

Ricoh Company, Ltd. and Consolidated Subsidiaries

FLASH REPORT (Consolidated Results for the Year Ended March 31, 2014)

[Prepared on the basis of International Financial Reporting Standards]

1. Results for the period from April 1, 2013 to March 31, 2014

(1) Operating Results	(Millions of yen)	
	Year ended March 31, 2013	Year ended March 31, 2014
Sales	1,885,995	2,195,696
<i>(% change from the previous corresponding period)</i>	-	16.4
Operating profit	73,555	120,345
<i>(% change from the previous corresponding period)</i>	-	63.6
Profit before income tax expenses	68,082	118,063
<i>(% change from the previous corresponding period)</i>	-	73.4
Profit	43,818	78,452
<i>(% change from the previous corresponding period)</i>	-	79.0
Profit attributable to owners of the parent	38,915	72,818
<i>(% change from the previous corresponding period)</i>	-	87.1
Comprehensive income	96,692	145,131
<i>(% change from the previous corresponding period)</i>	-	50.1
Earnings per share attributable to owners of the parent		
-basic (yen)	53.67	100.44
Earnings per share attributable to owners of the parent		
-diluted (yen)	-	-
Profit on equity attributable to owners of the parent (%)	4.4	7.5
Profit before income tax expenses on total assets (%)	2.9	4.7
Operating profit on Sales (%)	3.9	5.5

Notes:

- i. Share of profit (loss) of investments accounted for using the equity method: ¥ -33 million (¥ 31 million in previous fiscal year)
- ii. Earnings per share attributable to owners of the parent (basic and diluted) are based on Profit attributable to owners of the parent.

(2) Financial Position	(Millions of yen)	
	March 31, 2013	March 31, 2014
Total assets	2,391,163	2,591,361
Total equity	974,002	1,094,396
Equity attributable to owners of the parent	913,705	1,029,413
Equity attributable to owners of the parent ratio (%)	38.21	39.72
Equity per share attributable to owners of the parent (yen)	1,260.22	1,420.04

(3) Cash Flows	(Millions of yen)	
	Year ended March 31, 2013	Year ended March 31, 2014
Cash flows from operating activities	137,318	146,894
Cash flows from investing activities	(121,743)	(122,938)
Cash flows from financing activities	(61,837)	(9,236)
Cash and cash equivalents at end of year	117,051	140,047

2. Dividend information	(Millions of yen)		
	Year ended March 31, 2013	Year ended March 31, 2014	Year ending March 31, 2015
Cash dividends per share			
First quarter-end (yen)	-	-	-
Second quarter-end (yen)	12.50	16.50	17.00
Third quarter-end (yen)	-	-	-
Year-end (yen)	16.50	16.50	17.00
Total (yen)	29.00	33.00	34.00
Total annual dividends (millions of yen)	21,026	23,923	-
Payout Ratio (%)	54.0	32.9	30.8
Dividends on equity attributable to owners of the parent (%)	2.4	2.5	-

3. Forecast of operating results from April 1, 2014 to March 31, 2015

	(Millions of yen)	
	Half year ending September 30, 2014	Year ending March 31, 2015
Sales	1,080,000	2,260,000
<i>(% change from the previous corresponding period)</i>	-	2.9
Operating profit	55,000	140,000
<i>(% change from the previous corresponding period)</i>	-	16.3
Profit before income tax expenses	52,000	135,000
<i>(% change from the previous corresponding period)</i>	-	14.3
Profit attributable to owners of the parent	30,000	80,000
<i>(% change from the previous corresponding period)</i>	-	9.9
Earnings per share attributable to owners of the parent-basic (yen)	41.38	110.35

<Indication concerning implementation status of auditing procedure>

These Consolidated Results for the Year Ended March 31, 2014 are not subject to the auditing procedure pursuant to the Financial Instruments and Exchange Law.

At the time of disclosing these Consolidated Results for the Year Ended March 31, 2014, the auditing procedure for financial statements pursuant to the Financial Instruments and Exchange Law have been completed.

<Descriptions relating to the proper use of financial prospects and other special notes>

(Voluntary adoption of IFRS)

The Company adopted International Financial Reporting Standards ("IFRSs") for the consolidated financial statements incorporated in the annual report under the Financial Instruments and Exchange Act of Japan with a first IFRS reporting period ended March 31, 2014. This report is voluntary disclosure that provides selected IFRS financial data from the Company's annual report filed on June 26, 2014. Please note that the Company previously reported consolidated financial results based on U.S. GAAP for the year ended March 31, 2014 on April 25, 2014.

(Notes to the description about future, other)

Above forecasted results are based on information available to the Company as at to date which are likely subject to risks and uncertainties that may cause the actual results to differ materially from the forecasted results.

1. Consolidated Financial Statements

(1) Consolidated Statement of Financial Position

Ricoh Company, Ltd. and Consolidated Subsidiaries

	Millions of Yen		
	As of April 1, 2012	As of March 31, 2013	As of March 31, 2014
ASSETS			
Current assets:			
Cash and cash equivalents	156,210	117,051	140,047
Time deposits	2,461	3,280	4,057
Trade and other receivables	440,324	476,605	544,725
Other financial assets	225,484	231,380	249,682
Inventories	195,009	196,696	194,171
Other current assets	26,476	30,325	29,060
Total current assets	1,045,964	1,055,337	1,161,742
Non-current assets:			
Property, plant and equipment	243,431	266,353	270,702
Goodwill and intangible assets	334,701	361,925	399,354
Other financial assets	479,462	492,256	560,892
Investments accounted for using the equity method	99	689	1,074
Other investments	45,265	54,020	50,724
Other non-current assets	45,083	45,759	40,420
Deferred tax assets	115,966	114,824	106,453
Total non-current assets	1,264,007	1,335,826	1,429,619
Total assets	2,309,971	2,391,163	2,591,361

	Millions of Yen		
	As of April 1, 2012	As of March 31, 2013	As of March 31, 2014
LIABILITIES AND EQUITY			
Current liabilities:			
Bonds and borrowings	215,032	227,744	271,768
Trade and other payables	217,584	219,711	281,957
Other financial liabilities	5,158	10,744	18,140
Income tax payables	13,448	12,091	14,435
Other current liabilities	212,868	230,531	244,134
Total current liabilities	664,090	700,821	830,434
Non-current liabilities:			
Bonds and borrowings	523,977	474,591	452,396
Other financial liabilities	5,047	12,576	1,014
Accrued pension and retirement benefits	168,005	167,973	124,554
Other non-current liabilities	44,712	49,695	74,614
Deferred tax liabilities	10,871	11,505	13,953
Total non-current liabilities	752,612	716,340	666,531
Total liabilities	1,416,702	1,417,161	1,496,965
Equity:			
Common stock	135,364	135,364	135,364
Additional paid-in capital	186,083	186,083	186,083
Treasury stock	(37,117)	(37,146)	(37,278)
Other components of equity	3,290	58,614	119,904
Retained earnings	549,700	570,790	625,340
Total equity attributable to owners of the parent	837,320	913,705	1,029,413
Non-controlling interests	55,949	60,297	64,983
Total equity	893,269	974,002	1,094,396
Total liabilities and equity	2,309,971	2,391,163	2,591,361

**(2) Consolidated Statement of Profit or Loss
and Consolidated Statement of Comprehensive Income**

Ricoh Company, Ltd. and Consolidated Subsidiaries

Consolidated Statement of Profit or Loss

	Millions of Yen	
	For the year ended March 31, 2013	For the year ended March 31, 2014
Sales	1,885,995	2,195,696
Cost of sales	(1,136,385)	(1,322,471)
Gross profit	749,610	873,225
Selling, general and administrative expenses	(676,055)	(752,880)
Operating profit	73,555	120,345
Finance income	3,104	6,872
Finance costs	(8,608)	(9,121)
Share of profit (loss) of investments accounted for using the equity method	31	(33)
Profit before income tax expenses	68,082	118,063
Income tax expenses	(24,264)	(39,611)
Profit	43,818	78,452
Profit attributable to:		
Owners of the parent	38,915	72,818
Non-controlling interests	4,903	5,634

	Yen	
	For the year ended March 31, 2013	For the year ended March 31, 2014
Earnings per share (attributable to owners of the parent):		
Basic	53.67	100.44
Diluted	-	-

Consolidated Statement of Comprehensive Income

	Millions of Yen	
	For the year ended March 31, 2013	For the year ended March 31, 2014
Profit	43,818	78,452
Other comprehensive income:		
Components that will not be reclassified subsequently to profit or loss:		
Remeasurement of defined benefit plan	(2,500)	5,352
Total components that will not be reclassified subsequently to profit or loss	(2,500)	5,352
Components that will be reclassified subsequently to profit or loss:		
Net gain on fair value of available-for-sale financial assets	5,544	1,893
Net gain on fair value of cash flow hedges	474	854
Exchange differences on translation of foreign operations	49,356	58,580
Total components that will be reclassified subsequently to profit or loss	55,374	61,327
Total other comprehensive income	52,874	66,679
Comprehensive income	96,692	145,131
Comprehensive income attributable to:		
Owners of the parent	91,647	139,771
Non-controlling interests	5,045	5,360

(3) Consolidated Statement of Changes in Equity

Ricoh Company, Ltd. and Consolidated Subsidiaries

	Millions of Yen					
	Common stock	Additional paid-in capital	Treasury stock	Other components of equity		
				Exchange differences on translation of foreign operations	Net gain on fair value of available-for-sale financial assets	Net gain(loss) on fair value of cash flow hedges
Balance as of April 1, 2012	135,364	186,083	(37,117)	-	4,494	(1,204)
Profit						
Other comprehensive income (loss)				49,486	5,495	343
Comprehensive income:	-	-	-	49,486	5,495	343
Net change in treasury stock			(29)			
Dividends declared and approved to owners						
Transfer from other components of equity to retained earnings						
Total transactions with owners	-	-	(29)	-	-	-
Balance as of March 31, 2013	135,364	186,083	(37,146)	49,486	9,989	(861)
Profit						
Other comprehensive income (loss)				58,791	1,859	640
Comprehensive income	-	-	-	58,791	1,859	640
Net change in treasury stock			(132)			
Dividends declared and approved to owners						
Transfer from other components of equity to retained earnings						
Total transactions with owners	-	-	(132)	-	-	-
Balance as of March 31, 2014	135,364	186,083	(37,278)	108,277	11,848	(221)

	Millions of Yen					
	Other components of equity		Retained earnings	Equity attributable to owners of the parent	Non-controlling interests	Total equity
	Remeasurement of defined benefit plan	Total other components of equity				
Balance as of April 1, 2012	-	3,290	549,700	837,320	55,949	893,269
Profit			38,915	38,915	4,903	43,818
Other comprehensive income (loss)	(2,592)	52,732	-	52,732	142	52,874
Comprehensive income:	(2,592)	52,732	38,915	91,647	5,045	96,692
Net change in treasury stock			(7)	(36)		(36)
Dividends declared and approved to owners			(15,226)	(15,226)	(697)	(15,923)
Transfer from other components of equity to retained earnings	2,592	2,592	(2,592)	-		-
Total transactions with owners	2,592	2,592	(17,825)	(15,262)	(697)	(15,959)
Balance as of March 31, 2013	-	58,614	570,790	913,705	60,297	974,002
Profit			72,818	72,818	5,634	78,452
Other comprehensive income (loss)	5,663	66,953	-	66,953	(274)	66,679
Comprehensive income	5,663	66,953	72,818	139,771	5,360	145,131
Net change in treasury stock			(6)	(138)		(138)
Dividends declared and approved to owners			(23,925)	(23,925)	(674)	(24,599)
Transfer from other components of equity to retained earnings	(5,663)	(5,663)	5,663	-		-
Total transactions with owners	(5,663)	(5,663)	(18,268)	(24,063)	(674)	(24,737)
Balance as of March 31, 2014	-	119,904	625,340	1,029,413	64,983	1,094,396

(4) Consolidated Statement of Cash Flows

Ricoh Company, Ltd. and Consolidated Subsidiaries

	Millions of Yen	
	For the year ended March 31, 2013	For the year ended March 31, 2014
CASH FLOWS FROM OPERATING ACTIVITIES:		
Profit	43,818	78,452
Adjustments to reconcile profit to net cash provided by operating activities		
Depreciation and amortization	95,916	106,230
Share of profit (loss) of investments accounted for using the equity method	(31)	33
Finance income and costs	5,504	2,249
Income tax expenses	24,264	39,611
Increase in trade and other receivables	(7,882)	(31,702)
Decrease in inventories	12,681	15,814
Increase in lease receivables	(430)	(67,758)
Increase (decrease) in trade and other payables	(3,947)	54,209
Decrease in accrued pension and retirement benefits	(11,115)	(33,702)
Other, net	3,696	9,967
Interest and dividends received	3,048	2,588
Interest paid	(8,579)	(8,308)
Income taxes paid	(19,625)	(20,789)
Net cash provided by operating activities	137,318	146,894
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sales of property, plant and equipment	1,712	558
Expenditures for property, plant and equipment	(79,287)	(72,993)
Expenditures for intangible assets	(34,784)	(35,030)
Payments for purchases of available-for-sale securities	(93)	(99)
Proceeds from sales of available-for-sale securities	208	10,034
Increase in time deposits	(374)	(445)
Purchase of business, net of cash acquired	(2,774)	(16,850)
Other, net	(6,351)	(8,113)
Net cash used in investing activities	(121,743)	(122,938)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net proceeds (repayments) of short-term debt	(59,046)	12,689
Proceeds from long-term debt	155,845	149,340
Repayments of long-term debt	(162,677)	(114,694)
Proceeds from issuance of bonds	20,000	40,000
Repayments of bonds	-	(71,841)
Dividends paid	(15,226)	(23,925)
Payments for purchase of treasury stock	(39)	(143)
Other, net	(694)	(662)
Net cash used in financing activities	(61,837)	(9,236)
EFFECT OF EXCHANGE RATE CHANGE ON CASH AND CASH EQUIVALENTS	7,103	8,276
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(39,159)	22,996
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	156,210	117,051
CASH AND CASH EQUIVALENTS AT END OF YEAR	117,051	140,047

(5) Notes to Consolidated Financial Statements

Ricoh Company, Ltd. and Consolidated Subsidiaries

A) Segment Information

a. Operating Segment Information

	Millions of yen		Change	%
	For the year ended March 31, 2013	For the year ended March 31, 2014		
Imaging & Solutions:				
Sales:				
Unaffiliated customers	1,682,008	1,969,878	287,870	17.1
Intersegment	-	-	-	
Total	1,682,008	1,969,878	287,870	17.1
Operating expenses	1,532,409	1,785,564	253,155	16.5
Operating profit	149,599	184,314	34,715	23.2
<i>Operating profit on sales in Imaging & Solutions(%)</i>	<i>8.9</i>	<i>9.4</i>		
Industrial Products:				
Sales:				
Unaffiliated customers	93,094	105,018	11,924	12.8
Intersegment	4,314	3,924	(390)	(9.0)
Total	97,408	108,942	11,534	11.8
Operating expenses	97,510	103,660	6,150	6.3
Operating profit (loss)	(102)	5,282	5,384	-
<i>Operating profit (loss) on sales in Industrial Products (%)</i>	<i>(0.1)</i>	<i>4.8</i>		
Other:				
Sales:				
Unaffiliated customers	110,893	120,800	9,907	8.9
Intersegment	-	-	-	
Total	110,893	120,800	9,907	8.9
Operating expenses	115,837	120,589	4,752	4.1
Operating profit (loss)	(4,944)	211	5,155	-
<i>Operating profit (loss) on sales in Other (%)</i>	<i>(4.5)</i>	<i>0.2</i>		
Corporate and Eliminations:				
Sales:				
Intersegment	(4,314)	(3,924)	390	
Total	(4,314)	(3,924)	390	-
Operating expenses:				
Intersegment	(4,314)	(3,924)	390	
Corporate	70,998	69,462	(1,536)	
Total	66,684	65,538	(1,146)	-
Operating loss	(70,998)	(69,462)	1,536	-
Consolidated:				
Sales:				
Unaffiliated customers	1,885,995	2,195,696	309,701	16.4
Intersegment	-	-	-	
Total	1,885,995	2,195,696	309,701	16.4
Operating expenses	1,812,440	2,075,351	262,911	14.5
Operating profit	73,555	120,345	46,790	63.6
<i>Operating profit on consolidated sales (%)</i>	<i>3.9</i>	<i>5.5</i>		

b. Geographic Segment Information

	Millions of yen		Change	%
	For the year ended March 31, 2013	For the year ended March 31, 2014		
Japan:				
Sales:				
Unaffiliated customers	854,980	935,673	80,693	9.4
Intersegment	369,581	426,798	57,217	15.5
Total	1,224,561	1,362,471	137,910	11.3
Operating expenses	1,186,880	1,309,445	122,565	10.3
Operating profit	37,681	53,026	15,345	40.7
<i>Operating profit on sales in Japan(%)</i>	<i>3.1</i>	<i>3.9</i>		
The Americas:				
Sales:				
Unaffiliated customers	494,843	588,220	93,377	18.9
Intersegment	7,222	8,672	1,450	20.1
Total	502,065	596,892	94,827	18.9
Operating expenses	495,331	579,268	83,937	16.9
Operating profit	6,734	17,624	10,890	161.7
<i>Operating profit on sales in the Americas(%)</i>	<i>1.3</i>	<i>3.0</i>		
Europe, Middle East and Africa:				
Sales:				
Unaffiliated customers	412,836	514,044	101,208	24.5
Intersegment	718	840	122	17.0
Total	413,554	514,884	101,330	24.5
Operating expenses	387,129	486,081	98,952	25.6
Operating profit	26,425	28,803	2,378	9.0
<i>Operating profit on sales in Europe(%)</i>	<i>6.4</i>	<i>5.6</i>		
Other:				
Sales:				
Unaffiliated customers	123,336	157,759	34,423	27.9
Intersegment	187,919	232,267	44,348	23.6
Total	311,255	390,026	78,771	25.3
Operating expenses	299,469	372,765	73,296	24.5
Operating profit	11,786	17,261	5,475	46.5
<i>Operating profit on sales in Other(%)</i>	<i>3.8</i>	<i>4.4</i>		
Corporate and Eliminations:				
Sales:				
Intersegment	(565,440)	(668,577)	(103,137)	
Total	(565,440)	(668,577)	(103,137)	-
Operating expenses:	(556,369)	(672,208)	(115,839)	-
Operating profit (loss)	(9,071)	3,631	12,702	-
Consolidated:				
Sales:				
Unaffiliated customers	1,885,995	2,195,696	309,701	16.4
Intersegment	-	-	-	
Total	1,885,995	2,195,696	309,701	16.4
Operating expenses	1,812,440	2,075,351	262,911	14.5
Operating profit	73,555	120,345	46,790	63.6
<i>Operating profit on consolidated sales(%)</i>	<i>3.9</i>	<i>5.5</i>		

B) Earnings per Share

Ricoh Company, Ltd. and Consolidated Subsidiaries

	For the year ended March 31, 2013	For the year ended March 31, 2014
Profit attributable to owners of the parent company (millions of yen)	38,915	72,818
Weighted average number of issued and outstanding shares (Thousands of shares)	725,063	724,981
Earnings per share (attributable to owners of the parent) (yen)	53.67	100.44

2. IFRS transition disclosure

Ricoh prepared its first consolidated financial statements in accordance with IFRSs.

(1) Exemptions under IFRS 1

IFRSs require full retrospective application of IFRSs for the first time adopters. However, IFRS 1 provides certain mandatory exceptions and voluntary exemptions from full retrospective applications. These adjustments as a result of the initial application of IFRSs are recognized directly through retained earnings and other components of equity at the date of transition to IFRSs. The exemptions applied by Ricoh under IFRS 1 were as follows:

Business combinations

IFRS 3 may be applied retrospectively or prospectively. Under retrospective application, it is required to restate all business combinations that occurred before the date of transition to IFRSs. Ricoh elected not to retrospectively apply IFRS 3 to business combinations that occurred before the date of transition to IFRSs. Any goodwill arising from business combinations which occurred before the date of transition to IFRSs were not restated from the carrying value previously determined under U.S. GAAP. In addition, Ricoh performed an impairment test at the date of transition to IFRSs regardless of whether there was an indication that the goodwill may be impaired.

Application of deemed cost

IFRS 1 allows to use the fair value for property, plant and equipment as deemed cost at the date of transition to IFRSs. Accordingly, Ricoh applied the exemption in IFRS 1 and used the fair value for certain of its property, plant and equipment as deemed cost at the date of transition to IFRSs.

Exchange differences on translating foreign operations

IFRS 1 permits the cumulative amount of exchange differences on translating foreign operations to be deemed to be zero at the date of transition to IFRSs. Ricoh elected to deem all of cumulative exchange differences on translating foreign operations to be zero at the date of transition to IFRSs.

(2) Mandatory exceptions under IFRS 1

IFRS 1 prohibits retrospective application of IFRSs with respect to estimates, derecognition of financial assets and financial liabilities, hedge accounting, non-controlling interests, and classification and measurement of financial assets. Accordingly, Ricoh applied the requirements of IFRSs on these items prospectively.

(3) Reconciliation of U.S. GAAP to IFRSs

In preparing its consolidated statement of financial position as of the date of transition to IFRSs, Ricoh has adjusted amounts reported previously in its consolidated financial statements prepared in accordance with U.S. GAAP.

An explanation of how the transition from U.S. GAAP to IFRSs have affected Ricoh's consolidated statement of financial position, profit or loss, comprehensive income and cash flows is as follows:

Reconciliation of equity as of the date of transition to IFRSs (April 1, 2012)

ASSETS	Millions of Yen				Note	ASSETS
	U.S. GAAP	Reclassification	Effect of transition to IFRSs	IFRSs		
Current assets:						Current assets:
Cash and cash equivalents	156,210	-	-	156,210		Cash and cash equivalents
Time deposits	2,461	-	-	2,461		Time deposits
		442,957	(2,633)	440,324		Trade and other receivables
Trade receivables	467,214	(467,214)				
		220,141	5,343	225,484	E,H	Other financial assets
Current maturities of long-term finance receivables, net	219,716	(219,716)				
Inventories	195,009	-	-	195,009		Inventories
Deferred income taxes and other	65,896	(41,317)	1,897	26,476		Other current assets
Total current assets	1,106,506	(65,149)	4,607	1,045,964		Total current assets
Fixed assets:						Non-current assets:
Net property, plant and equipment	268,527	-	(25,096)	243,431	A,B,E	Property, plant and equipment
		308,165	26,536	334,701	A,D	Goodwill and intangible assets
		468,128	11,334	479,462	E,H	Other financial assets
Investments and other assets:						
Long-term finance receivables, net	468,004	(468,004)				
Investment securities	45,470	(45,470)				
		99	-	99	H	Investments accounted for using the equity method
		45,470	(205)	45,265		Other investments
Investments in and advances to affiliates	444	(444)				
Goodwill	195,251	(195,251)				
Other intangible assets	112,914	(112,914)				
		39,120	5,963	45,083		Other non-current assets
Lease deposits and other	92,242	(92,242)				
		118,492	(2,526)	115,966	G,H	Deferred tax assets
Total investments and other assets	914,325					
Total fixed assets	1,182,852	65,149	16,006	1,264,007		Total non-current assets
Total assets	2,289,358	-	20,613	2,309,971		Total assets

LIABILITIES AND EQUITY	Millions of Yen				Note	LIABILITIES AND EQUITY
	U.S. GAAP	Reclassification	Effect of transition to IFRSs	IFRSs		
Current liabilities:						Current liabilities:
		215,921	(889)	215,032		Bonds and borrowings
Short-term borrowings	111,272	(111,272)				
Current maturities of long-term indebtedness	105,160	(105,160)				
		221,824	(4,240)	217,584		Trade and other payables
Trade payables	252,209	(252,209)				
		5,158	-	5,158	H	Other financial liabilities
Accrued income taxes	13,448	-	-	13,448		Income tax payables
		209,742	3,126	212,868		Other current liabilities
Accrued expenses and other	190,935	(190,935)				
Total current liabilities	673,024	(6,931)	(2,003)	664,090		Total current liabilities
Long-term liabilities:						Non-current liabilities:
Long-term indebtedness, less current maturities	525,435	(111)	(1,347)	523,977		Bonds and borrowings
		5,047	-	5,047	H	Other financial liabilities
Accrued pension and severance costs	164,757	-	3,248	168,005	C	Accrued pension and retirement benefits
Deferred income taxes and other	47,124	(11,226)	8,814	44,712		Other non-current liabilities
		13,221	(2,350)	10,871	H	Deferred tax liabilities
Total long-term liabilities	737,316	6,931	8,365	752,612		Total non-current liabilities
Total liabilities	1,410,340	-	6,362	1,416,702		Total liabilities
Equity:						Equity:
Common stock	135,364	-	-	135,364		Common stock
Additional paid-in capital	186,083	-	-	186,083		Additional paid-in capital
Retained earnings	742,549	(742,549)				
Accumulated other comprehensive loss	(204,175)	204,175				
Treasury stock	(37,117)	-	-	(37,117)		Treasury stock
		(204,175)	207,465	3,290	C,F	Other components of equity
		742,549	(192,849)	549,700		Retained earnings
Total Ricoh Company, Ltd. shareholders' equity	822,704	-	14,616	837,320		Total equity attributable to owners of the parent
Noncontrolling interests	56,314	-	(365)	55,949		Non-controlling interests
Total equity	879,018	-	14,251	893,269		Total equity
Total liabilities and equity	2,289,358	-	20,613	2,309,971		Total liabilities and equity

Reconciliation of equity as of March 31, 2013

ASSETS	Millions of Yen				Note	ASSETS
	U.S. GAAP	Reclassification	Effect of transition to IFRSs	IFRSs		
Current assets:						Current assets:
Cash and cash equivalents	117,051	-	-	117,051		Cash and cash equivalents
Time deposits	3,280	-	-	3,280		Time deposits
Trade receivables	509,581	478,318 (509,581)	(1,713)	476,605		Trade and other receivables
Current maturities of long-term finance receivables, net	235,889	226,370 (235,889)	5,010	231,380	E,H	Other financial assets
Inventories	195,367	-	1,329	196,696		Inventories
Deferred income taxes and other	65,051	(34,553)	(173)	30,325		Other current assets
Total current assets	1,126,219	(75,335)	4,453	1,055,337		Total current assets
Fixed assets:						Non-current assets:
Net property, plant and equipment	290,875	-	(24,522)	266,353	A,B, E	Property, plant and equipment
		328,919	33,006	361,925	A,D	Goodwill and intangible assets
		477,592	14,664	492,256	E,H	Other financial assets
Investments and other assets:						
Long-term finance receivables, net	466,608	(466,608)				
Investment securities	54,102	(54,102)				
		689	-	689	H	Investments accounted for using the equity method
		54,102	(82)	54,020		Other investments
Investments in and advances to affiliates	1,026	(1,026)				
Goodwill	221,217	(221,217)				
Other intangible assets	107,702	(107,702)				
		39,776	5,983	45,759		Other non-current assets
Lease deposits and other	92,948	(92,948)				
		117,860	(3,036)	114,824	G,H	Deferred tax assets
Total investments and other assets	943,603					
Total fixed assets	1,234,478	75,335	26,013	1,335,826		Total non-current assets
Total assets	2,360,697	-	30,466	2,391,163		Total assets

LIABILITIES AND EQUITY	Millions of Yen				Note	LIABILITIES AND EQUITY
	U.S. GAAP	Reclassification	Effect of transition to IFRSs	IFRSs		
Current liabilities:						Current liabilities:
		227,818	(74)	227,744		Bonds and borrowings
Short-term borrowings	65,219	(65,219)				
Current maturities of long-term indebtedness	161,180	(161,180)				
		219,711	-	219,711		Trade and other payables
Trade payables	256,538	(256,538)				
		10,744	-	10,744	H	Other financial liabilities
Accrued income taxes	12,091	-	-	12,091		Income tax payables
		226,200	4,331	230,531		Other current liabilities
Accrued expenses and other	205,339	(205,339)				
Total current liabilities	700,367	(3,803)	4,257	700,821		Total current liabilities
Long-term liabilities:						Non-current liabilities:
Long-term indebtedness, less current maturities	476,381	(2,037)	247	474,591		Bonds and borrowings
		12,576	-	12,576	H	Other financial liabilities
Accrued pension and severance costs	164,289	-	3,684	167,973	C	Accrued pension and retirement benefits
Deferred income taxes and other	61,002	(20,634)	9,327	49,695		Other non-current liabilities
		13,898	(2,393)	11,505	H	Deferred tax liabilities
Total long-term liabilities	701,672	3,803	10,865	716,340		Total non-current liabilities
Total liabilities	1,402,039	-	15,122	1,417,161		Total liabilities
Equity:						Equity:
Common stock	135,364	-	-	135,364		Common stock
Additional paid-in capital	186,083	-	-	186,083		Additional paid-in capital
Retained earnings	759,783	(759,783)				
Accumulated other comprehensive loss	(146,088)	146,088				
Treasury stock	(37,146)	-	-	(37,146)		Treasury stock
		(146,088)	204,702	58,614	C,F	Other components of equity
		759,783	(188,993)	570,790		Retained earnings
Total Ricoh Company, Ltd. shareholders' equity	897,996	-	15,709	913,705		Total equity attributable to owners of the parent
Noncontrolling interests	60,662	-	(365)	60,297		Non-controlling interests
Total equity	958,658	-	15,344	974,002		Total equity
Total liabilities and equity	2,360,697	-	30,466	2,391,163		Total liabilities and equity

Reconciliation of equity as of March 31, 2014

ASSETS	Millions of Yen				Note	ASSETS
	U.S. GAAP	Reclassification	Effect of transition to IFRSs	IFRSs		
Current assets:						Current assets:
Cash and cash equivalents	140,047	-	-	140,047		Cash and cash equivalents
Time deposits	4,057	-	-	4,057		Time deposits
		544,089	636	544,725		Trade and other receivables
Trade receivables	573,347	(573,347)				
		243,964	5,718	249,682	E,H	Other financial assets
Current maturities of long-term finance receivables, net	248,651	(248,651)				
Inventories	194,789	-	(618)	194,171		Inventories
Deferred income taxes and other	63,952	(34,767)	(125)	29,060		Other current assets
Total current assets	1,224,843	(68,712)	5,611	1,161,742		Total current assets
Fixed assets:						Non-current assets:
Net property, plant and equipment	290,516	-	(19,814)	270,702	A,B,E	Property, plant and equipment
		362,202	37,152	399,354	A,D	Goodwill and intangible assets
		550,820	10,072	560,892	E,H	Other financial assets
Investments and other assets:						
Long-term finance receivables, net	544,171	(544,171)				
Investment securities	50,792	(50,792)				
		1,074	-	1,074	H	Investments accounted for using the equity method
		50,792	(68)	50,724		Other investments
Investments in and advances to affiliates	1,374	(1,374)				
Goodwill	254,215	(254,215)				
Other intangible assets	107,987	(107,987)				
		34,522	5,898	40,420		Other non-current assets
Lease deposits and other	83,062	(83,062)				
		110,903	(4,450)	106,453	G,H	Deferred tax assets
Total investments and other assets	1,041,601					
Total fixed assets	1,332,117	68,712	28,790	1,429,619		Total non-current assets
Total assets	2,556,960	-	34,401	2,591,361		Total assets

LIABILITIES AND EQUITY	Millions of Yen				Note	LIABILITIES AND EQUITY
	U.S. GAAP	Reclassification	Effect of transition to IFRSs	IFRSs		
Current liabilities:						Current liabilities:
		271,672	96	271,768		Bonds and borrowings
Short-term borrowings	95,979	(95,979)				
Current maturities of long-term indebtedness	176,740	(176,740)				
		279,065	2,892	281,957		Trade and other payables
Trade payables	317,062	(317,062)				
		18,140	-	18,140	H	Other financial liabilities
Accrued income taxes	14,435	-	-	14,435		Income tax payables
		241,708	2,426	244,134		Other current liabilities
Accrued expenses and other	227,137	(227,137)				
Total current liabilities	831,353	(6,333)	5,414	830,434		Total current liabilities
Long-term liabilities:						Non-current liabilities:
Long-term indebtedness, less current maturities	451,759	(168)	805	452,396		Bonds and borrowings
		1,014	-	1,014	H	Other financial liabilities
Accrued pension and severance costs	132,588	-	(8,034)	124,554	C	Accrued pension and retirement benefits
Deferred income taxes and other	57,923	(12,170)	28,861	74,614		Other non-current liabilities
		17,657	(3,704)	13,953	H	Deferred tax liabilities
Total long-term liabilities	642,270	6,333	17,928	666,531		Total non-current liabilities
Total liabilities	1,473,623	-	23,342	1,496,965		Total liabilities
Equity:						Equity:
Common stock	135,364	-	-	135,364		Common stock
Additional paid-in capital	186,083	-	-	186,083		Additional paid-in capital
Retained earnings	808,680	(808,680)				
Accumulated other comprehensive loss	(74,942)	74,942				
Treasury stock	(37,278)	-	-	(37,278)		Treasury stock
		(74,942)	194,846	119,904	C,F	Other components of equity
		808,680	(183,340)	625,340		Retained earnings
Total Ricoh Company, Ltd. shareholders' equity	1,017,907	-	11,506	1,029,413		Total equity attributable to owners of the parent
Noncontrolling interests	65,430	-	(447)	64,983		Non-controlling interests
Total equity	1,083,337	-	11,059	1,094,396		Total equity
Total liabilities and equity	2,556,960	-	34,401	2,591,361		Total liabilities and equity

Reconciliation of profit and comprehensive income for the year ended March 31, 2013

	Millions of Yen					
	U.S. GAAP	Reclassification	Effect of transition to IFRSs	IFRSs	Note	
Net sales	1,924,497	-	(38,502)	1,885,995		Sales
Cost of sales	(1,155,896)	-	19,511	(1,136,385)	C,D	Cost of sales
Gross profit	768,601	-	(18,991)	749,610		Gross profit
Selling, general and administrative expenses	(705,167)	(524)	29,636	(676,055)	C	Selling, general and administrative expenses
Operating income	63,434	(524)	10,645	73,555		Operating profit
Other (income) expenses:						
Interest and dividend income	3,048	(3,048)				
Interest expense	(7,377)	7,377				
Foreign currency exchange loss, net	(121)	121				
Losses on impairment of securities	(332)	332				
Other, net	(479)	479				
		3,104	-	3,104	I	Finance income
		(7,841)	(767)	(8,608)	I	Finance costs
Total other (income) expenses	(5,261)					
		31	-	31		Share of profit (loss) of investments accounted for using the equity method
Income (loss) before income taxes and equity in earnings of affiliates	58,173	31	9,878	68,082		Profit before income tax expenses
Provision for income taxes:						
Current	(21,079)					
Deferred	241					
Total Provision for income taxes	(20,838)	-	(3,426)	(24,264)	G	Income tax expenses
Equity in earnings (losses) of affiliates	31	(31)				
Net income	37,366	-	6,452	43,818		Profit
Net income attributable to noncontrolling interests	(4,899)	4,899				Profit attributable to:
Net income attributable to Ricoh Company, Ltd.	32,467	-	6,448	38,915		Owners of the parent
		(4,899)	9,802	4,903		Non-controlling interests

	Yen				Note
	U.S. GAAP	Reclassification	Effect of transition to IFRSs	IFRSs	
Net income attributable to Ricoh Company, Ltd. per share of common stock:					Earnings per share (attributable to owners of the parent):
Basic	44.78	-	8.89	53.67	Basic
Diluted	-	-	-	-	Diluted

	Millions of Yen				Note
	U.S. GAAP	Reclassification	Effect of transition to IFRSs	IFRSs	
Net income	37,366	-	6,452	43,818	Profit
Other comprehensive income , net of tax:					Other comprehensive income:
					Components that will not be reclassified to profit or loss:
Pension liability adjustments	3,407	-	(5,907)	(2,500)	C Remeasurement of defined benefit plan
					Components that will be reclassified to profit or loss:
Net unrealized holding gains and losses on securities	5,033	-	511	5,544	Net gain on fair value of available-for-sale financial assets
Net unrealized gains and losses on derivatives	423	-	51	474	Net gain on fair value of cash flow hedges
Foreign currency translation adjustments	49,370	-	(14)	49,356	Exchange differences on translation of foreign operations
Total Other comprehensive income , net of tax	58,233	-	(5,359)	52,874	Total other comprehensive income
Comprehensive income	95,599	-	1,093	96,692	Comprehensive income
Comprehensive income attributable to noncontrolling interests	(5,045)	5,045			Comprehensive income attributable to:
Comprehensive income attributable to Ricoh Company, Ltd.	90,554	-	1,093	91,647	Owners of the parent
		(5,045)	10,090	5,045	Non-controlling interests

Reconciliation of profit and comprehensive income for the year ended March 31, 2014

	Millions of Yen					Note
	U.S. GAAP	Reclassification	Effect of transition to IFRSs	IFRSs		
Net sales	2,236,913	-	(41,217)	2,195,696		Sales
Cost of sales	(1,342,603)	-	20,132	(1,322,471)	C,D	Cost of sales
Gross profit	894,310	-	(21,085)	873,225		Gross profit
Selling, general and administrative expenses	(773,920)	(423)	21,463	(752,880)	C	Selling, general and administrative expenses
Operating income	120,390	(423)	378	120,345		Operating profit
Other (income) expenses:						
Interest and dividend income	2,588	(2,588)				
Interest expense	(7,530)	7,530				
Foreign currency exchange loss, net	(1,597)	1,597				
Losses on impairment of securities	3,793	(3,793)				
Other, net	(440)	440				
		6,435	437	6,872	I	Finance income
		(9,198)	77	(9,121)	I	Finance costs
Total other (income) expenses	(3,186)					
		(33)	-	(33)		Share of profit (loss) of investments accounted for using the equity method
Income (loss) before income taxes and equity in earnings of affiliates	117,204	(33)	892	118,063		Profit before income tax expenses
Provision for income taxes:						
Current	(34,233)					
Deferred	(4,431)					
Total Provision for income taxes	(38,664)	-	(947)	(39,611)	G	Income tax expenses
Equity in earnings (losses) of affiliates	(33)	33				
Net income	78,507	-	(55)	78,452		Profit
Net income attributable to noncontrolling interests	(5,679)	5,679				Profit attributable to:
Net income attributable to Ricoh Company, Ltd.	72,828	-	(10)	72,818		Owners of the parent
		(5,679)	11,313	5,634		Non-controlling interests

	Yen				Note
	U.S. GAAP	Reclassification	Effect of transition to IFRSs	IFRSs	
Net income attributable to Ricoh Company, Ltd. per share of common stock:					Earnings per share (attributable to owners of the parent):
Basic	100.46	-	(0.02)	100.44	Basic
Diluted	-	-	-	-	Diluted

	Millions of Yen				Note
	U.S. GAAP	Reclassification	Effect of transition to IFRSs	IFRSs	
Net income	78,507	-	(55)	78,452	Profit
Other comprehensive income (loss) , net of tax:					Other comprehensive income:
					Components that will not be reclassified to profit or loss:
Pension liability adjustments	8,459	-	(3,107)	5,352	C Remeasurement of defined benefit plan
					Components that will be reclassified to profit or loss:
Net unrealized holding gains and losses on securities	2,165	-	(272)	1,893	Net gain on fair value of available-for-sale financial assets
Net unrealized gains and losses on derivatives	854	-	-	854	Net gain on fair value of cash flow hedges
Foreign currency translation adjustments	59,431	-	(851)	58,580	Exchange differences on translation of foreign operations
Total Other comprehensive income (loss) , net of tax	70,909	-	(4,230)	66,679	Total other comprehensive income
Comprehensive income (loss)	149,416	-	(4,285)	145,131	Comprehensive income
Comprehensive income attributable to noncontrolling interests	(5,442)	5,442			Comprehensive income attributable to:
Comprehensive income (loss) attributable to Ricoh Company, Ltd.	143,974	-	(4,203)	139,771	Owners of the parent
		(5,442)	10,802	5,360	Non-controlling interests

(4) Notes to reconciliation of U.S. GAAP to IFRSs

Notes to reconciliation of equity, profit or loss and comprehensive income

A. Impairment

Under U.S. GAAP, if any of indications that an impairment loss of a long-lived asset is identified, it is needed to compare the carrying amount with its undiscounted future cash flows. As a result of comparing, if the carrying amount exceeds its undiscounted future cash flows, the excess of the carrying amount over the fair value of the asset is recognized as an impairment loss.

Under IFRSs, if any of indications that an impairment loss of a non-financial asset is identified, the excess of the carrying amount of an asset over its recoverable amount, which is the higher of value in use and fair value less costs to sell, is recognized as an impairment loss.

As a result of the transition to IFRSs, property, plant and equipment and intangible assets decreased by ¥2,094 million and ¥5,529 million respectively at the date of transition to IFRSs due to differences of accounting standards between U.S. GAAP and IFRSs.

Net amount after deducting the related deferred tax assets by ¥2,879 million was included in “retained earnings” at the date of transition.

B. Deemed cost

Ricoh applied the exemption in IFRS 1 and treat fair value for some of the property, plant and equipment as deemed cost at the date of transition to IFRSs. The carrying value of the property, plant and equipment under U.S. GAAP to which Ricoh applied deemed cost was ¥14,453 million and their fair value was ¥7,267 million. As a result, “property, plant and equipment” decreased by ¥7,186 million at the date of transition to IFRSs. Net amount after deducting the related deferred tax assets by ¥2,574 million was included in “retained earnings”.

C. Employee benefits

Under U.S. GAAP, actuarial gains (losses) and prior service costs that have not been recognized as a part of net periodic pension costs during the period arising from the defined benefit pension plans and lump-sum payment plans are recognized as accumulated other comprehensive income (loss), net of tax. The amount recognized in accumulated other comprehensive income (loss) are amortized over a certain period of time in profit or loss as a part of net periodic pension costs.

Under IFRSs, actuarial gains (losses) arising from remeasurement of defined benefit plan, net of tax, are recognized as other comprehensive income, and past service cost are recognized in profit or loss in the consolidated statement of profit or loss. Defined benefit plan actuarial gains (losses) are directly reclassified to retained earnings from other components of equity.

As a result, defined benefit plan actuarial gains (losses) recognized as accumulated other comprehensive income (loss) are reclassified to “retained earnings” by ¥67,578 million, ¥64,266 million and ¥55,534 million at the date of transition to IFRSs, as of March 31, 2013 and as of March 31, 2014, respectively.

“Cost of sales” decreased by ¥3,632 million and “selling, general and administrative expenses” decreased by ¥5,416 million, as a result, “profit” increased by ¥5,835 million in the consolidated statement of profit or loss for the year ended March 31, 2013. “Cost of sales” decreased by ¥636 million and “selling, general and administrative expenses” increased by ¥2,627 million, as a result, “profit” decreased by ¥1,269 million in the consolidated statement of profit or loss for the year ended March 31, 2014.

D. Development assets

Under IFRSs, certain expenditures arising from development activities were recognized and accounted as assets in the consolidated statement of financial position, which met the requirement of capitalization, although these expenditures had been expensed under U.S. GAAP.

As a result, carrying amount of development assets recognized as “intangible assets” at the date of transition to IFRSs, as of March 31, 2013 and 2014 were ¥39,024 million, ¥43,740 million and ¥46,133 million, respectively. Net amount after deducting the related deferred tax assets by ¥14,907 million was included in “retained earnings” at the date of transition. “Cost of sales” increased by ¥17,864 million and “selling, general and administrative expenses” decreased by ¥22,580 million, and as a result, “profit” increased by ¥3,218 million for the year ended March 31, 2013. “Cost of sales” increased by ¥19,457 million and “selling, general and administrative expenses” decreased by ¥21,850 million, and as a result, “profit” increased by ¥2,281 million for the year ended March 31, 2014.

E. Lease

Under U.S. GAAP, revenue from operating leases is recognized in the consolidated statement of profit or loss on a straight-line basis over the lease term, and the assets classified as operating leases are reported in Ricoh’s consolidated statement of financial position.

Under IFRSs, certain of these lease contracts are classified as finance leases. Revenue from finance leases is recognized on the contract start date, and the related financial receivables are reported in Ricoh’s consolidated statement of financial position.

As a result, “current other financial assets” increased by ¥5,343 million, ¥5,010 million and ¥5,718 million, “non-current other financial assets” increased by ¥10,247 million, ¥13,603 million and ¥9,007 million, and “property, plant and equipment” decreased by ¥14,804 million, ¥14,565 million and ¥10,141 million at the date of transition to IFRSs, as of March 31, 2013 and as of March 31, 2014, respectively.

F. Exchange differences on translating foreign operations

Under IFRSs, the cumulative amount of exchange differences on translating foreign operations is permitted to be deemed zero at the date of transition to IFRSs

As a result, ¥139,125 million of the cumulative amount of exchange differences on translating foreign operations of the other components of equity at the date of transition to IFRSs was transferred and included in “retained earnings”.

G. Income tax expense

Under U.S. GAAP, the tax effects arising from the elimination of intercompany unrealized gains are recognized as prepaid taxes using the sellers’ tax amounts.

Under IFRSs, these tax effects are recognized as deferred tax assets using the purchasers’ tax rates which temporary differences after a study of the recoverability of the deferred tax assets.

Under U.S. GAAP, in relation to deferred tax assets or liabilities previously recognized in other comprehensive income, the recognition of a change in deferred taxes caused by the change in tax rates or readjustment of recoverability are recognized in profit for the year.

Under IFRSs, these changes are recognized in other comprehensive income.

As a result, “deferred tax assets (net)” decreased by ¥1,049 million, ¥908 million and ¥2,030 million at the date of transition to IFRSs, for the year ended March 31, 2013 and March 31, 2014, respectively and “retained earnings” decreased by ¥1,538 million, ¥1,448 million and ¥2,570 million at the date of transition to IFRSs, as of March 31, 2013 and March 31, 2014, respectively.

H. Reclassifications in the presentation of the consolidated statement of financial position

Reclassifications in the presentation of the consolidated statement of financial position were made in accordance with IFRSs, which had no impact in the consolidated statement of profit or loss and comprehensive income, and “retained earnings”. The main items are as follows:

- (a) All of the deferred tax assets and deferred tax liabilities, that were classified as current assets and current liabilities under U.S. GAAP, have been reclassified to non-current assets and non-current liabilities.
- (b) Financial assets and financial liabilities as defined in IFRSs were disclosed independently.
- (c) Investments accounted for using the equity method as defined in IFRSs was disclosed independently.

I. Reclassifications in the presentation of the consolidated statement of profit or loss

Reclassifications in the presentation of the consolidated statement of profit or loss were made in accordance with IFRSs, which had no impact in “retained earnings”. The main item is as follows:

- (a) Finance income and finance costs as defined in IFRSs were disclosed independently.

Adjustments to the statement of cash flows for the year ended March 31, 2014

Certain expenditures arising from development activities are recognized and accounted as assets in the consolidated statement of financial position, which meets the requirement of capitalization under IFRSs, although these expenditures are expensed under U.S. GAAP.

Ricoh disclosed the development expenditures as operating activities in consolidated statement of cash flows under US. GAAP and have reclassified these to investing activities under IFRSs.