Consolidated Results for the Year Ended March 31, 2019

May 10, 2019
Ricoh Company, Ltd.

Today, I will overview our FY2018 results.

Forward-Looking Statements

The plans, prospects, strategies and other statements, except for the historical events, mentioned in this material are forward-looking statements with respect to future events and business results. Those statements were made based on the judgment of Ricoh's Directors from the information that is now obtainable. Actual results may differ materially from those projected or implied in such forward-looking statements and from any historical trends. Please refrain from judging only from these forward-looking statements with respect to future events and business results. The following important factors, without limiting the generality of the foregoing, could affect future results and could cause those results to differ materially from those expressed in the forward-looking statements:

a. General economic conditions and business trend
b. Exchange rates and their fluctuations
c. Rapid technological innovation
d. Uncertainty as to Ricoh's ability to continue to design, develop, produce and market products and services that achieve market acceptance in hot competitive market

No company's name and/or organization's name used, quoted and/or referenced in this material shall be interpreted as a recommendation and/or endorsement by Ricoh.

This material is not an offer or a solicitation to make investments. Please do not rely on this material as your sole source of information for your actual investments, and be aware that investments decisions are your responsibility.

Note: In this document, fiscal years are defined as follows:
FY2017 = Fiscal year ended March 31, 2018, etc.

Structure of results briefing materials

Ricoh reviewed the structure and contents of its results briefing materials in light of feedback at its April 2019 IR Day. Please refer to these and appended supplementary materials.
Results briefing materials present progress with strategies and measures for the Company overall and each business segment.
Results supplementary materials present additional financial data.

Overview of FY2018 Results

Summary of FY2018 Results

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Overview	● Operating profit was higher than the previous forecast, at ¥86.8 billion (after including ¥14.9 billion in India-related expenses) →reflecting Office Services expansion, savings from structural reforms, and greater expense reductions ● Profitability (operating profit after excluding special and transient factors) was ¥105.1 billion, up around 20%) ● ROE was 5.4%, principal factors being steady progress with reviews in the business portfolio, shareholdings, and assets ● Lifting year-end dividend from ¥10, to ¥13 per share, based on shareholder returns policy
Businesses	● Office Printing: Revenues declined but earnings surged ● Office Services: Earnings rockets, primarily in Japan and the United States ● Commercial Printing: Profit gains accelerated from the second half on sales of new products ● Industrial printing: Revenues increased but earnings declined amid a Chinese demand downturn ● Thermal: Revenues rose but earnings dropped owing to higher raw materials costs ● Other: Finance and Industrial Products businesses expanded solidly

- Operating profit exceeded our previous forecast of 85.0 billion yen, and was 86.8 billion yen, up 202.5 billion yen from a year earlier. The main drivers included expansion in the Office Services business, structural reform savings, and further cost reductions. We were thus able to attain our initial target for the first time in nine years.
- We allocated 14.9 billion yen in India-related expenses. Although India’s National Company Law Tribunal has yet to reach its decision on the entity involved, we have allocated these expenses to cover the maximum receivables exposure.
- “Profitability” was 105.1 billion yen, up 20%.
- ROE was 5.4%. This is due largely to steady progress in ongoing reviews of our business portfolio, shareholdings, and assets.
- Based on a shareholder returns policy announced in April, we will lift our year-end dividend from 10 yen, to 13 yen per share, subject to approval at our Ordinary General Meeting of Shareholders.
- I will present detailed charts a little later in overviewing businesses.

Key Indicators

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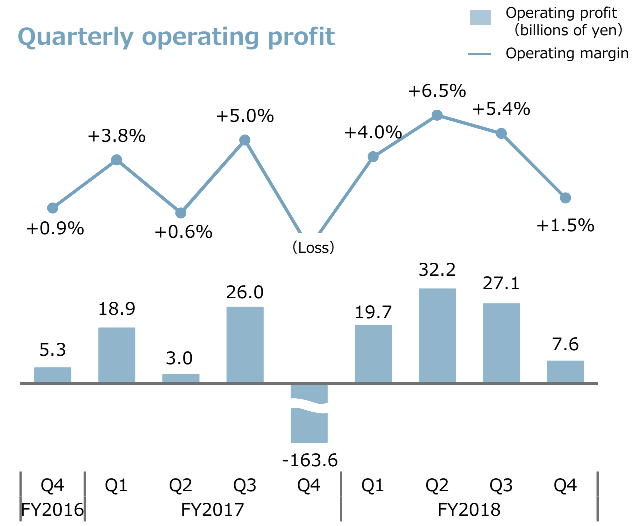
Despite sales shortfall owing to forex and non-consolidation impacts, reached operating profit target

	FY2018 forecast	FY2018	Year-on-year change
Sales (billion yen)	2,040.0	**2,013.2**	- 2.4% +0.4%*1
Operating profit (billion yen)	80.0 → 85.0*2	**86.8**	+202.5
Operating margin	3.9% → 4.2%*2	**4.3%**	-
Profit attributable to owners of the parent (billion yen)	47.0 → 54.0*2	**49.5**	+184.8
EPS (Yen)	64.84 →74.50*2	**68.3**	+255.07
ROE	5% plus	**5.4%**	-
FCEF *3 (billion yen)	–	**85.4**	+19.5
R&D expenditures (billion yen)	110.0	**111.0**	- 0.0
Capital expenditures (billion yen)	83.0	**72.4**	+0.1
Depreciation (billion yen)	66.5	**65.4**	- 2.9
Exchange rate Yen/US$ Yen/euro	105.00 130.00	110.95 128.46	+0.04 - 1.21

Quarterly operating profit



＊1 After excluding forex, business transfers, and other non-consolidation impacts
＊2 Q2 Announcement
＊3 Free Cash flow Excluding Finance business

- While sales overall declined owing to forex and non-consolidation impacts, we reached our initial operating profit target. After excluding those factors, sales increased 0.4%.
- Operating profit was 86.8 billion yen. The operating margin was 4.3%. It is worth noting that the operating margin was effectively around 5% in each quarter, so earnings trended up throughout the year under review. Earnings in each quarter were less volatile than in previous years.
- Profit attributable to owners of the parent was 49.5 billion yen, exceeding our initial 47 billion yen target.
- Free cash flow excluding the finance business was 85.4 billion yen, up 19.5 billion yen.
- R&D and capital expenditures were basically unchanged.

FY2018 Results
Segment Operating Profit Changes

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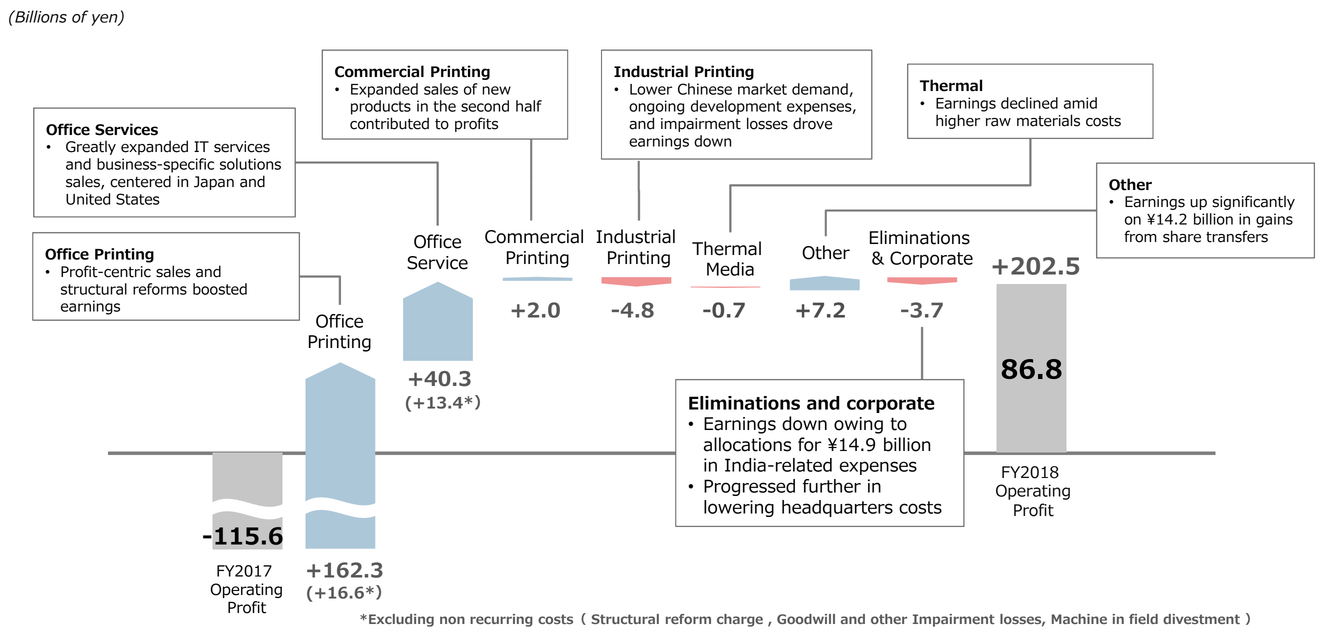
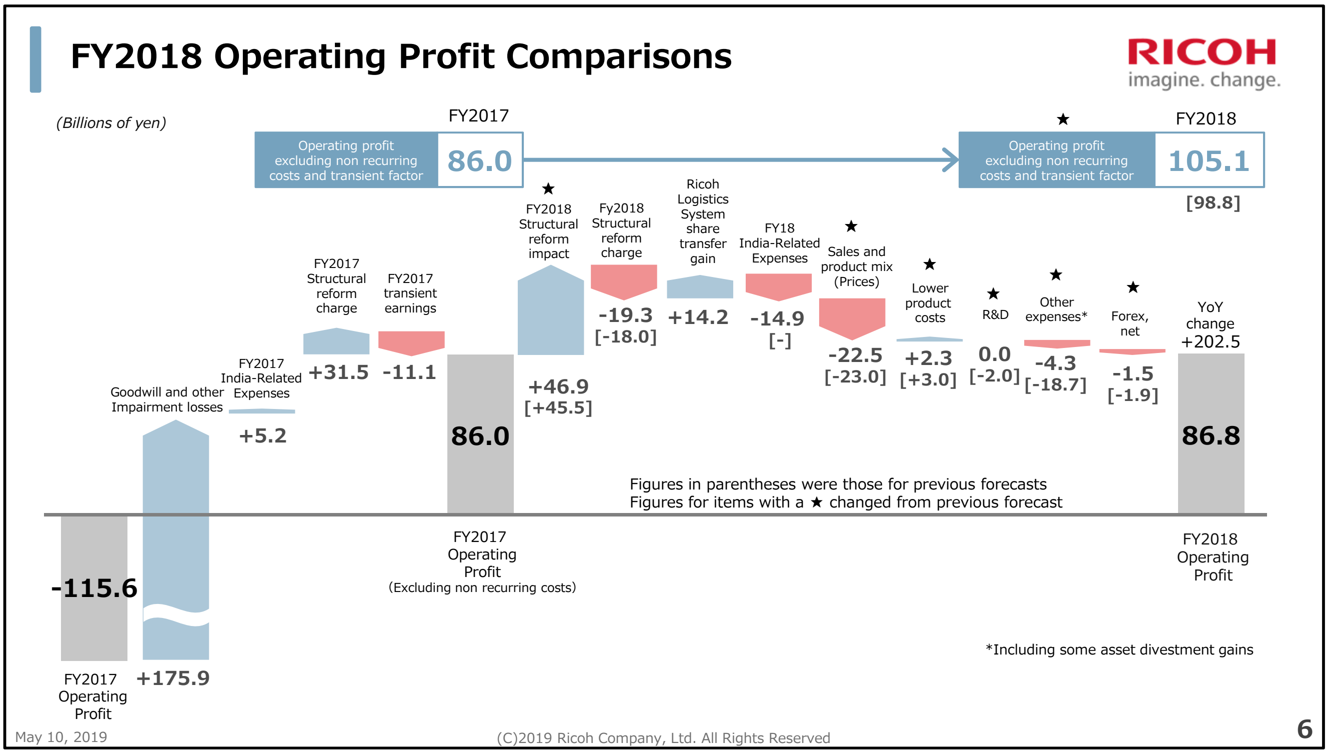


*Excluding non recurring costs（Structural reform charge , Goodwill and other Impairment losses, Machine in field divestment）

- I will now explain segment operating profit changes for FY2018 results.
- Earnings rose in the Office Printing, Office Services, Commercial Printing, and Other businesses. There were declines in the Industrial Printing and Thermal businesses.
- In Office Printing, operating profit effectively increased 16.6 billion yen even after stripping out the previous year's impairment charges of 148.7 billion yen.
- In Office Services, operating profit effectively increased 13.4 billion yen even after stripping out the previous year's impairment charges of 26.9 billion yen.
- Commercial Printing earnings were in the black from the second half.
- The Industrial Printing business incurred losses in the fourth quarter owing to lower revenues in China, some impairment losses for the fourth quarter, and ongoing spending on developing industrial printers.
- The Thermal business became profitable compared to the corresponding period of last fiscal year.



- This chart of operating profit comparisons shows changes from the 86 billion yen in profitability (operating profit excluding non-recurring costs and transient factors) posted in FY2017.
- Structural reform impacts and charges were slightly higher than previously projected. In the previously forecast, we included 10 billion yen in risk expenses, among them for India-related expenses, in the increase for Other expenses. This time, however, we presented India-related expenses as a separate factor in profits declining by 14.9 billion yen.
- In the fourth quarter, the negative range for the sales and product mix was smaller more than expected, and was slightly better than the previously forecast number.
- After excluding 10 billion yen in India-related expenses, the Other expenses forecast of 18.7 billion yen was effectively 8.7 billion yen. At the same time, other expenses increased 4.3 billion yen from a year earlier as a result of transient earnings that stemmed from several asset divestment gains, some impairment losses, and cost controls.
- “Profitability” in FY2018 was 105.1 billion yen, from 86 billion yen in FY2017. This was after deducting 19.3 billion yen in structural reform expenses, 14.9 billion yen in India-related expenses, a 14.2 billion yen gain from the transfer of Ricoh Logistics System, and 1.7 billion yen in transient earnings from operating profit.

Business Segments
Office Printing

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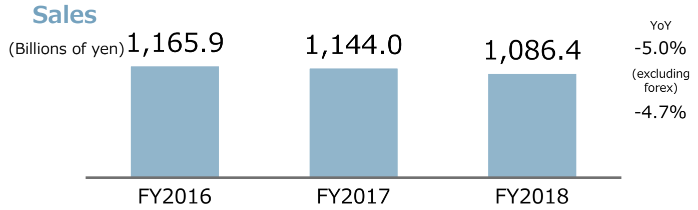
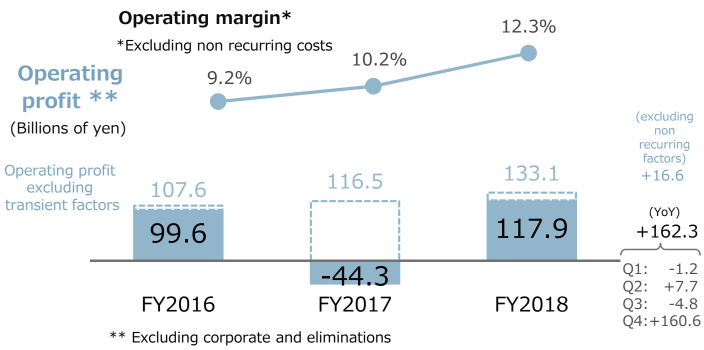
Earnings rose as a result of structural reforms and profit-oriented sales





** Excluding corporate and eliminations

Full year
- Sales declined domestically and abroad as profit-centric selling caused unit revenues to drop
- We boosted earnings as a result of price controls and structural reforms

(Billions of yen)	FY2017	FY2018
Operating profit	-44.3	117.9
Structural reform costs	-18.4	-15.2
Impairment losses	-148.7	–
MIF sales gains	+6.3	–
Operating profit excluding extraordinary factors	116.5	133.1

FY2018 YoY by unit		A3	A4
MFPs	-6%	-7%	-3%
Printers	-28%		

FY2018 YoY by value (excluding forex)	Hard ware	Non-hard ware
Japan	-7%	-2%
Overseas	-9%	-5%
MFPs & Printers	-8%	-4%

Q4
- Even after factoring out impairment charges in FY2017, we effectively boosted earnings
- Sales progressed to small and medium-sized enterprises of color MFPs launched in Q4. We anticipate benefits from sales to large companies from FY2019

IM C6000

- I will now discuss the performances of each business segment.
- Office Printing earnings rose in FY2018 as a result of structural reforms and profit-oriented sales. After excluding transient factors, operating profit was 133.1 billion yen, up 16.6 billon from a year earlier.
- We launched new MFPs in January this year that have enjoyed significant growth among small and medium-sized enterprises. It is important to note that sales began in earnest in March in some regions because availability varied. So, we expect the new product impact to fully materialize in FY2019.
- Non-hardware revenue was down around 3% globally. Price controls and profit-centric selling shrank price declines.

Reference: Progress with MFP Price Management

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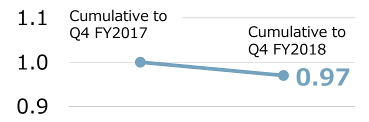
In FY2019, we will continue to manage prices in keeping with regional and market characteristics

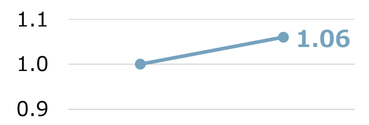
Prices of directly sold MFPs (FY2017 = 1) | **Implementation progress**

Japan



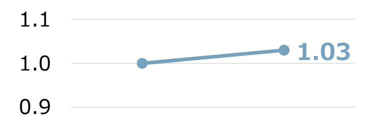
- ✓ Color A3 MFP prices rose on the strength of new offerings, and prices improved in the fourth quarter

France, United Kingdom, and Germany



- ✓ Maintained trend of rising prices through Q3 on ongoing deal management
- ✓ In particular, prices rose in three countries on successful price management with bulk deals

United States



- ✓ Pricing continued to trend upward because of of sales incentive programs to secure profits and an ongoing shift to highly profitable private sector customers

- On the MFP price management front, prices increased worldwide. Notwithstanding the impact of bulk deals in Japan, prices for new MFPs improved, and we expect prices to keep trending upward.

Business Segments
Office Services

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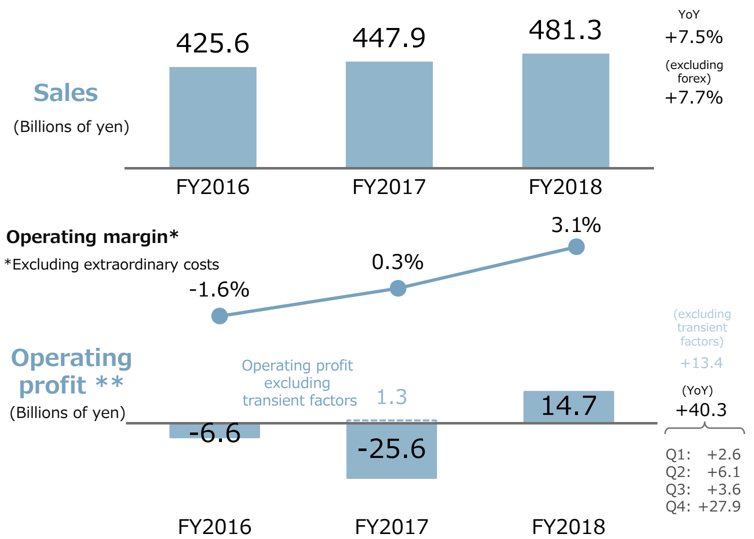
Earnings expanded, primarily in Japan and the America. All regions enjoyed growth, so revenues and earnings increased



** Excluding corporate and eliminations

Full year

- Japan: Windows 10 migration demand and favorable sales of business applications
- Americas: Document services revenues increased solidly
- We accelerated investments to expand digital businesses

Capital alliances summary

	Firms	Fields
Jun 2018	Hmcomm and BONX	Speech recognition technology leveraging AI Developing solutions that combine headsets and apps
Oct 2018	MakeLeaps	B2B transactions (ordering and invoicing)
Oct 2018	WACUL	AI-based Web analysis service
Jan 2019	Beijing Zhongkelifeng Technology Uzabase Ventures	Drone-based solar power facility inspection solutions Venture capital fund specializing in digital media and business-to-business and Software as a Service areas
Apr 2019	Ridge-i	Imaging and AI solutions

Q4

- Revenues rose solidly in Japan, the United States, and Europe
- Earnings exceeded what were effectively strong operating profit levels in the fourth quarter of FY2017

- We expanded Office Services earnings primarily in Japan and the Americas.
- Sales advanced 7.7%. The operating margin was 3.1%, having become positive in the fourth quarter of the previous fiscal year and trending upward after then.
- In Japan, we offered Scrum Package business-specific solutions, with sales of them roughly doubling year-on-year in FY2017 and climbing around 50% in FY2018. Scrum Package offers triple the profitability of regular Office Services offerings, so we are in a good position in that regard.
- Overseas, we began deploying models in line with regional structures and expertise, contributing to performance.

Reference: Office Businesses Overall in FY2018

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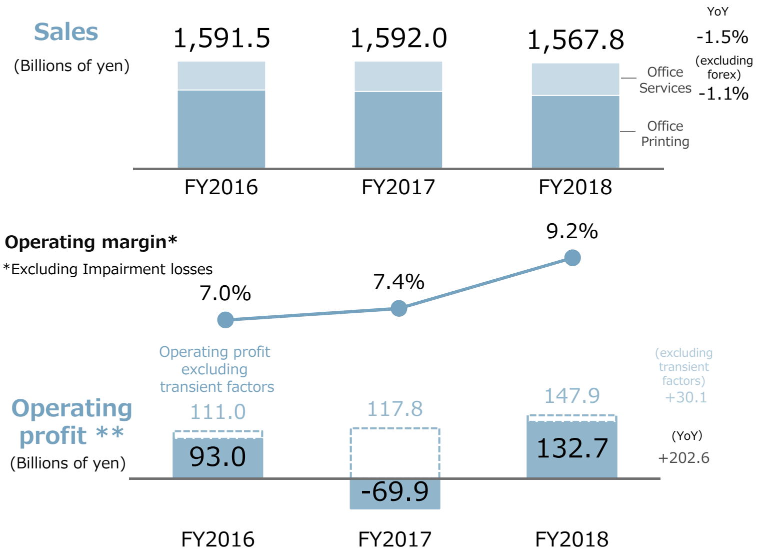
Although Office Business sales slipped 1%, earnings surged



** Excluding corporate and eliminations

Sales

- Higher Office Services sales compensated for decline in Office Printing, so Office Business sales were down slightly overall

Operating profit

- Improved Office Printing profitability and expanded the Office Services business, boosting operating profit in the Office Business after stripping out special and transient factors, thus greatly increasing the operating margin

- In Office businesses generally, higher Office Services sales offset an Office Printing decline. Overall sales were therefore down only slightly.
- After excluding such special factors as structural reform expenses, the operating margin improved from 7% in FY2017, to more than 9%, while operating profit advanced from 117.8 billion yen, to 147.9 billion yen.
  The overall profitability of Office businesses thus improved.

Business Segments
Commercial Printing

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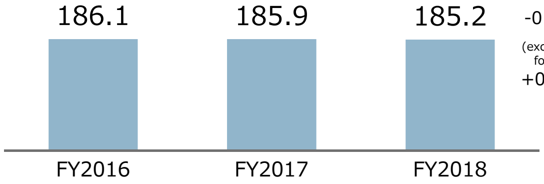
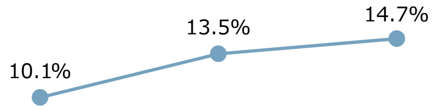
Sales were flat but earnings increased

Sales
(Billions of yen)

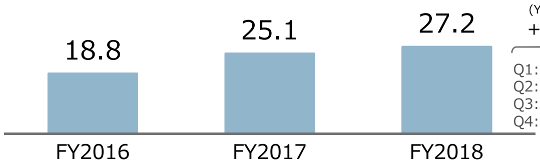


YoY
-0.3%
(excluding forex)
+0.0%

Operating margin



Operating profit *
(Billions of yen)



(YoY)
+2.0

Q1: -2.2
Q2: +2.0
Q3: +0.4
Q4: +1.8

* Excluding corporate and eliminations

Full year

- In the first half, revenues decreased on slower unit shipments as product cycles neared their ends, but revenues rose in the second half owing to expanded new product sales and growth in the offset-to-digital domain
- Earnings were up owing to machine-in-field expansion, an increase in non-hardware as a proportion of sales, and cost streamlining

Pro VC70000

Pro C9210

Q4

- Revenues and earnings rose amid new product sales expansion

FY2018 Commercial Printing sales growth rate (after factoring out forex)

Q1	Q2	Q3	Q4
- 21%	- 8%	+11%	+17%

→Double-digit unit growth YoY

- Although Commercial Printing sales were flat, earnings increased.
- In the first half, revenues declined because of inventory issues stemming from a switch to new products, but sales rose in the second half owing to new product contributions.
- We posted an 11% gain in hardware sales in the third quarter and a 17% improvement in the fourth quarter. These figures underscored the impacts of new products.
- We pointed out in our previous results briefing that non-hardware sales were not growing. In the fourth quarter, shipments of new products and non-hardware increased around 1%.

Business Segments
Industrial Printing

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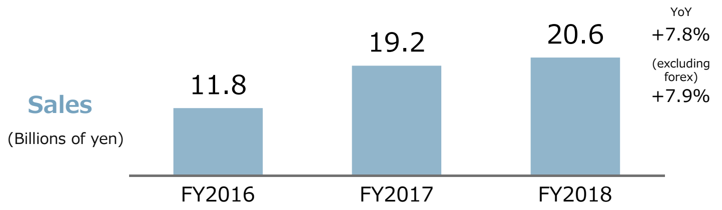
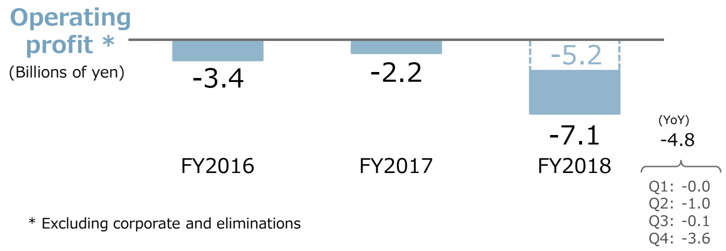
Earnings declined because of a downturn in Chinese market demand



(Operating profit margin is not shown because of the loss)



* Excluding corporate and eliminations

Full year

- Revenues increased as a result of higher inkjet head sales in the United States and Europe
- Industrial printer sales expanded worldwide
- Earnings declined because of a downturn in Chinese market demand from Q2 owing to US-China trade friction, forward development spending, and Q4 impairment charges

MH5340

Pro L5160

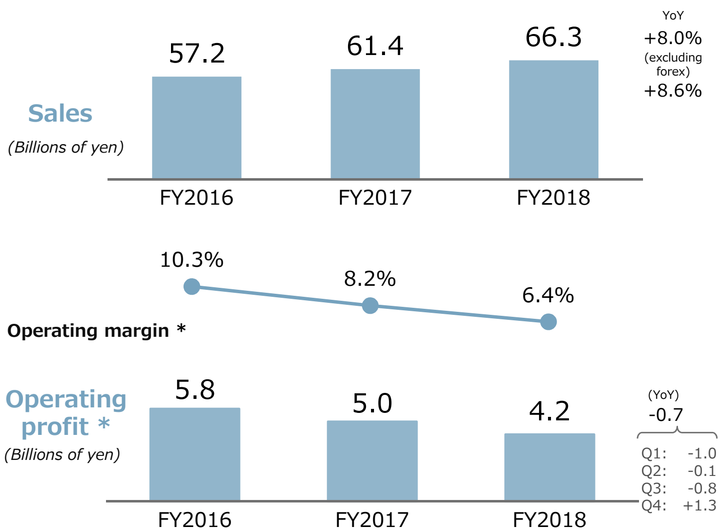
Q4

- We announced MH5340 series inkjet heads
- Earnings were down owing to the impact of lower revenues in China, the impact of new product development expenses, and impairment losses

- Industrial Printing earnings declined because of a downturn in Chinese market demand. But inkjet head sales in the United States and Europe grew steadily.
- Exacerbating the impact of a sales decrease from lower demand in Chinese market demand, in the fourth quarter we incurred industrial printer development expenses and 1.9 billion yen in impairment losses owing to a delay in monetizing performance at an Industrial Printing-related subsidiary. As a result, the fourth quarter operating loss worsened significantly, to 3.6 billion yen. That said, we expect to break even in FY2019, as new product development has peaked.

Business Segments
Thermal

Sales increased solidly but earnings declined because of high raw materials costs



Full year
- Sales rose on higher worldwide demand for thermal paper and thermal transfer ribbons
- Earnings dropped because of high raw materials costs due to Chinese environmental regulations

Q4
- Earnings increased on efforts to enhance profitability, notably by passing costs through to prices and rolling out low-cost products.

* Excluding corporate and eliminations

- While Thermal business sales increased solidly, earnings have declined because of high materials costs.
- Still, we were able to boost earnings in the fourth quarter by passing on costs and rolling out low-cost products.

Business Segments
Other

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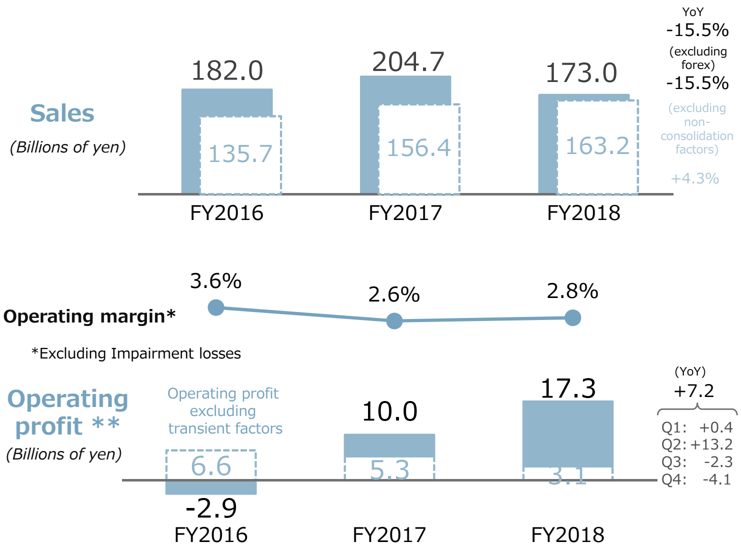
Revenues effectively increased after factoring out the impact of removals from consolidation, while operating profit remained basically unchanged.



Full year

- After factoring out the impact of removals from consolidation, revenues grew in opto modules for the Industrial Products business and on expansion in finance operations
- Logistics business sales dropped owing to removals from consolidation
- From Q3, earnings dwindled as a result of the impact of removals from consolidation and expenditure on new businesses
- Earnings were effectively flat compared to the previous year

Vehicular stereo camera　THETA Z1　GR III

Q4

- Sales continued to expand for industrial optical parts and modules
- Finance operations were also favorable

- Revenues of Other businesses effectively increased after factoring out the impact of removals from consolidations.
- The dotted-line areas in the sales graph show sales after excluding the electronic devices and logistics businesses for which we transferred stocks, and sales were up.
- Operating profit was up from a year earlier on gains from the transfer of logistics business shares. From the third quarter, however, operating profit was down year-on-year because of removals from consolidation of logistics businesses and expenditure on new businesses.

Statement of Financial Position as of March 31, 2019

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Assets

(Billions of yen)	As of Mar 31, 2019	Change from Mar 31, '18	
Current Assets	**1,389.7**	+61.7	
Cash & time deposits	**240.1**	+79.5	Increases from sales of securities
Trade and other receivables	**604.8**	+15.0	
Other financial assets	**294.3**	+3.2	
Inventories	**207.7**	+27.2	Up for new products and to cover impacts of Sino-American trade friction and BREXIT
Other investments	–	-55.9	Decline from sales of securities
Other current assets	**40.1**	-9.9	
Assets classified as held for sale	**2.5**	+2.5	
Non-current assets	**1,335.3**	+22.3	
Property, plant and equipment	**250.2**	+0.2	
Goodwill and intangible assets	**219.8**	+2.6	
Other financial assets	**708.2**	+18.6	Leasing business expansion
Other non-current assets	**156.9**	+0.6	
Total Assets	**2,725.1**	+84.1	

Exchange rate as of March 31, 2019: (different from level of March 31, 2018)		
US$ 1	= ¥ 110.99	(+4.75)
EURO 1	= ¥ 124.56	(−5.96)

Liabilities and Equity

(Billions of yen)	As of Mar 31, 2019	Change from Mar 31, '18	
Current Liabilities	**844.1**	+55.6	
Bonds and borrowings	**266.9**	+43.7	Leasing business expansion
Trade and other payables	**306.1**	+5.4	
Other current liabilities	**271.0**	+6.4	
Non-current Liabilities	**861.9**	-1.8	
Bonds and borrowings	**666.4**	+7.7	Leasing business expansion
Accrued pension & retirement benefits	**105.2**	+0.2	
Other non-current liabilities	**90.1**	-9.8	
Total Liabilities	**1,706.1**	+53.8	
Total equity attributable to owners of the parent	**932.5**	+23.0	Higher surpluses
Noncontrolling Interest	**86.4**	+7.2	
Total Equity	**1,018.9**	+30.2	
Total Liabilities and Equity	**2,725.1**	+84.1	
Total Debt	**933.4**	+51.5	

- At the end of FY2018, total assets were up 84.1 billion yen from a year earlier, at 2,725.1 billion yen.
- Inventories increased to cover the impacts of BREXIT and Sino-American trade friction and a slight increase in inventories relating to switches to new products. We will endeavor to get things back to normal in FY2019.
- The increase of interest-bearing debt was in line with finance business expansion.

FY2018 Statement of Cash Flows

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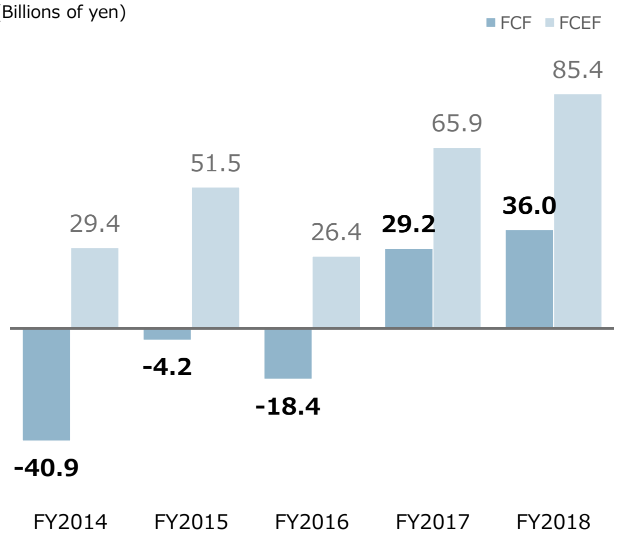
(Billions of yen)	FY2017	FY2018
Profit	-129.6	**55.3**
Depreciation and amortization	108.3	**94.2**
Goodwill and other impairment losses	175.9	**2.7**
Other operating activities	-44.3	**-70.4**
Net cash provided by operating activities	110.2	**81.9**
Plant and equipment	-53.8	**-62.7**
Purchase of business	-0.4	**-5.1**
Other investing activities	-26.8	**21.9**
Net cash used in investing activities	-81.0	**-45.9**
Free cash flow (Operating + Investing net cash)	29.2	**36.0**
Increase (Decrease) of debt	22.0	**54.0**
Dividend paid	-14.4	**-12.6**
Purchase of treasury stock	0.0	**0.0**
Other financing activities	-1.1	**1.0**
Net cash provided by financing activities	6.4	**42.4**
Effect of exchange rate changes	-1.4	**1.0**
Net increase in cash and cash equivalents	34.1	**79.5**
Cash and cash equivalents at end of period	160.5	**240.0**
Free cash flow (Operating + Investing net cash)	29.2	**36.0**
FCEF (Free cash flow excluding finance business)	65.9	**85.4**

Data

(Billions of yen)



- In FY2018, cash flows improved on the strength of profit attributable to owners of the parent and gains on share transfers. Free cash flow was 36 billion yen, while free cash flow excluding the finance business was 85.4 billion yen. Both numbers were higher than a year earlier.
- The gain from share transfers did not translate directly into a cash increase because of higher inventories. We seek to return the situation to normal in the year ahead.

Forecasts for FY2019

FY2019 Financial Targets

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19th Mid-Term Management Plan: Resurgent (FY2017) → Ignite (FY2018–FY2019)

(Billions of yen)		FY2016	FY2017	FY2018	FY2019 19th Mid-Term Management Plan	FY2019 Business plan target
Sales	Target	2,170.0	2,000.0	2,040.0	**2,200.0**	***2,010.0**
	Actual	2,028.8	2,063.3	**2,013.2**		
Operating profit (loss)	Target	77.0	18.0	80.0	**100.0**	**100.0**
	Actual	33.8	(115.6)	**86.8**		
ROE	Target	4.0%	0.3%	More than 5%	More than **6.9%**	More than **6.5%**
	Actual	0.3%	-	**5.4%**		

*Excluding forex and business transfers impacts: vs MTP target -3.0%, vs PY +1.3%

- I will now confirm our financial targets for FY2019.
- The targets that we presented in announcing our 19th Mid-Term Management Plan on April 12, 2017, are in the left column of the orange section of the chart.
- The figures on the right are those from our FY2019 business plan.
  After excluding the impacts of forex and transfers of the Ricoh Logistics System and electronic devices businesses, sales would be 3.0% lower than targeted under the 19th Mid-Term Management Plan. But they would be 1.3% higher than those posted in FY2018.
- Our ROE target under our current business plan is more than 6.5%.
  Still, we will keep endeavoring to reach the 19th Mid-Term Management Plan target of 6.9% through extensive efforts that encompass expanding earnings and reviewing assets.

FY2019 Other Financial Indicators

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	MTP Target (as of 2017 April 12)	Forecast (FY19 business plan)	By FY2018 Progress
Operating profit	More than ¥100 billion	¥100 billion	¥86.8 billion
Structural reform savings (Improvement from FY2016 actual)	More than ¥100 billion	¥105 billion	¥88.5 billion
FCEF over three years (Free cash flow excluding finance business)	More than ¥100 billion	-	¥151.3 billion

May 10, 2019

- When we announced our 19th Mid-Term Management Plan, we presented two financial indicators in addition to operating profit.
- We targeted more than 100 billion yen each over three years for structural reform savings and free cash flow excluding the finance business.
- Under our FY2019 business plan, we look for 105 billion yen in structural reform savings.
- Although we have not presented our forecast for free cash flow excluding the finance business in our FY2019 business plan, the total for FY2017 and 2018 was already 151.3 billion yen. I think we will attain at least 180.0 billion yen the total for FY2017-2019.

Potential Operating Income Trend

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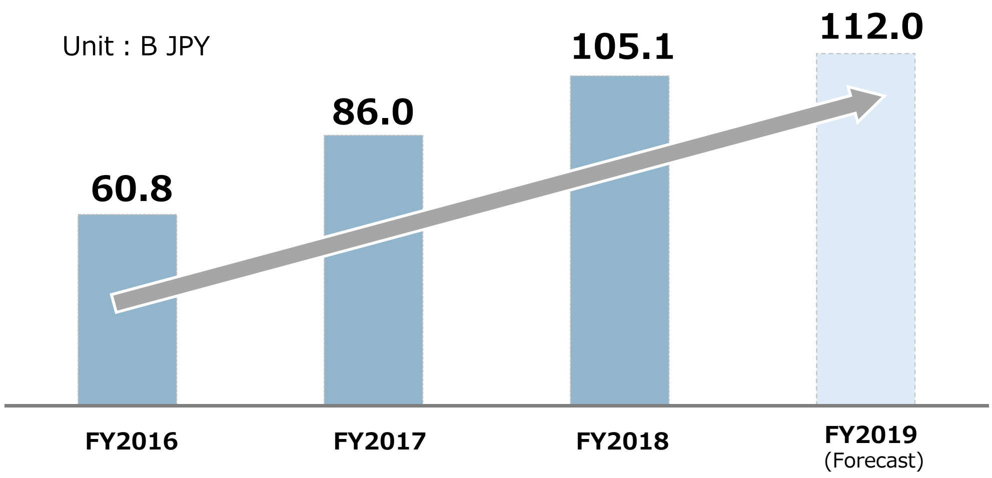
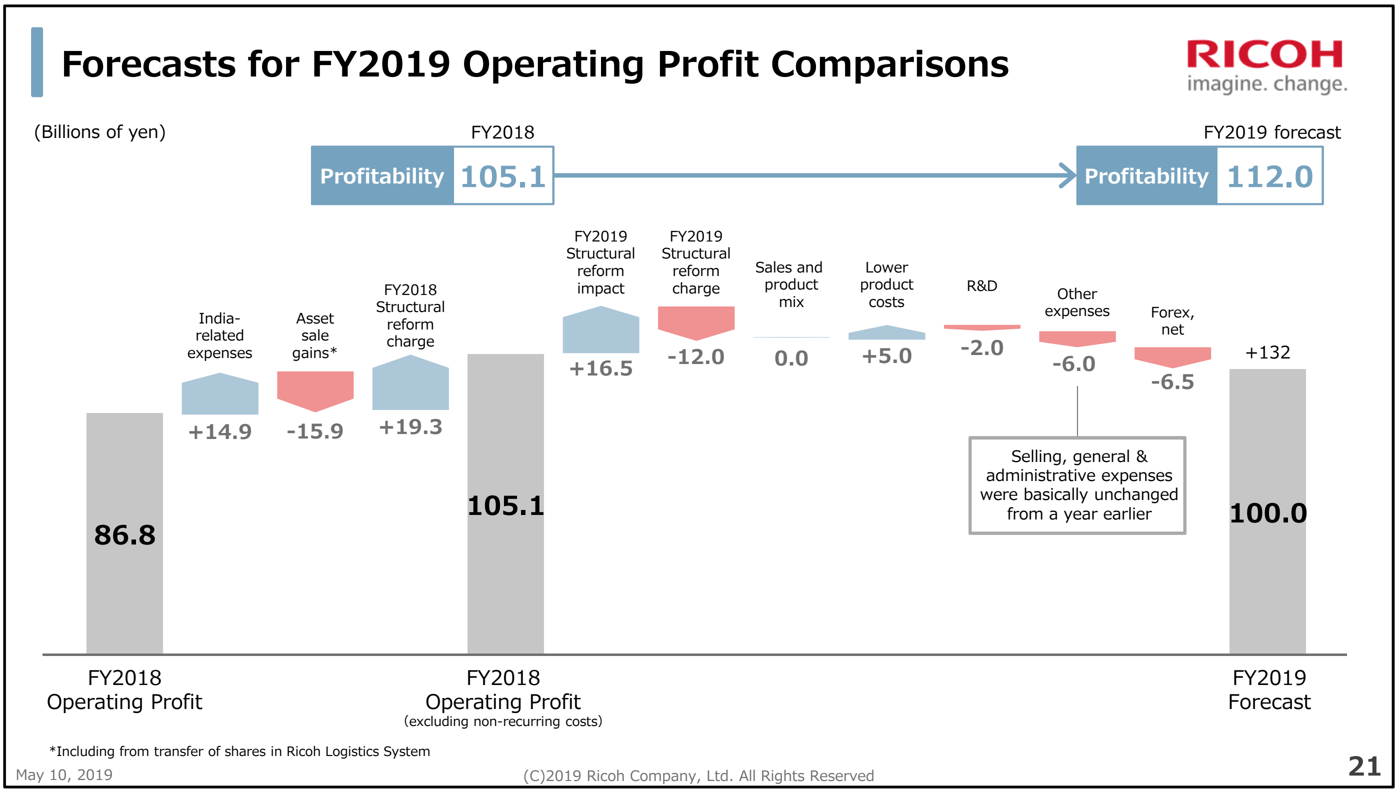
Potential OI, excluding non-recurring costs and transient factors, is steadily recovering



- This chart presents prospects for "profitability".
- I mentioned earlier that our "profitability" reached 105.1 billion yen in FY2018. Under the FY2019 business plan, we expect to increase that figure to 112 billion yen.



- This chart presents operating profit comparisons in terms of factors presented in the results briefing.
- The starting point is 105.1 billion yen in operating profit after stripping out India-related expenses, asset sale losses and structural reform charges from 86.8 billion yen in operating profit for FY2018.
- Although we have nearly completed structural reform spending, we still have some way to go with business process reforms. We are especially keen to streamline overseas maintenance services and backyard operations. We envisage savings of 16.5 billion yen from 12 billion yen in expenses. Most of the savings are from Office Printing.
- For the sales and product mix, we expect a slightly lower gross margin in Office Printing, but the overall sales and product mix should unchanged from gains in Office Services, Commercial Printing, and Industrial Printing.
- We look for an additional 5 billion yen in cost reductions compared with last year.
- Other expenses should rise because of higher wages and bonuses and efforts to strengthen growth businesses.
- Our FY2019 operating profit target is therefore 100 billion yen.

Forecasts for FY2019 <Dividends per share>

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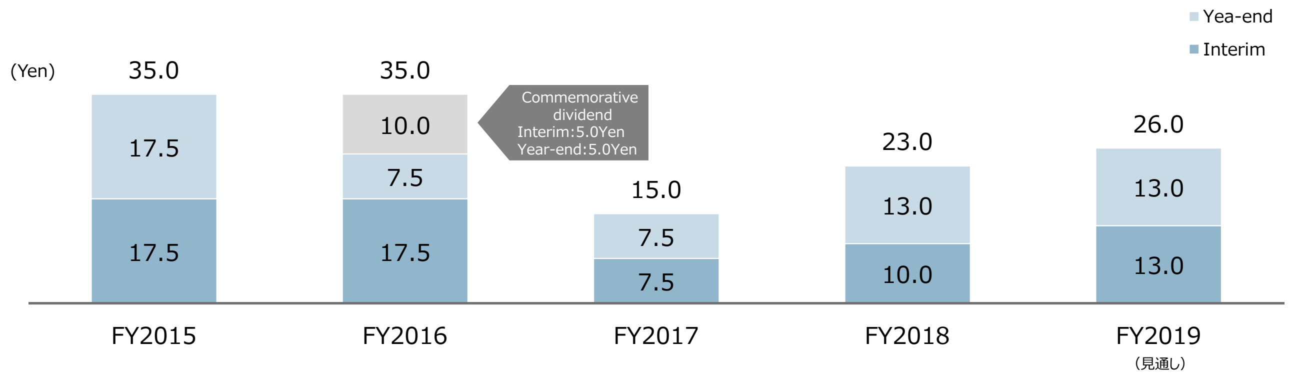
Shareholder returns policy

We consider it important to expand returns to shareholders through share price growth over the medium and long terms and stable dividends from sustainable growth. We accordingly seek to boost earnings by undertaking strategic investments for sustainable growth. Our consolidated payout ratio benchmark is around 30%, and we will finalize decisions on this level after comprehensively factoring in the earnings outlook, investment plans, and our financial position, taking our credit rating into consideration. We will flexibly repurchase shares in view of the business climate. (From Corporate Governance Report published on April 8, 2019)



- At the upcoming Ordinary General Meeting of Shareholders, we will seek approval for a 3 yen increase in year-end dividends per share for FY2018.
- Under the shareholder returns policy announced in April this year, we have maintained our basic stance of expanding returns through share price growth over the medium and long terms and stable dividends from sustainable growth. At the same time, we have increased our consolidated payout ratio benchmark to 30%.
- The payout ratio for FY2018 was 33.7%. For FY2019, we look to pay 26 yen in dividends per share, for a payout ratio of 30.4%.

FY2019 Initiatives (Office Printing)

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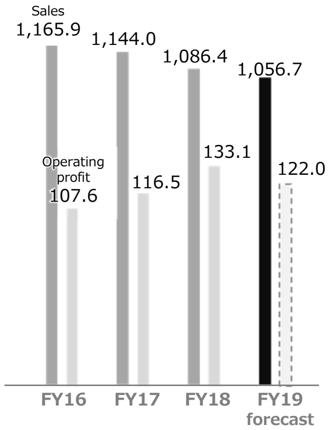
Growth Strategy #0

Towards 2022
Increase profitability by evolving MFPs and pursue operational excellence

Office Printing



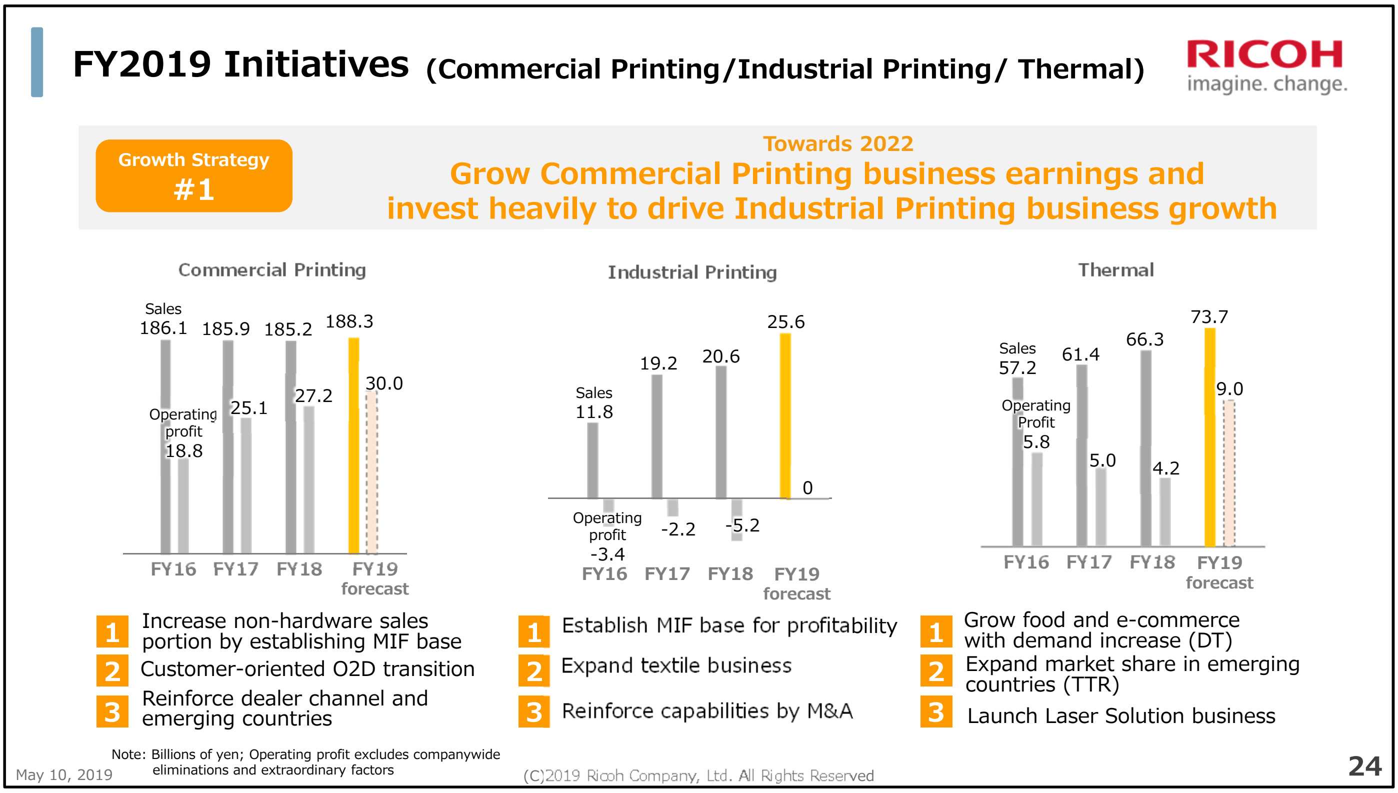
Note: Billions of yen; Operating profit excludes companywide eliminations and extraordinary factors

1 Strengthen efforts in growth areas
Expand sales of advanced IM C series MFPs

2 Pursue operational excellence
Launch new production site in southern China and enhance service efficiency with new models

3 Establish new earnings model
Encourage customers to secure Ricoh Smart Integration IDs and shift to the platform business

- I will now discuss our FY2019 initiatives by business and growth strategy.
- We expect Office Printing operating profit to decrease around 9% in FY2019. Our forecast is quite conservative , however, and we actually seek to maintain last year’s level by undertaking a range of initiatives. You can correctly conclude that our strategy is to generate growth in the office area through Office Services.
- We have three key priorities for Office Printing.
- The first is to strengthen efforts in growth areas by expanding sales of advanced IM C Series MFPs.
- Second, we are pursuing operational excellence. We will do our best to make local maintenances and services more efficient by fully leveraging the functionality of advanced MFPs. And as we have already announced, this year we will launch operations at a new production in Southern China that fully harnesses digital manufacturing technology , thereby reducing costs.
- The third priority is to establish a new earnings model. We have what we call the Ricoh Smart Integration platform in place to establish our subscription model for the future. We are testing this setup, primarily in Europe.



- Growth Strategy #1 encompasses Commercial Printing, Industrial Printing, and Thermal, and we said at IR Day that these businesses are at various stages.
- In Commercial Printing, we regretfully did not materialize the full potential of products launched last year. At IR Day, we listed three points from our factor analysis. The second point, of a customer-centric transformation from offset to digital technology, is particularly important. We have rolled out products whose image quality rivals that of offset printing platforms. So, I think we will see a full-fledged offset-to-digital transformation to be a highlight this fiscal year. I also note that Commercial Printing digitization has progressed especially in China and Latin America. We are confident that we can generate growth by rolling out measures for dealers and in emerging nations.
- I mentioned earlier that we seek to break even in Industrial Printing. I consider that business vital from the perspectives of social contributions and environmental businesses. I am certain that markets for our offerings will flourish. Still, I think Ricoh needs more expertise in such areas as manufacturing, construction, apparel, and logistics. We are thus looking to secure capabilities through strategic investments.
- The Thermal business is doing well in passing on costs. Demand for thermal paper is increasing, and thermal transfer ribbons are also expanding, mainly in Southeast Asia, and we will cultivate strategies that deliver results. We have invested in reinforcing thermal paper production in Europe.

FY2019 Initiatives (Office Services)

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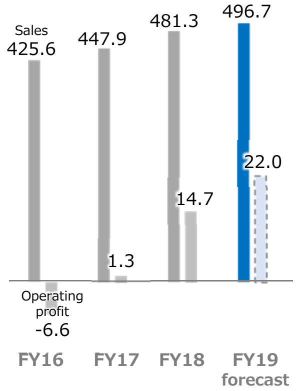
Growth Strategy #2

Towards 2022
Expand Office Services business earnings and create new businesses that leverage Ricoh's core technologies

Office Services



Note: Billions of yen; Operating profit excludes companywide eliminations and extraordinary factors

1 Streamline efficiency within companies
Develop optimal services for each region and augment capabilities through acquisitions

2 Digitize B2B transactions and office/frontline operations
Connect inter-company workflows and workflows between offices and frontlines

3 Provide subscription business platform
Increase the number of platform users – across both Ricoh's divisions and external partners

- I will now move to Growth Strategy #2, which covers Office Services.
- We believe that our strategy of augmenting services for office customers has to build momentum.
- We have particularly positioned this fiscal year as the genesis of efforts to push forward our second priority, of digitizing business-to-business transactions and office and frontline operations. Ricoh's inherent strength is in edge devices. So, we view MFPs and our ever-evolving Interactive Whiteboards and the Handy Printer that we launched just last month as crucial for digitizing frontline operations.
- We have yet to offer a full range of applications, but we can bring out applications for data capturing edge devices and image processing technologies to process data, deploying offerings across industries to streamline workflows by digitizing customers' frontline operations and connecting them with offices.

FY2019 Initiatives (Others)

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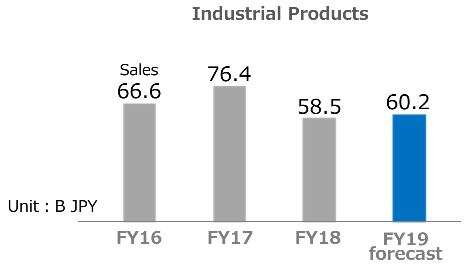
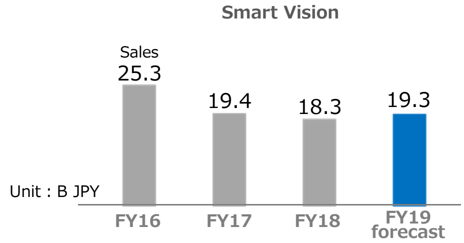
Growth Strategy #2

Towards 2022
Expand Office Services business earnings and create new businesses that leverage Ricoh's core technologies

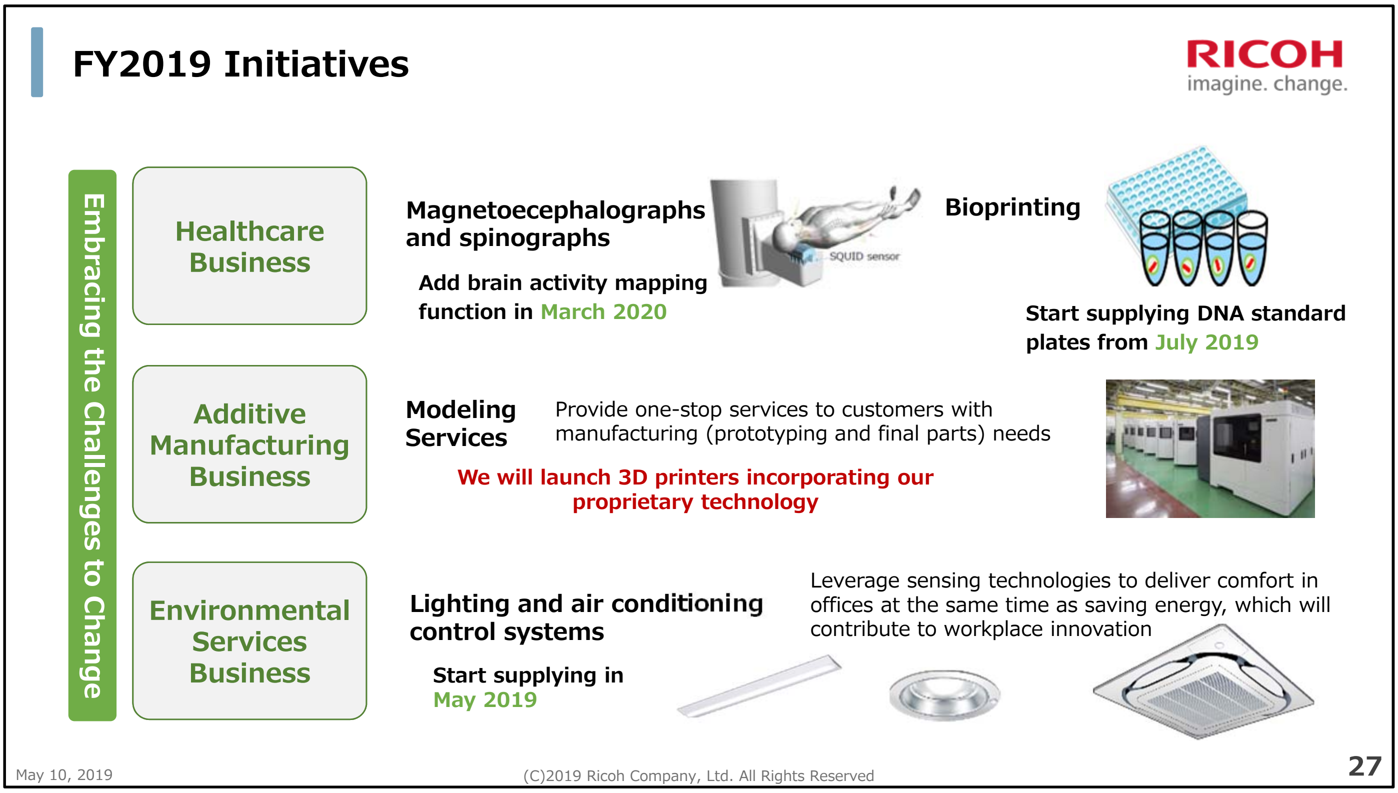


1. Increase the number vehicle models using Ricoh's stereo camera
2. Gain share of large screen laser Heads-up Display (HUD) market
3. Reinforce sensing business in industrial vertical

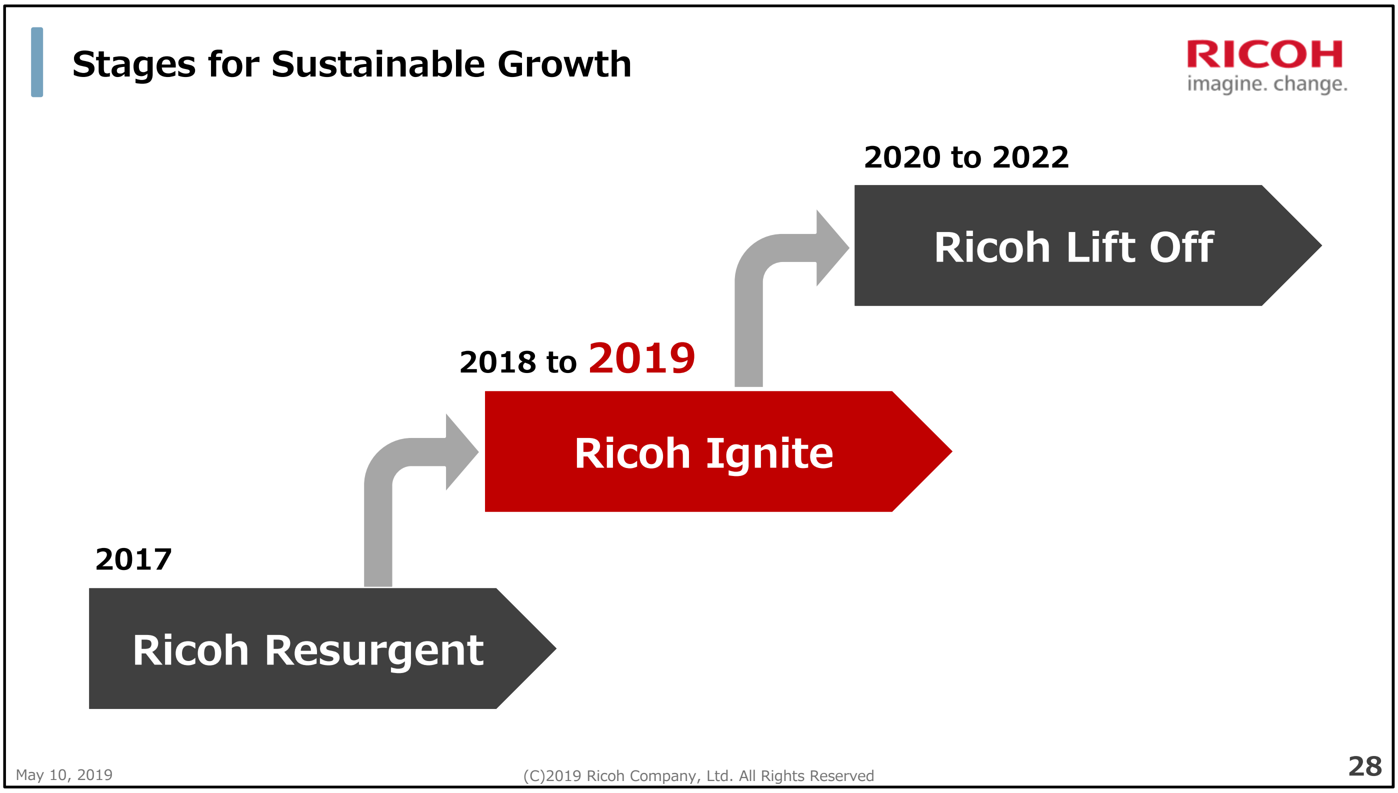


1. Promote Theta in B2B businesses
2. Expand customer base of data services (Ricoh360)
3. Improve profitability of the digital camera business

- Other businesses include Industrial Products and Smart Vision.
- We seek to increase Industrial Product sales by around 3%. While benefiting from more vehicle models employing our stereo cameras, we secured a large screen laser head-up display order. We do not expect major contributions in FY2019, but we are hopeful of doing well, as we have begun preparing to start mass production.
- Our new THETA camera offerings in Smart Vision business have been popular. The high-end GRIII compact camera has also proven a good seller. Nonetheless, we realize that we need to move one step forward to improve digital camera earnings.
- Finally, the Other segment also includes finance operations. We are basically cultivating that area to maximize business synergies and consolidated earnings.



- Here, I will present new products and services, although they will admittedly not contribute much to sales or operating profit in 2019. Still, they embody our commitment to pursuing new opportunities.
- In Healthcare, we offer magnetoencephalographs that we secured from Yokogawa Electric. In spring next year, plan to roll out a product incorporating a brain activity mapping function based on our imaging and information technologies. Here, we look to drive advances extending from research to clinical applications, the goal being to cut testing times from four or five hours, to less than two.
- Bioprinting technology entails ejecting live cells onto media. We plan to start supplying DNA standard plates.
- In the Additive Manufacturing business, this year we look to bring out a basic prototype 3D printer incorporating proprietary technology.
- In the Environmental Services business, we plan to start providing lighting and air conditioning control systems from May.



- FY2019 is the last year of our 19th Mid-Term Management Plan, and is also a time for preparing for "RICOH Lift Off" under the 20th Mid-Term Management Plan.
- We will do our best to build on our efforts over the past two years and materialize our 19th Mid-Term Management Plan goals. We will also gear up to lift off for the next plan.

Appendix

Forecasts for FY2019

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	FY2018	FY2019 forecast	Year-on-year change
Sales	2,013.2 billion yen	**2,010.0** billion yen	-0.2% +1.3%*
Operating profit	86.8 billion yen	**100.0** billion yen	+15.2%
Operating margin	4.3%	**5.0**%	+0.7pt
Profit attributable to owners of the parent	49.5 billion yen	**62.0** billion yen	+25.2%
EPS	68.32円	**85.53**円	+17.21 yen
ROE	5.4%	**6.5**% plus	+1.1pt
Dividends per Share	23 yen	**26** yen	+3 yen
R&D expenditures	111.0 billion yen	**112.0** billion yen	+1.0 billion yen
Capital expenditures (Tangible fixes assets)	72.4 billion yen	**74.0** billion yen	+1.6 billion yen
Depreciation (Tangible fixed assets)	65.4 billion yen	**67.0** billion yen	+1.6 billion yen
Forex Rate Assumptions Yen/US$	110.95 yen	**110.00** yen	-0.95 yen
Yen/euro	128.46 yen	**125.00** yen	-3.46 yen

*After excluding forex, business transfers, and other non-consolidation impacts.

Key Figures for FY2018
Financial Statements Excluding Finance Business

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FY2018

(Billions of yen)

① Profit Statement

	Consolidated	Products & Services	Finance
Sales	2,013.2	1,938.9	159.1
Operating profit	86.8	55.2	31.6

② Statement of Financial Position

		Consolidated	Products & Services	Finance
Assets		2,725.1	1,548.8	1,276.9
	Financial assets*	1,001.3	–	1,001.3
Liabilities		1,706.1	699.7	1,106.8
	Interest-bearing debt	933.4	-22.7	1,006.4
Total equity		1,018.9	848.4	170.4
Net Debt		693.2	-310.6	1,003.8

③ Statement of Cash Flow

	Consolidated	Products & Services	Finance
Free cash flow	36.0	85.4	-49.4

<Key Financial Ratios>

	Consolidated	Products & Services
Equity ratio	34.2%	54.7%
D/E ratio	100.1%	-2.7%
Total assets turn over	0.75	1.24

This chart includes approximations.

*Finance: Finance business Ricoh conducts globally

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