for the period						
Other comprehensive income (loss)				(581)	(555)	197
Comprehensive income (loss)	—	—	—	(581)	(555)	197
Net change in treasury stock (Note 10)		(21)	(30,005)			
Retirement of treasury stock (Note 10)			30,014			
Dividends declared and approved to owners (Note 11)						
Share-based payment transactions		72	18			
Change in scope of consolidation (Note 6)						
Written put options over non-controlling interests (Note 6)		(22,485)				
Transfer from other components of equity to retained earnings				581	(54)	
Transfer from retained earnings to additional paid-in capital		21				
Total transactions with owners	—	(22,413)	27	581	(54)	—
Balance as of December 31, 2022	135,364	158,529	(433)	—	3,931	443

(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, 2022	121,555	126,341	459,855	902,042	3,783	905,825
Profit (loss) for the period			27,438	27,438	816	28,254
Other comprehensive income (loss)	27,251	26,312		26,312	(206)	26,106
Comprehensive income (loss)	27,251	26,312	27,438	53,750	610	54,360
Net change in treasury stock (Note 10)				(30,026)		(30,026)
Retirement of treasury stock (Note 10)			(30,014)	—		—
Dividends declared and approved to owners (Note 11)			(18,635)	(18,635)	(75)	(18,710)
Share-based payment transactions				90		90
Change in scope of consolidation (Note 6)				—	14,656	14,656
Written put options over non-controlling interests (Note 6)				(22,485)		(22,485)
Transfer from other components of equity to retained earnings		527	(527)	—		—
Transfer from retained earnings to additional paid-in capital			(21)	—		—
Total transactions with owners	—	527	(49,197)	(71,056)	14,581	(56,475)
Balance as of December 31, 2022	148,806	153,180	438,096	884,736	18,974	903,710

(Millions of Yen)

	Common Stock	Additional paid-in capital	Treasury stock	Other components of equity		
				Remeasurements of defined benefit plans	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, 2023	135,364	158,529	(427)	—	4,847	240
Profit (loss) for the period						
Other comprehensive income (loss)					(251)	10
Comprehensive income (loss)	—	—	—	—	(251)	10
Net change in treasury stock (Note 10)			(7)			
Dividends declared and approved to owners (Note 11)						
Share-based payment transactions		(105)	34			
Transfer from other components of equity to retained earnings					1,085	
Equity transactions with non-controlling shareholders						
Total transactions with owners	—	(105)	27	—	1,085	—
Balance as of December 31, 2023	135,364	158,424	(400)	—	5,681	250

(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, 2023	162,281	167,368	470,722	931,556	26,526	958,082
Profit (loss) for the period			30,277	30,277	(90)	30,187
Other comprehensive income (loss)	47,718	47,477		47,477	547	48,024
Comprehensive income (loss)	47,718	47,477	30,277	77,754	457	78,211
Net change in treasury stock (Note 10)				(7)		(7)
Dividends declared and approved to owners (Note 11)			(21,318)	(21,318)	(1,384)	(22,702)
Share-based payment transactions				(71)		(71)
Transfer from other components of equity to retained earnings		1,085	(1,085)	—		—
Equity transactions with non-controlling shareholders				—	157	157
Total transactions with owners	—	1,085	(22,403)	(21,396)	(1,227)	(22,623)
Balance as of December 31, 2023	209,999	215,930	478,596	987,914	25,756	1,013,670

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, 2022	Nine months ended December 31, 2023
I. Cash Flows from Operating Activities:		
Profit (loss) for the period	28,254	30,187
Adjustments to reconcile profit for the period to net cash provided by (used in) operating activities -		
Depreciation and amortization	68,470	80,183
Other income	(425)	(338)
Share of (profit) loss of investments accounted for using the equity method	(5,686)	(5,136)
Finance income and costs	2,973	(390)
Income tax expenses	14,067	12,497
(Increase) decrease in trade and other receivables	(4,341)	25,142
(Increase) decrease in inventories	(63,299)	(282)
(Increase) decrease in lease receivables	13,566	(12,427)
Increase (decrease) in trade and other payables	(11,869)	(48,298)
Increase (decrease) in accrued pension and retirement benefits	(6,087)	(2,614)
Other, net	(6,751)	1,622
Interest and dividends received	4,111	5,767
Interest paid	(3,823)	(5,059)
Income taxes paid	(22,692)	(18,619)
Net cash provided by (used in) operating activities	6,468	62,235
II. Cash Flows from Investing Activities:		
Proceeds from sales of property, plant and equipment	2,157	439
Expenditures for property, plant and equipment	(28,548)	(33,637)
Expenditures for intangible assets	(25,589)	(25,405)
Payments for purchases of investment securities	(389)	(267)
Proceeds from sales of investment securities	489	975
Net (Increase) decrease in time deposits	(42)	(24)
Purchase of business, net of cash acquired (Note 6)	(52,233)	(14,210)
Other, net	—	1,239
Net cash provided by (used in) investing activities	(104,155)	(70,890)
III. Cash Flows from Financing Activities:		
Net increase (decrease) of short-term debt	39,143	11,480
Proceeds from long-term debt	109,046	44,551
Repayments of long-term debt	(23,009)	(39,762)
Repayments of bonds (Note 9)	(13,725)	(10,000)
Repayments of lease liabilities	(24,226)	(22,942)
Dividends paid (Note 11)	(18,635)	(21,318)
Payments for purchase of treasury stock (Note 10)	(30,005)	(7)
Other, net	(105)	(1,227)
Net cash provided by (used in) financing activities	38,484	(39,225)
IV. Effect of Exchange Rate Changes on Cash and Cash Equivalents	5,814	8,297
V. Net Increase (decrease) in Cash and Cash Equivalents	(53,389)	(39,583)
VI. Cash and Cash Equivalents at Beginning of Year	234,020	210,884
VII. Cash and Cash Equivalents at End of Period (Note 7)	180,631	171,301

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, 2023 comprise of the Company and its subsidiaries (the “Ricoh” as a consolidated group) and Ricoh's interest in associates.

Ricoh is operating development, manufacturing, sales and service activities on the business segments of Digital Services, Digital Products, Graphic Communications, Industrial Solutions and Other (see Note 4, “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, 2023, 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 remain the same as those that had significant impact on the amounts in the consolidated financial statements for the previous fiscal year.

3. MATERIAL ACCOUNTING POLICIES

Material accounting policies which apply in the condensed consolidated financial statements are same as previous fiscal year excepting the table below.

IFRSs	Title	Summaries of new IFRSs/amendments
IAS 12	Income Taxes	Clarify accounting for deferred tax related to assets and liabilities arising from a single transaction.

The effect of adoption of above standards is minor.

4. OPERATING SEGMENTS

Ricoh's operating segments are composed of Digital Services, Digital Products, Graphic Communications, Industrial Solutions and Other.

The PFU business in Other segment has been reclassified into Digital Services and Digital Products from the first quarter. 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	Business Domains
Digital Services	Sales of MFPs (multifunctional printers), laser printers, digital duplicators, wide format printers, facsimile machine, scanners, personal computers, servers, network equipment, related parts & supplies, services, support, software and service & solutions related to documents
Digital Products	Production and OEM of MFPs (multifunctional printers), laser printers, digital duplicators, wide format printers, facsimile machine, network equipment, and related parts & supplies, production and sales of scanners, related parts & supplies and electronic components
Graphic Communications	Production and sales of cut sheet printers, continuous feed printers, inkjet heads, imaging systems, industrial printers, related parts & supplies, services, support and software
Industrial Solutions	Production and sales of thermal paper and thermal media, industrial optical component/module and precision mechanical component
Other	Digital cameras, 360°cameras, environment and healthcare

(Note) Digital services as a business segment is mainly limited to the office services business and the office printing sales business. This segment does not include all digital services, which Ricoh aims to transform into "a digital services company" that connects workplaces and support worker's creativity. "Digital Services" provided as "a digital services company" is included in all the business segments as well as Digital Services business segment.

Segment profit (loss) is based on operating profit (loss) and is used by Ricoh's management in allocating resources and in assessing business performance. Segment profit (loss) excludes certain adjustment such as elimination of unrealized gain or loss on inventories and fixed assets accrued from intersegment transaction.

The following tables present certain information regarding Ricoh's operating segments and geographic areas for the nine months ended December 31, 2022 and 2023. 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, 2022 and 2023.

(1) Operating Segment Information

Nine months ended December 31, 2022 and 2023

	Millions of Yen	
	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Segment sales:		
Digital Services	1,203,994	1,341,366
Digital Products	368,936	358,478
Graphic Communications	169,558	188,478
Industrial Solutions	85,612	80,555
Other	28,308	31,158
Intersegment sales	(327,800)	(302,347)
Total segment sales	1,528,608	1,697,688
Segment profit (loss):		
Digital Services	19,237	28,531
Digital Products	29,999	8,398
Graphic Communications	10,013	10,315
Industrial Solutions	(509)	(1,081)
Other	(8,775)	(7,765)
Total segment profit (loss)	49,965	38,398
Reconciling items:		
Corporate expenses and elimination	(10,357)	(1,240)
Finance income	2,807	6,524
Finance costs	(5,780)	(6,134)
Share of profit of investments accounted for using equity method	5,686	5,136
Profit (loss) before income tax expenses	42,321	42,684

Intersegment sales are primarily from Digital Products to Digital Services.

Three months ended December 31, 2022 and 2023

	Millions of Yen	
	Three months ended December 31, 2022	Three months ended December 31, 2023
Segment sales:		
Digital Services	430,786	457,992
Digital Products	139,361	124,015
Graphic Communications	60,676	68,071
Industrial Solutions	28,646	27,923
Other	9,862	11,007
Intersegment sales	(114,259)	(103,910)
Total segment sales	555,072	585,098
Segment profit (loss):		
Digital Services	8,802	9,623
Digital Products	6,382	6,570
Graphic Communications	6,149	4,286
Industrial Solutions	(97)	(14)
Other	(2,649)	(2,488)
Total segment profit (loss)	18,587	17,977
Reconciling items:		
Corporate expenses and elimination	(2,427)	(380)
Finance income	1,460	592
Finance costs	(1,698)	(1,865)
Share of profit of investments accounted for using equity method	1,795	1,731
Profit (loss) before income tax expenses	17,717	18,055

Intersegment sales are primarily from Digital Products to Digital Services.

(2) Geographic Information

Sales based on the location of customers are as follows:

Nine months ended December 31, 2022 and 2023

	Millions of Yen	
	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Sales:		
Japan	551,232	607,414
The Americas	441,934	488,563
Europe, Middle East and Africa	394,892	452,798
Other	140,550	148,913
Consolidated	1,528,608	1,697,688
The United States (included in The Americas)	370,439	410,929

Three months ended December 31, 2022 and 2023

	Millions of Yen	
	Three months ended December 31, 2022	Three months ended December 31, 2023
Sales:		
Japan	199,646	203,287
The Americas	158,260	168,282
Europe, Middle East and Africa	146,548	160,728
Other	50,618	52,801
Consolidated	555,072	585,098
The United States (included in The Americas)	133,178	140,805

5. SALES

As described in Note 4 “OPERATING SEGMENTS”, operating segments of Ricoh comprise Digital Services, Digital Products, Graphic Communications, Industrial Solutions and Other. 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, 2022 and 2023

Nine months ended December 31, 2022	Millions of Yen				
	Japan	The Americas	Europe, Middle East and Africa	Other	Total
Digital Services	472,855	315,893	327,033	88,213	1,203,994
Digital Products	27,787	12,612	4,619	10,184	55,202
Graphic Communications	19,630	85,794	43,122	21,012	169,558
Industrial Solutions	24,570	24,042	17,301	17,880	83,793
Other	6,390	3,593	2,817	3,261	16,061
Total segment sales	551,232	441,934	394,892	140,550	1,528,608

Nine months ended December 31, 2023	Millions of Yen				
	Japan	The Americas	Europe, Middle East and Africa	Other	Total
Digital Services	521,690	346,015	379,742	93,919	1,341,366
Digital Products	31,729	22,490	8,145	6,857	69,221
Graphic Communications	18,729	94,259	48,768	26,722	188,478
Industrial Solutions	27,977	22,112	13,045	16,299	79,433
Other	7,289	3,687	3,098	5,116	19,190
Total segment sales	607,414	488,563	452,798	148,913	1,697,688

Note:

- (i) Intersegment transactions are excluded in the table above.
- (ii) The PFU business in Other segment has been reclassified into Digital Services and Digital Products from the first quarter. Prior year comparative figures have also been reclassified to conform to the current year's presentation.
- (iii) Revenues recognized in accordance with IFRS15 ‘Revenue from contracts with customers’ as well as revenues from leases recognized in accordance with IFRS16 ‘Leases’ are included in Sales. The amount of revenue recognized in accordance with IFRS16 was ¥134,589 million and ¥160,528 million for the nine months ended December 31, 2022 and 2023 respectively, which was mainly composed of Digital Services.

Three months ended December 31, 2022 and 2023

Three months ended December 31, 2022	Millions of Yen				
	Japan	The Americas	Europe, Middle East and Africa	Other	Total
Digital Services	168,117	110,183	121,020	31,466	430,786
Digital Products	14,550	7,540	3,117	4,600	29,807
Graphic Communications	6,527	31,384	15,620	7,145	60,676
Industrial Solutions	8,137	7,947	5,756	6,154	27,994
Other	2,315	1,206	1,035	1,253	5,809
Total segment sales	199,646	158,260	146,548	50,618	555,072

Three months ended December 31, 2023	Millions of Yen				
	Japan	The Americas	Europe, Middle East and Africa	Other	Total
Digital Services	174,216	116,917	133,909	32,950	457,992
Digital Products	10,283	8,420	3,306	2,622	24,631
Graphic Communications	6,398	34,089	18,002	9,582	68,071
Industrial Solutions	9,643	7,668	4,412	5,844	27,567
Other	2,747	1,188	1,099	1,803	6,837
Total segment sales	203,287	168,282	160,728	52,801	585,098

Note:

- (i) Intersegment transactions are excluded in the table above.
- (ii) The PFU business in Other segment has been reclassified into Digital Services and Digital Products from the first quarter. Prior year comparative figures have also been reclassified to conform to the current year's presentation.
- (iii) Revenues recognized in accordance with IFRS15 'Revenue from contracts with customers' as well as revenues from leases recognized in accordance with IFRS16 'Leases' are included in Sales. The amount of revenue recognized in accordance with IFRS16 was ¥49,064 million and ¥54,409 million for the three months ended December 31, 2022 and 2023 respectively, which was mainly composed of Digital Services.

6. BUSINESS COMBINATIONS

(For the nine months ended December 31, 2022)

(PFU Limited)

1. Outline of business combination

(i) Name and description of acquired business

Name of acquired business : PFU Limited (hereinafter “PFU”)

Description of business : Document scanners, industrial computing products and other hardware; security and document management and other software & services; configuration of IT infrastructure; and multivendor services provided in cooperation with third-party companies

(ii) Reason for the acquisition of shares

This share acquisition is a part of the growth investments outlined in the medium- to long-term plan through FY2025. PFU has the No. 1 share in the global market for document scanners and offers cloud construction and managed security services in Japan. By making PFU a subsidiary of the Company, the Company intends to strengthen edge devices that support digital services by acquiring industry and business scanners that serve as entry points for business workflows, and also intends to fortify its human capital through acquiring software engineers and digital professionals in the field, close to its customers and edge devices including construction and operation of multi-cloud environments and security services. In doing so, the Company intends to achieve digital transformation (DX) for customers and expand Ricoh’s the office services business, which is positioned as an area of accelerated growth in its business portfolio management. In addition, PFU has the No. 1 share in the Japanese market for industrial computer boards and boasts an extensive product lineup. The combination of PFU’s strengths and the Company’s electronics business will create synergies in production, purchasing, and development to increase cost competitiveness, strengthen the industrial computer business, and develop new edge devices that will advance the digitalization of frontlines in fields such as logistics and manufacturing.

(iii) Acquisition date

September 1, 2022

(iv) Percentage of voting equity interests acquired

80%

2. Consideration transferred and each major class of consideration

Cash (including other payables) ¥90,584 million

(Note) Price adjustments after acquisition have been finalized, and the final acquisition cost was determined.

3. Acquisition-related costs

The acquisition-related costs of ¥236 million were included in “Selling, general and administrative expenses” in the condensed consolidated statement of profit or loss.

4. Assets acquired, liabilities assumed, non-controlling interests and goodwill

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

	Millions of Yen
Fair value of the consideration transferred	90,584
Cash and cash equivalents	42,060
Trade and other receivables	19,698
Inventories	24,322
Property, plant and equipment	7,482
Intangible assets	6,631
Other assets	13,885
Trade and other payables	(13,575)
Other liabilities	(29,344)
Net assets	71,159
Non-controlling interests	(14,487)
Goodwill	33,912
Total	90,584

Non-controlling interests are measured by the non-controlling interests' proportionate share in the recognized amounts of the acquiree's identifiable net assets. Goodwill arising from the acquisition of PFU consists primarily of future economic benefits and synergies with existing operations. 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 initial accounting for the business combination was incomplete as of December 31, 2022 and therefore, the provisional amounts of intangible assets and goodwill may be adjusted upon the completion of the purchase price allocation. The operating results of PFU have been included in the accompanying condensed consolidated financial statements since the acquisition date.

The Company granted written put options to sell the subsidiary shares to the non-controlling shareholder of the acquired company. The present value of the written put options granted to the non-controlling shareholder was recognized as financial liabilities in the amount of ¥22,485 million at the acquisition date, and the same amounts were deducted from additional paid-in capital. The amount of the financial liabilities related to the written put options increased by ¥1,656 million due to the determination of the final acquisition cost.

5. Impact on Ricoh's business results

Sales and profit for the period generated by PFU since the acquisition date amounted to ¥48,640 million and ¥3,157 million, respectively. Assuming the business combination had been conducted at the beginning of the period, the pro-forma information for the nine months ended December 31, 2022 would have been ¥1,575,693 million in sales and ¥28,163 million in profit for the period, respectively. The amounts are unaudited by the independent auditor.

The information on the business combinations other than the above is omitted as it is immaterial both individually and in the aggregate.

(For the nine months ended December 31, 2023)

(PFH Technology Group Unlimited Company)

1. Outline of business combination

(i) Name and description of acquired business

Name of acquired business : PFH Technology Group Unlimited Company (hereinafter "PFH")

Description of business : IT infrastructure, cloud and managed workplace services

(ii) Reason for the acquisition of shares

Ricoh Europe Holdings PLC, a wholly owned subsidiary of the Company, acquired all shares of PFH, a leading provider of IT infrastructure, cloud and managed workplace services in Ireland, in order to expand digital services. By acquiring the shares, Ricoh develops IT services based in Ireland, the business hub of Europe and the center of the IT industry, and intends to achieve digital transformation (DX) for customers and expand Ricoh's office services business, which is positioned as an area of accelerated growth in its business portfolio management, in pan-Europe.

(iii) Acquisition date

June 1, 2023

(iv) Percentage of voting equity interests acquired

100%

2. Consideration transferred and each major class of consideration

	Millions of Yen
Cash	13,123
Contingent consideration	4,275
Total	17,398

(Note) The contingent consideration is calculated on the basis of agreed-upon conditions depending on the achievement of PFH 's performance targets and recognized a potential payment of 28.75 million EURO.

3. Acquisition-related costs

The acquisition-related costs of ¥188 million were included in "Selling, general and administrative expenses" in the condensed consolidated statement of profit or loss.

4. Assets acquired, liabilities assumed and goodwill

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

	Millions of Yen
Fair value of the consideration transferred	17,398
Cash and cash equivalents	2,499
Trade and other receivables	4,117
Inventories	3,870
Other assets	1,667
Trade and other payables	(1,540)
Other liabilities	(9,465)
Net assets	1,148
Goodwill	16,250
Total	17,398

Goodwill arising from the acquisition of PFH consists primarily of future economic benefits and synergies with existing operations. 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 initial accounting for the business combination was incomplete as of December 31, 2023 and therefore, the provisional amounts of intangible assets and goodwill may be adjusted upon the completion of the purchase price allocation. The operating results have been included in the accompanying condensed consolidated financial statements since the acquisition date.

5. Impact on Ricoh's business results

Profit or loss information after the acquisition date, as well as the pro-forma information calculated as if the business combination had been conducted at the beginning of the fiscal year are omitted because the business combination has an insignificant impact on condensed consolidated statement of profit or loss.

The information on the business combinations other than the above is omitted as it is immaterial both individually and in the aggregate.

7. CASH AND CASH EQUIVALENTS

Details of cash and cash equivalents are as follows:

	Millions of Yen	
	As of December 31, 2022	As of December 31, 2023
Cash and deposits	193,446	181,797
Time deposits with a maturity of more than three months	(122)	(249)
Cash and cash equivalents in Condensed Consolidated Statement of Financial Position	193,324	181,548
Bank overdrafts	(12,693)	(10,247)
Cash and cash equivalents in Condensed Consolidated Statement of Cash Flows	180,631	171,301

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

Ricoh resolved and concluded Share Transfer Agreement to transfer its optical business, which develops, manufactures and sells automotive stereo cameras and optical lens modules used in projectors for the three months ended December 31, 2023. As a result, in accordance with IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations", Ricoh reclassified assets and liabilities related to the optical business to "Assets classified as held for sale" and "Liabilities directly related to assets held for sale" due to expected sale within one year. Ricoh measured the disposal group classified as held for sale at the lower of its carrying amount and fair value less costs to sell and classified it at its carrying amount. The reportable segment in which the assets and the liabilities are presented is the Industrial Solutions segment.

Details of assets classified as held for sale and liabilities directly related to assets held for sale as of December 31, 2023 are as follows:

	Millions of Yen
	As of December 31, 2023
Assets classified as held for sale	
Inventories	3,727
Property, plant and equipment	4,082
Other assets	556
Total	8,365
Liabilities directly related to assets held for sale	
Other liabilities	1,105
Total	1,105

9. BONDS

No issuance of bonds was noted for the nine months ended December 31, 2022.

Details of bonds repaid during the nine months ended December 31, 2022 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

No issuance of bonds was noted for the nine months ended December 31, 2023.

Details of bonds repaid during the nine months ended December 31, 2023 are as follows:

Issuer	Bond name	Issue date	Total amount	Interest Rate (%)	Collateral	Maturity date
Ricoh Company, Ltd.	The 11th series of unsecured straight bonds	December 13, 2018	10,000 million Yen	0.200	None	December 13, 2023

10. CAPITAL AND RESERVES

(For the nine months ended December 31, 2022)

At the meeting of the Board of Directors of the Company held on May 10, 2022, the Company resolved a share repurchase. The share repurchase for the nine months ended December 31, 2022, is as follows and has been completed on September 27, 2022 (on delivery date basis).

(1) Share category	Common stock
(2) Number of shares	27,946,200 shares
(3) Repurchase cost	¥ 29,999,937,700
(4) Period	May 11, 2022, through September 27, 2022 (on delivery date basis)
(5) Method	Open market purchase on Tokyo Stock Exchange

(Reference)

The matters for resolution at the Board of Directors meeting held on May 10, 2022

(1) Share category	Common stock
(2) Number of shares	Up to 48,000,000 shares (representing 7.5% of issued and outstanding shares excluding treasury shares)
(3) Repurchase ceiling	¥30 billion
(4) Period	May 11, 2022, through September 30, 2022
(5) Method	Open market purchase on Tokyo Stock Exchange

The Company retired treasury shares, as stated below, following an October 4, 2022 Board of Directors resolution.

(1) Class of shares retired	Common stock
(2) Number of shares retired	27,946,200 shares
(3) Retirement date	October 31, 2022

(For the nine months ended December 31, 2023)

There was no significant transaction.

11. DIVIDENDS

(1) Dividends paid during the nine months ended December 31, 2022 and 2023 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 24, 2022	Ordinary shares	8,286 (Note)	13.0	March 31, 2022	June 27, 2022	Retained earnings
Board of Directors' meeting held on November 4, 2022	Ordinary shares	10,361 (Note)	17.0	September 30, 2022	December 1, 2022	Retained earnings
Ordinary general meeting of shareholders held on June 23, 2023	Ordinary shares	10,361 (Note)	17.0	March 31, 2023	June 26, 2023	Retained earnings
Board of Directors' meeting held on November 8, 2023	Ordinary shares	10,970 (Note)	18.0	September 30, 2023	December 1, 2023	Retained earnings

Note: The total amount of dividends by the resolution of the ordinary general meeting of shareholders held on June 24, 2022 and the board of directors' meeting held on November 4, 2022 include ¥5 million and ¥7 million respectively 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 23, 2023 and the board of directors' meeting held on November 8, 2023 include ¥6 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 which record date is in the third quarter, but which effective date is in the following quarter are as follows:

None Noted.

12. FINANCIAL INSTRUMENTS

(1) Fair value of financial instruments by type

The carrying amounts and fair values of major financial instruments were as follows:

	Millions of Yen			
	As of March 31, 2023		As of December 31, 2023	
	Carrying amount	Fair value	Carrying amount	Fair value
Assets:				
Lease receivables	228,862	232,006	257,365	261,141
Derivative assets	202	202	139	139
Securities and equity interests	18,972	18,972	18,314	18,314
Bonds	387	387	306	306
Total	248,423	251,567	276,124	279,900
Liabilities:				
Derivative liabilities	362	362	2,015	2,015
Contingent consideration	7,245	7,245	8,774	8,774
Written put option liabilities over non-controlling interests	22,541	22,541	22,613	22,613
Bonds and borrowings	205,110	199,713	175,211	171,105
Total	235,258	229,861	208,613	204,507

Note:

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

These are not included in the table above, as their carrying amounts approximate their fair values due to short-term settlement.

(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. Any other receivables that are not material are not included in the table above.

(iii) Lease receivables

The fair value of lease receivables is calculated per each receivable classified per certain period 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. Lease receivables using the inputs described above are classified as Level 3.

(iv) Derivatives

Derivative instruments include foreign currency contracts. 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, equity interests and bonds

Securities, equity interests and bonds include mainly marketable securities and bonds, as well as unlisted securities and equity interests. As the fair value of marketable securities and bonds is measured using quoted prices of identical assets in an active market and is therefore observable, their fair value is classified as Level 1. As the fair value of unlisted securities and equity interests is measured based on valuation techniques using observable indicators such as market prices of comparable companies, as well as unobservable indicators, their fair value is classified as Level 3.

(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 and borrowings 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, since they are valued using observable market data.

(vii) Contingent consideration

Contingent consideration is classified as Level 3, since the fair value of contingent consideration is calculated taking into account future performance of acquired companies and payment amounts.

(viii) Written put option liabilities over non-controlling interests

The amount stated as the fair value of written put option liabilities over non-controlling interests is determined by discounting future cash flows at the interest rate taking into account the credit risk at the period to the date of exercise and at the end of the period. Written put option liabilities over non-controlling interests using inputs described above are classified as Level 2, since they are valued using observable market data.

(ix) Measurement of financial instruments

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

At amortized cost: trade receivables, bonds (as liabilities) and borrowings, written put option liabilities over non-controlling interests.

At fair value through profit or loss: derivative assets, securities and equity interests, derivative liabilities, contingent consideration.

At fair value through other comprehensive income: securities and equity interests, 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 to occur.

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

	Millions of Yen			Total
	As of March 31, 2023			
	Level 1	Level 2	Level 3	
Financial assets at fair value through profit or loss:				
Derivative assets	—	202	—	202
Securities and equity interests	—	—	1,517	1,517
Financial assets at fair value through other comprehensive income:				
Securities and equity interests	14,422	—	3,033	17,455
Bonds	387	—	—	387
Total assets	14,809	202	4,550	19,561
Financial liabilities at fair value through profit or loss:				
Derivative liabilities	—	362	—	362
Contingent consideration	—	—	7,245	7,245
Total liabilities	—	362	7,245	7,607

	Millions of Yen			
	As of December 31, 2023			
	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss:				
Derivative assets	—	139	—	139
Securities and equity interests	—	—	1,524	1,524
Financial assets at fair value through other comprehensive income:				
Securities and equity interests	13,816	—	2,974	16,790
Bonds	306	—	—	306
Total assets	14,122	139	4,498	18,759
Financial liabilities at fair value through profit or loss:				
Derivative liabilities	—	2,015	—	2,015
Contingent consideration	—	—	8,774	8,774
Total liabilities	—	2,015	8,774	10,789

Note:

(i) Derivative instruments include foreign currency contracts. 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.

(ii) Securities, equity interests and bonds include mainly marketable securities and bonds, as well as unlisted securities and equity interests. As the fair value of marketable securities and bonds is measured using quoted prices of identical assets in an active market and is therefore observable, their fair value is classified as Level 1. As the fair value of unlisted securities and equity interests is measured based on valuation techniques using observable indicators such as market prices of comparable companies, as well as unobservable indicators, their fair value is classified as Level 3.

(iii) Contingent consideration is classified as Level 3, since the fair value of contingent consideration is calculated taking into account future performance of acquired companies and payment amounts.

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

	Millions of Yen	
	Nine months ended December 31, 2022	Nine months ended December 31, 2023
	Beginning balance	3,011
Total gains and losses:		
- in profit or loss (i)	(128)	(251)
- in other comprehensive income (ii)	(6)	2
Purchases	379	258
Sales	(232)	(83)
Increase due to acquisitions through business combinations	160	—
Others	7	22
Ending balance	3,191	4,498

Note:

(i) Total gains and losses included in net profit or loss relate to financial assets held at the end of the period that are restated to fair value through net profit or loss. These are included in “Finance income” and “Finance costs” in the condensed consolidated statement of profit or loss.

(ii) Total gains and losses included in other comprehensive income relate to financial assets at fair value through other comprehensive income held at the end of the period. These are included in “Net changes in fair value of financial assets measured through other comprehensive income” in the condensed consolidated statement of comprehensive income.

A reconciliation of financial liabilities categorized at Level 3 from beginning balance to ending balance is as follows:

	Millions of Yen	
	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Beginning balance	—	7,245
Increase due to acquisitions through business combinations and other	7,465	4,401
Settlement	—	(1,747)
Changes in fair value	—	(1,259)
Others	(248)	134
Ending balance	7,217	8,774

13. 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, 2022	Nine months ended December 31, 2023
Profit (loss) attributable to owners of the parent (millions of yen)	27,438	30,277
Weighted average number of ordinary shares outstanding (thousands of shares) *	619,533	609,095
Basic earnings per share (yen)	44.29	49.71

	Three months ended December 31, 2022	Three months ended December 31, 2023
Profit (loss) attributable to owners of the parent (millions of yen)	12,524	14,663
Weighted average number of ordinary shares outstanding (thousands of shares) *	609,067	609,106
Basic earnings per share (yen)	20.56	24.07

(2) Diluted earnings per share

	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Profit (loss) attributable to owners of the parent (millions of yen)	27,438	30,277
Adjustments (millions of yen)	—	—
Profit (loss) used for calculation of diluted earnings per share (millions of yen)	27,438	30,277
Weighted average number of ordinary shares outstanding (thousands of shares) *	619,533	609,095
Effect of dilutive potential ordinary shares		
Share-based payment (thousands of shares)	148	272
Weighted-average number of ordinary shares diluted (thousands of shares)	619,681	609,367
Diluted earnings per share (yen)	44.28	49.69

	Three months ended December 31, 2022	Three months ended December 31, 2023
Profit (loss) attributable to owners of the parent (millions of yen)	12,524	14,663
Adjustments (millions of yen)	—	—
Profit (loss) used for calculation of diluted earnings per share (millions of yen)	12,524	14,663
Weighted average number of ordinary shares outstanding (thousands of shares) *	609,067	609,106
Effect of dilutive potential ordinary shares		
Share-based payment (thousands of shares)	168	327
Weighted-average number of ordinary shares diluted (thousands of shares)	609,235	609,433
Diluted earnings per share (yen)	20.56	24.06

* The shares of the Company held by Board Incentive Plan trust in which beneficiaries include directors and executive officers are deducted from weighted average number of ordinary shares outstanding during the period for the purpose of calculation of basic earnings per share and diluted earnings per share, because those shares are accounted as treasury shares.

14. CAPITAL COMMITMENTS AND CONTINGENCIES

As of March 31, 2023 and December 31, 2023, Ricoh had outstanding contractual commitments for acquisition of property, plant and equipment and other assets aggregating ¥13,222 million and ¥17,949 million, respectively.

As of March 31, 2023 and December 31, 2023, there were no significant contingent liabilities.

As of December 31, 2023, 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.

15. SIGNIFICANT SUBSEQUENT EVENTS

(Conclusion of the Absorption-type Company Split Agreement)

In the “Notes to Consolidated Financial Statements – 37. SUBSEQUENT EVENTS ” for the previous fiscal year (including other disclosures *; hereinafter, “Previous Notes”), the Company and Toshiba Tec Corporation (“Toshiba Tec”) announced their intention to proceed with procedures such as a company split with the aim of integrating their businesses of the development and manufacturing of multifunction printers (“MFPs”) and other products (the “Business Integration”) and entering into a joint venture company which Ricoh Technologies Co., Ltd., a consolidated subsidiary of Ricoh, becomes the successor company with the Company and Toshiba Tec as shareholders to develop and manufacture MFPs and other products (the “Joint Venture”).

In order to implement the Business Integration, the Company resolved at Board of Directors’ meeting held on February 6, 2024 to enter into an absorption-type company split agreement between the Company and the Joint Venture (the “RicoH Absorption-type Split Agreement”) as well as to decide items such as the company name of the Joint Venture after the Absorption-type Split and entered into the RicoH Absorption-type Split Agreement on the same day. Toshiba Tec’s Board of Directors held on February 6, 2024 also resolved to enter into an absorption-type company split agreement between Toshiba Tec and the Joint Venture (the “Toshiba Tec Absorption-type Split Agreement” and together with the “RicoH Absorption-type Split Agreement” referred to below as the “Absorption-type Split Agreement”) and entered into the Toshiba Tec Absorption-type Split Agreement on the same day. As a result, certain matters that were previously undecided in the Previous Notes have been confirmed.

* (i) “Notice regarding a Business Partnership between Ricoh Company, Ltd., and Toshiba Tec Corporation by necessary procedures such as Company Split (Simplified Absorption-type Company Split), and the conclusion of a Business Integration Agreement and a Shareholders Agreement related to the integration of MFPs’ development and manufacturing” released on May 19, 2023, (ii) “(Corrections) Notice Regarding Partial Corrections to the ‘Notice regarding a Business Partnership between Ricoh Company, Ltd., and Toshiba Tec Corporation by necessary procedures such as Company Split (Simplified Absorption-type Company Split), and the conclusion of a Business Integration Agreement and a Shareholders Agreement related to the integration of MFPs’ development and manufacturing” released on July 19, 2023, (iii) “(Progress and changes in disclosure matters) Notice regarding a Business Partnership between Ricoh Company, Ltd., and Toshiba Tec Corporation by necessary procedures such as Company Split (Simplified Absorption-type Company Split), and the conclusion of a Business Integration Agreement and a Shareholders Agreement related to the integration of MFPs’ development and manufacturing” released on August 24, 2023, and (iv) “(Second Correction) Notice Regarding Partial Corrections to the ‘Notice regarding a Business Partnership between Ricoh Company, Ltd., and Toshiba Tec Corporation by necessary procedures such as Company Split (Simplified Absorption-type Company Split), and the conclusion of a Business

Integration Agreement and a Shareholders Agreement related to the integration of MFPs' development and manufacturing" released on November 24, 2023.

1. Nature of business of the division to be split

The Company	Toshiba Tec
Development, manufacturing and Original Equipment Manufacturing of MFPs, Printers, and those related peripheral equipment and consumables	Development, manufacturing of MFPs, Auto ID system, and those related products

2. Schedule of the Business Integration

Both companies' Board of Directors to approve the conclusion of the Integration Agreement and the Shareholders Agreement	May 19, 2023
Conclusion of the Integration Agreement and the Shareholders Agreement	May 19, 2023
Both companies' Board of Directors to approve the conclusion of the Absorption-type Split Agreement	February 6, 2024
Conclusion of the Absorption-type Split Agreement	February 6, 2024
Effective date of the Absorption-type Split	July 1, 2024

3. Details of the allotment related to the Absorption-type Split

The Joint Venture will allot and deliver 55 shares of its newly-issued common shares to the Company as consideration for the Joint Venture's assumption of rights and obligations upon the Ricoh Absorption-type Split becoming effective and 45 shares of its newly-issued common shares to Toshiba Tec as consideration for the assumption of rights and obligations upon the Toshiba Tec Absorption-type Split becoming effective.

As a result, the investment ratio in the Joint Venture after the Business Integration shall be 85% by the Company and 15% by Toshiba Tec as disclosed in Previous Notes.

4. Status of the successor company in the absorption-type split after the Absorption-type Split

	Successor Company in Absorption-type split
(1) Company name	ETRIA CO., LTD.
(2) Address	Yokohama-shi, Kanagawa, Japan
(3) Representative name	Katsunori Nakata, President and CEO
(4) Principal business	Development, production, and sales of office machines, industrial equipment, optical equipment, their peripheral devices and consumables, and other products.
(5) Capital stock	500 million yen
(6) Accounting date	March 31

5. Future Outlook

The impact of the Absorption-type Split and the Business Partnership on the consolidated business results of Ricoh for the fiscal year ending March 31, 2024 is expected to be negligible. Ricoh is investigating the impact on the consolidated business results for the fiscal year ending March 31, 2025 and onwards.

(Share Repurchase and Retirement)

At the meeting of the Board of Directors of the Company held on February 6, 2024, the Company resolved a share repurchase in accordance with Article 156 of the Companies Act of Japan and pursuant to Article 165, Paragraph 3, of the Companies Act. The Board also decided to retire treasury shares under Article 178 of the Companies Act.

1. Reason for share repurchase and share retirement

To improve shareholder return and capital efficiency.

2. Share repurchase

- | | |
|------------------------|---|
| (1) Share category | Common stock |
| (2) Number of shares | Up to 36,000,000 shares
(representing 5.9% of issued and outstanding shares excluding treasury shares) |
| (3) Repurchase ceiling | Up to ¥30 billion |
| (4) Period | February 7, 2024, through August 30, 2024 |
| (5) Method | Open market purchase on Tokyo Stock Exchange |

3. Share retirement

- | | |
|----------------------|------------------------|
| (1) Share category | Common stock |
| (2) Number of shares | All shares repurchased |
| (3) Retirement date | September 30, 2024 |

(Reference)

Treasury stock as of December 31, 2023

- | | |
|---|--------------------|
| (1) Number of issued and outstanding shares (excluding treasury shares) | 609,105,396 shares |
| (2) Number of treasury shares | 416,582 shares |

16. AUTHORIZATION OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The condensed consolidated financial statements were authorized for issue by Akira Oyama, Representative Director and President, and Takashi Kawaguchi, Director and Executive Corporate Officer, on February 9, 2024.