

## QUARTERLY REPORT

First Quarter ended June 30, 2014

(Results for the Period from April 1, 2014 to June 30, 2014)

### Performance Outline (Consolidated)

	Three months ended June 30, 2013 Results	Three months ended June 30, 2014 Results	Change	(Billions of yen)	
				Year ending March 31, 2015 Forecast	Change
Domestic sales	206.1	205.4	-0.4%	906.0	0.1%
Overseas sales	308.5	321.0	4.0%	1,354.0	4.9%
Sales	514.6	526.4	2.3%	2,260.0	2.9%
Gross profit	211.2	219.3	3.8%	936.0	7.2%
Operating profit	22.2	27.1	22.2%	140.0	16.3%
Profit before income tax expenses	20.7	25.8	24.1%	135.0	14.3%
Profit attributable to owners of the parent	11.7	15.0	28.8%	80.0	9.9%
Exchange rate (Yen/US\$)	98.79	102.15	3.36	100.54	0.25
Exchange rate (Yen/EURO)	129.04	140.13	11.09	140.03	5.56
Earnings per share attributable to owners of the parent-basic (yen).	16.14	20.80	4.66	110.35	9.91
Earnings per share attributable to owners of the parent-diluted (yen).	-	-	-	-	-
Cash flows from operating activities	22.9	20.1	-2.7	-	-
Cash flows from investing activities	-27.4	-27.3	0.0	-	-
Cash flows from financing activities	8.6	-12.7	-21.3	-	-
Cash and cash equivalents at end of period	123.5	118.5	-4.9	-	-
Capital expenditures	16.6	18.2	1.5	89.0	10.2
Depreciation	14.4	17.4	2.9	74.0	1.4
R&D expenditures	28.0	27.9	-0.1	121.0	4.7
	March 31, 2014	June 30, 2014	Change		
Total assets	2,596.6	2,556.2	-40.4		
Equity attributable to owners of the parent	1,029.4	1,022.8	-6.5		
Interest-bearing debt	724.1	723.2	-0.8		
Equity attributable to owners of the parent ratio (%)	39.6	40.0	0.4		
Equity per share attributable to owners of the parent (yen)	1,420.04	1,411.00	-9.04		

### Ricoh Company, Ltd.

\* 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.

# Ricoh Company, Ltd. and Consolidated Subsidiaries

Financial Highlights for the First Quarter Ended June 30, 2014

[Prepared on the basis of International Financial Reporting Standards]

## 1. Results for the Period from April 1, 2014 to June 30, 2014

### (1) Operating Results

	(Millions of yen)	
	Three months ended June 30, 2013	Three months ended June 30, 2014
Sales	514,697	526,438
(% change from the previous corresponding period)	-	2.3
Operating profit	22,239	27,169
(% change from the previous corresponding period)	-	22.2
Profit before income tax expenses	20,792	25,811
(% change from the previous corresponding period)	-	24.1
Profit for the period	13,074	16,479
(% change from the previous corresponding period)	-	26.0
Profit attributable to owners of the parent	11,705	15,081
(% change from the previous corresponding period)	-	28.8
Comprehensive income	35,385	6,553
(% change from the previous corresponding period)	-	-81.5
Earnings per share attributable to owners of the parent-basic (yen)	16.14	20.80
Earnings per share attributable to owners of the parent-diluted (yen)	-	-

Notes: 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, 2014	June 30, 2014
Total assets	2,596,618	2,556,217
Total equity	1,094,396	1,088,624
Equity attributable to owners of the parent	1,029,413	1,022,848
Equity attributable to owners of the parent ratio (%)	39.6	40.0

## 2. Dividend Information

	Year ended March 31, 2014 (Actual)	Year ending March 31, 2015 (Forecast)
Cash dividends, applicable to the year (yen)	33.00	34.00
Interim (yen)	16.50	17.00
Year-end (yen)	16.50	17.00

Notes: Revision of expected dividends during this period: No

## 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
(% change from the previous corresponding period)	-	2.9
Operating profit	55,000	140,000
(% change from the previous corresponding period)	-	16.3
Profit before income tax expenses	52,000	135,000
(% change from the previous corresponding period)	-	14.3
Profit attributable to owners of the parent	30,000	80,000
(% change from the previous corresponding period)	-	9.9
Earnings per share attributable to owners of the parent-basic (yen)	41.38	110.35

Notes: Revision of forecast of consolidated operating results during this period: No

## 4. Others

- (1) Changes in significant subsidiaries: No
- (2) Changes in accounting policies and accounting estimate
  - (i) Changes in accounting policies required by IFRS: Yes
  - (ii) Other changes: No
  - (iii) Changes in accounting estimate: No

\* For details see "4.Others" on page 5.
- (3) Number of common stock outstanding (including treasury stock):  
As of June 30, 2014 : 744,912,078 shares ; As of March 31, 2014 : 744,912,078 shares
- (4) Number of treasury stock:  
As of June 30, 2014 : 20,000,386 shares ; As of March 31, 2014 : 19,995,714 shares
- (5) Average number of common stock:  
Three months ended June 30, 2014 : 724,914,023 shares ; Three months ended June 30, 2013 : 725,027,677 shares

## Qualitative Information on Consolidated Financial Results for the Quarter under Review

### 1. Qualitative Information on Consolidated Business Results

#### \* Overview of the First Quarter of Fiscal 2014 (April 1 – June 30, 2014)

Ricoh's consolidated sales for the first quarter increased by 2.3% to ¥526.4 billion compared to the previous corresponding period, due mainly by the increase in sales in both the Imaging & Solutions and the Industrial Products segment.

During this period, the average exchange rates of the Japanese yen against the U.S. dollar and the euro were ¥102.15 (down ¥3.36 from previous year) and ¥140.13 (down ¥11.09 from previous year) respectively. Consolidated sales would have decreased by 0.6% compared to the previous corresponding period when excluding the impact of such foreign currency exchange fluctuation.

The Japanese economy continued to maintain its gradual recovery largely fueled by the improvement in corporate profits along with the recovery in the labor market and increase in household income, even though there was a temporary decline in consumer spending after the consumption tax increase.

Under such market conditions, sales in the Industrial Products and Other segment increased but was offset by the sales decrease in the Imaging & Solutions segment. As a result, the sales in the domestic market decreased by 0.4% compared to the previous corresponding period.

As for the overseas market, the U.S. economy continued its modest recovery, but the European economy, even though showing signs of improvement, have yet to solve the debt crisis and maintaining the current recovery remains uncertain and fragile. In the emerging markets, countries that have achieved high levels of growth such as China and other developing countries in Asia are showing signs of an economic slowdown. Even under such market conditions, the weakening trend of the yen during the quarter contributed to the overall increase in sales overseas.

As for overseas sales by region, sales in the Americas increased by 2.9% (a decrease of 0.4% excluding foreign currency exchange fluctuation), sales in Europe, Middle East and Africa increased by 4.9% (a decrease of 3.4% excluding foreign currency exchange fluctuation) and sales in Other region, which includes China, South East Asia and Oceania, increased by 5.5% (an increase of 5.3%, excluding foreign currency exchange fluctuation).

As a result, sales in the overseas market increased by 4.0% compared to the previous corresponding period. Excluding effects of foreign currency fluctuations, sales in overseas would have decreased by 0.8% compared to the previous corresponding period.

Gross profit increased by 3.8% to ¥219.3 billion, due to increase in sales and the weakening of the yen.

Although group-wide activities to streamline costs have contributed in controlling selling, general and administrative expenses, these expenses have increased by 1.6% to ¥192.1 billion, due to the weakening of the yen and acquisitions.

As a result, operating profit increased by 22.2% to ¥27.1 billion compared to the previous corresponding period.

Finance income increased compared to the previous corresponding period, due to increase in dividends received.

Profit before income tax expenses increased by 24.1% to ¥25.8 billion compared to the previous corresponding period.

As a result, profit attributable to owners of the parent increased by 28.8% to ¥15.0 billion.

Although profit increased compared to the previous corresponding period, comprehensive income decreased to ¥6.5 billion due to decrease in cumulative translation adjustments.

## **\* Review by Business Segment**

### Imaging & Solutions (Sales up 2.1% to ¥470.4 billion)

#### Office Imaging (Sales down 1.0% to ¥359.7 billion)

Sales in this category decreased by 1.0% to ¥359.7 billion. Even though sales of color MFPs increased in both the domestic and overseas market through the sale of new models introduced in the previous fiscal year, the significant decrease in sales of monochrome MFPs and the decline in after-sales revenue affected the total sales in this category. As a result, sales in this category decreased compared to the previous corresponding period.

#### Production Printing (Sales up 6.8% to ¥41.9 billion)

Sales in this category increased by 6.8% to ¥41.9 billion. The increase was achieved through increase in sales of color cut sheet printers introduced in the previous fiscal year, along with the increase in sales of related parts & supplies and services in both the domestic and overseas market.

#### Network System Solutions (Sales up 18.5% to ¥68.7 billion)

Sales in this category increased by 18.5% to ¥68.7 billion primarily through the increase in sales of personal computers in the domestic market along with the increase in sales overseas achieved through the acquisition of mindSHIFT Technologies in the U.S.

As a result of the above, overall sales in the Imaging & Solutions segment increased by 2.1% to ¥470.4 billion. Operating profit increased by 3.8% to ¥39.6 billion due to increase in gross profit achieved through the increase in sales and the weakening of the yen.

### Industrial Products (Sales up 7.4% to ¥27.3 billion)

Sales in the Industrial Products segment increased by 7.4% to ¥27.3 billion due to increase in sales in the Thermal and Industry (optical equipment, electronic components, etc) business. As a result, operating profit in the Industrial Product segment increased by 53.8% to ¥1.6 billion.

### Other (Sales down 0.1% to ¥28.5 billion)

Sales in the Other segment decreased by 0.1% to ¥28.5 billion. Even though sales in the lease & finance business increased compared to the previous corresponding period, the increase in investment in new businesses affected the overall increase in sales resulting in an operating loss of ¥1.1 billion (Operating loss in the previous corresponding period was ¥0.6 billion).

## **2. Analysis of Consolidated Financial Position**

### **\*Assets, Liabilities and Equity**

Total assets decreased ¥40.4 billion to ¥2,556.2 billion, mainly due to decrease in trade and other receivables.

Total liabilities decreased by ¥34.6 billion to ¥1,467.5 billion, mainly due to decrease in trade and other payables caused by decrease in purchases which is in line with the shortfall in demand during this fiscal year.

### **\*Cash Flows (Three months from April 1, 2014 to June 30, 2014)**

Even though profit increased, net cash provided by operating activities decreased by ¥2.7 billion to ¥20.1 billion, mainly due to decrease in trade and other payables.

Net cash used in investing activities did not change from the previous corresponding period to ¥27.3 billion.

As a result, the amount of negative free cash flow, which is the sum of net cash provided by operating activities and net cash used in investing activities, increased by ¥2.6 billion to a negative free cash flow of ¥7.1 billion.

Net cash used in financing activities increased by ¥21.3 billion to ¥12.7 billion, mainly due to repayment of bonds.

As a result, the balance of cash and cash equivalent at the end of the quarter decreased by ¥21.4 billion to ¥118.5 billion compared to the end of the previous fiscal year.

### 3. Qualitative Information on Forecasted Consolidated Financial Results

Since the first quarter business results and other changes in the business environment such as exchange rate fluctuations were within the scope of our assumption, no changes have been made to the forecast of sales, gross profit, operating profit and profit before income tax expenses announced in June in our Financial Highlights[IFRS] for the year ended March 31, 2014.

Ricoh will maintain the assumed exchange rates set forth in April of ¥100.00 against the U.S. dollar and of ¥140.00 against the euro in and after the second quarter, and has incorporated the actual exchange rates during the first quarter in the annual exchange rates assumption.

Our performance forecast for fiscal year ending March 31, 2015 is as follows:

Exchange Rate Assumptions for the full year ending March 31, 2015

US\$ 1 = ¥100.54 (¥100.29 in previous fiscal year)

EURO 1 = ¥140.03 (¥134.47 in previous fiscal year)

	(Billions of yen)			
	Half year ending September 30, 2014 (Forecast)	Year ended March 31, 2014 (A)	Year ending March 31, 2015 (Forecast) (B)	Change (B-A)/A
Domestic sales	421.0	905.1	906.0	0.1%
Overseas sales	659.0	1,290.5	1,354.0	4.9%
Sales	1,080.0	2,195.6	2,260.0	2.9%
Gross profit	450.0	873.2	936.0	7.2%
Operating profit	55.0	120.3	140.0	16.3%
Profit before income tax expenses	52.0	118.0	135.0	14.3%
Profit attributable to owners of the parent	30.0	72.8	80.0	9.9%

\* 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.

### 4. Others

(1) Changes in significant subsidiaries

Not applicable

(2) Changes in accounting policies

Ricoh did not change the significant accounting policies from the previous fiscal year, with the exception of the following.

The adoption of the following IFRSs has no material impact on Ricoh's condensed consolidated financial statements.

Some of the comparative information on Ricoh's condensed consolidated financial statements has been adjusted retrospectively to apply the change in accounting policy.

IFRSs	Title	Summaries of new IFRSs/amendments
IAS 32	Financial Instruments: Presentation	Presentation of offsets of financial assets and financial liabilities
IAS 36	Impairment of Assets	Disclosure of recoverable amounts for non-financial assets
IAS 39	Financial Instruments: Effectiveness testing	Continuing hedge accounting after derivative novations
IFRIC 21	Levies	Recognition of liabilities related to levies
IFRS 10	Consolidated Financial Statements	Regulations of control as single basis for consolidation
IFRS 12	Disclosure of Interests in Other Entities	Disclosure requirements for forms of interests in other entities, including subsidiaries, joint control arrangements, associates and unconsolidated structured entities

## 5. Condensed Consolidated Financial Statements

### (1) Condensed Consolidated Statement of Financial Position

#### Assets

	(Millions of yen)		
	March 31, 2014	June 30, 2014	Change
<b>Current Assets</b>			
Cash and cash equivalents	140,047	118,595	-21,452
Time deposits	4,057	3,106	-951
Trade and other receivables	544,725	515,994	-28,731
Other financial assets	249,682	250,775	1,093
Inventories	194,171	203,629	9,458
Other current assets	34,317	41,230	6,913
<b>Total Current Assets</b>	<b>1,166,999</b>	<b>1,133,329</b>	<b>-33,670</b>
<b>Non-current assets</b>			
Property, plant and equipment	270,702	270,277	-425
Goodwill and intangible assets	399,354	393,949	-5,405
Other financial assets	560,892	560,451	-441
Investments accounted for using the equity method	1,074	1,043	-31
Other investments	50,724	50,555	-169
Other non-current assets	40,420	42,110	1,690
Deferred tax assets	106,453	104,503	-1,950
<b>Total Non-current Assets</b>	<b>1,429,619</b>	<b>1,422,888</b>	<b>-6,731</b>
<b>Total Assets</b>	<b>2,596,618</b>	<b>2,556,217</b>	<b>-40,401</b>

#### Liabilities and Equity

	(Millions of yen)		
	March 31, 2014	June 30, 2014	Change
<b>Current Liabilities</b>			
Bonds and borrowings	271,768	330,834	59,066
Trade and other payables	281,957	247,402	-34,555
Other financial liabilities	18,140	15,280	-2,860
Income tax payables	14,435	10,881	-3,554
Other current liabilities	249,391	259,728	10,337
<b>Total Current Liabilities</b>	<b>835,691</b>	<b>864,125</b>	<b>28,434</b>
<b>Non-current Liabilities</b>			
Bonds and borrowings	452,396	392,441	-59,955
Other financial liabilities	1,014	1,486	472
Accrued pension and retirement benefits	124,554	119,502	-5,052
Other non-current liabilities	74,614	77,814	3,200
Deferred tax liabilities	13,953	12,225	-1,728
<b>Total Non-current Liabilities</b>	<b>666,531</b>	<b>603,468</b>	<b>-63,063</b>
<b>Total Liabilities</b>	<b>1,502,222</b>	<b>1,467,593</b>	<b>-34,629</b>
<b>Equity</b>			
Common stock	135,364	135,364	-
Additional paid-in capital	186,083	186,083	-
Treasury stock	-37,278	-37,284	-6
Other components of equity	119,904	110,225	-9,679
Retained earnings	625,340	628,460	3,120
Equity attributable to owners of the parent	1,029,413	1,022,848	-6,565
Non-controlling interests	64,983	65,776	793
<b>Total Equity</b>	<b>1,094,396</b>	<b>1,088,624</b>	<b>-5,772</b>
<b>Total Liabilities and Equity</b>	<b>2,596,618</b>	<b>2,556,217</b>	<b>-40,401</b>

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

## Condensed Consolidated Statement of Profit or Loss

	(Millions of yen)			
	Three months ended June 30, 2013	Three months ended June 30, 2014	Change	%
Sales	514,697	526,438	11,741	2.3
Cost of sales	303,418	307,123	3,705	1.2
Percentage of sales (%)	59.0	58.3		
Gross profit	211,279	219,315	8,036	3.8
Percentage of sales (%)	41.0	41.7		
Selling, general and administrative expenses	189,040	192,146	3,106	1.6
Percentage of sales (%)	36.7	36.5		
Operating profit	22,239	27,169	4,930	22.2
Percentage of sales (%)	4.3	5.2		
Finance income	660	785	125	18.9
Percentage of sales (%)	0.1	0.1		
Finance costs	2,090	2,110	20	1.0
Percentage of sales (%)	0.4	0.4		
Share of loss of investments accounted for using the equity method	-17	-33	-16	-
Percentage of sales (%)	-0.0	-0.0		
Profit before income tax expenses	20,792	25,811	5,019	24.1
Percentage of sales (%)	4.0	4.9		
Income tax expenses	7,718	9,332	1,614	20.9
Percentage of sales (%)	1.5	1.8		
Profit for the period	13,074	16,479	3,405	26.0
Percentage of sales (%)	2.5	3.1		
Profit attributable to:				
Owners of the parent	11,705	15,081	3,376	28.8
Percentage of sales (%)	2.3	2.9		
Non-controlling interests	1,369	1,398	29	2.1
Percentage of sales (%)	0.2	0.2		

	Three months ended June 30, 2013	Three months ended June 30, 2014	Change
Earnings per share attributable to owners of the parent-basic (yen)	16.14	20.80	4.66
Earnings per share attributable to owners of the parent-diluted (yen)	-	-	-

## Condensed Consolidated Statement of Comprehensive Income

	(Millions of yen)		
	Three months ended June 30, 2013	Three months ended June 30, 2014	Change
Profit for the period	13,074	16,479	3,405
Other comprehensive income:			
Components that will not be reclassified subsequently to profit or loss:			
Remeasurement of defined benefit plan	-	-	-
Total components that will not be reclassified subsequently to profit or loss	-	-	-
Components that will be reclassified subsequently to profit or loss:			
Net gain (loss) on fair value of available-for-sale financial assets	1,957	-280	-2,237
Net gain (loss) on fair value of cash flow hedges	399	-257	-656
Exchange differences on translation of foreign operations	19,955	-9,389	-29,344
Total components that will be reclassified subsequently to profit or loss	22,311	-9,926	-32,237
Total other comprehensive income	22,311	-9,926	-32,237
Comprehensive income	35,385	6,553	-28,832
Comprehensive income attributable to:			
Owners of the parent	34,167	5,402	-28,765
Non-controlling interests	1,218	1,151	-67

Consolidated Sales by Product Category

(Millions of yen)

	Three months ended June 30, 2013	Three months ended June 30, 2014	Change	%
<Imaging & Solutions>				
Office Imaging	363,229	359,715	-3,514	-1.0
Percentage of sales (%)	70.6	68.3		
Production Printing	39,326	41,990	2,664	6.8
Percentage of sales (%)	7.6	8.0		
Network System Solutions	58,033	68,763	10,730	18.5
Percentage of sales (%)	11.3	13.1		
Imaging & Solutions Total	460,588	470,468	9,880	2.1
Percentage of sales (%)	89.5	89.4		
<Industrial Products>				
Industrial Products	25,520	27,397	1,877	7.4
Percentage of sales (%)	5.0	5.2		
<Other>				
Other	28,589	28,573	-16	-0.1
Percentage of sales (%)	5.5	5.4		
Grand Total	514,697	526,438	11,741	2.3
Percentage of sales (%)	100.0	100.0		

\*Each category includes the following product line:

Office Imaging	MFPs (multifunctional printers), copiers, laser printers, digital duplicators, facsimile, scanners, related parts & supplies, services, support and software
Production Printing	Cut sheet printer, continuous feed printer, related parts & supplies, services, support and software
Network System Solutions	Personal computers, servers, network equipment, related services, support and software
Industrial Products	Thermal media, optical equipment, electronic components and semiconductor devices
Other	Digital cameras

Consolidated Sales by Geographic Area

(Millions of yen)

	Three months ended June 30, 2013	Three months ended June 30, 2014	Change	%
<Domestic>	206,180	205,427	-753	-0.4
Percentage of sales (%)	40.1	39.0		
<Overseas>	308,517	321,011	12,494	4.0
Percentage of sales (%)	59.9	61.0		
The Americas	143,133	147,324	4,191	2.9
Percentage of sales (%)	27.8	28.0		
Europe, Middle East and Africa	122,168	128,095	5,927	4.9
Percentage of sales (%)	23.7	24.3		
Other	43,216	45,592	2,376	5.5
Percentage of sales (%)	8.4	8.7		
Grand Total	514,697	526,438	11,741	2.3
Percentage of sales (%)	100.0	100.0		

\* The compilation method has been changed from this fiscal year such as reclassification of certain products from Production Printing to Industrial Products. Prior year comparative figures have been also reclassified to conform to the current year's presentation.



## (3) Condensed Consolidated Statement of Changes in Equity

(Millions of Yen)

	Common Stock	Additional paid-in capital	Treasury stock	Other components of equity		
				Remeasurement of defined benefit plan	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, 2013	135,364	186,083	-37,146	-	9,989	-861
Profit for the period						
Other comprehensive income(loss)				-	1,949	285
Comprehensive income:	-	-	-	-	1,949	285
Net change in treasury stock			-22			
Dividends declared and approved to owners						
Transfer from other components of equity to retained earnings				-		
Total transactions with owners	-	-	-22	-	-	-
Balance as of June 30, 2013	135,364	186,083	-37,168	-	11,938	-576

	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, 2013	49,486	58,614	570,790	913,705	60,297	974,002
Profit for the period			11,705	11,705	1,369	13,074
Other comprehensive income(loss)	20,228	22,462		22,462	-151	22,311
Comprehensive income:	20,228	22,462	11,705	34,167	1,218	35,385
Net change in treasury stock			-	-22		-22
Dividends declared and approved to owners			-11,963	-11,963	-343	-12,306
Transfer from other components of equity to retained earnings		-	-	-		-
Total transactions with owners	-	-	-11,963	-11,985	-343	-12,328
Balance as of June 30, 2013	69,714	81,076	570,532	935,887	61,172	997,059

(Millions of Yen)

	Common Stock	Additional paid-in capital	Treasury stock	Other components of equity		
				Remeasurement of defined benefit plan	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, 2014	135,364	186,083	-37,278	-	11,848	-221
Profit for the period						
Other comprehensive income(loss)				-	-287	-151
Comprehensive income:	-	-	-	-	-287	-151
Net change in treasury stock			-6			
Dividends declared and approved to owners						
Transfer from other components of equity to retained earnings				-		
Total transactions with owners	-	-	-6	-	-	-
Balance as of June 30, 2014	135,364	186,083	-37,284	-	11,561	-372

	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, 2014	108,277	119,904	625,340	1,029,413	64,983	1,094,396
Profit for the period			15,081	15,081	1,398	16,479
Other comprehensive income(loss)	-9,241	-9,679		-9,679	-247	-9,926
Comprehensive income:	-9,241	-9,679	15,081	5,402	1,151	6,553
Net change in treasury stock			-	-6		-6
Dividends declared and approved to owners			-11,961	-11,961	-358	-12,319
Transfer from other components of equity to retained earnings		-	-	-		-
Total transactions with owners	-	-	-11,961	-11,967	-358	-12,325
Balance as of June 30, 2014	99,036	110,225	628,460	1,022,848	65,776	1,088,624

## (4) Condensed Consolidated Statement of Cash Flows

(Millions of yen)

	Three months ended June 30, 2013	Three months ended June 30, 2014
<b>I. Cash Flows from Operating Activities:</b>		
Profit for the period	13,074	16,479
Adjustments to reconcile profit for the period to net cash provided by operating activities—		
Depreciation and amortization	25,033	26,611
Share of profit (loss) of investments accounted for using the equity method	17	33
Finance income and costs	1,430	1,325
Income tax expenses	7,718	9,332
Decrease (increase) in trade and other receivables	-2,470	22,849
Increase in inventories	-3,044	-11,629
Increase in lease receivables	-9,434	-5,867
Decrease in trade and other payables	-16,722	-33,201
Increase (decrease) in accrued pension and retirement benefits	5,978	-4,279
Other, net	9,677	11,754
Interest and dividends received	517	575
Interest paid	-1,073	-1,439
Income taxes paid	-7,742	-12,349
Net cash provided by operating activities	22,959	20,194
<b>II. Cash Flows from Investing Activities:</b>		
Proceeds from sales of property, plant and equipment	103	179
Expenditures for property, plant and equipment	-16,669	-18,251
Expenditures for intangible assets	-9,246	-6,773
Payments for purchases of available-for-sale securities	-7	-79
Proceeds from sales of available-for-sale securities	415	87
Decrease (increase) in time deposits	-984	891
Purchase of business, net of cash acquired	-	-2,530
Other, net	-1,023	-866
Net cash used in investing activities	-27,411	-27,342
<b>III. Cash Flows from Financing Activities:</b>		
Net proceeds (repayments) of short-term debt	12,214	33,611
Proceeds from long-term debt	40,540	31,532
Repayments of long-term debt	-31,828	-30,549
Repayments of bonds	-	-35,000
Dividends paid	-11,963	-11,961
Payments for purchase of treasury stock	-20	-6
Other, net	-343	-358
Net cash provided by (used in) financing activities	8,600	-12,731
IV. Effect of Exchange Rate Changes on Cash and Cash Equivalents	2,351	-1,573
V. Net Increase (decrease) in Cash and Cash Equivalents	6,499	-21,452
VI. Cash and Cash Equivalents at Beginning of Year	117,051	140,047
VII. Cash and Cash Equivalents at End of Period	123,550	118,595

## (5) Notes on premise going concern

Not applicable

## (6) Segment Information

## (a) Operating Segment Information

	(Millions of yen)			
	Three months ended June 30, 2013	Three months ended June 30, 2014	Change	%
<b>Imaging &amp; Solutions:</b>				
Sales:				
Unaffiliated customers	460,588	470,468	9,880	2.1
Intersegment	-	-	-	
Total	460,588	470,468	9,880	2.1
Operating expenses	422,346	430,771	8,425	2.0
Operating profit	38,242	39,697	1,455	3.8
Operating profit on sales in Imaging & Solutions (%)	8.3	8.4		
<b>Industrial Products:</b>				
Sales:				
Unaffiliated customers	25,520	27,397	1,877	7.4
Intersegment	969	912	-57	-5.9
Total	26,489	28,309	1,820	6.9
Operating expenses	25,415	26,657	1,242	4.9
Operating profit	1,074	1,652	578	53.8
Operating profit on sales in Industrial Products (%)	4.1	5.8		
<b>Other:</b>				
Sales:				
Unaffiliated customers	28,589	28,573	-16	-0.1
Intersegment	-	-	-	
Total	28,589	28,573	-16	-0.1
Operating expenses	29,227	29,717	490	1.7
Operating loss	-638	-1,144	-506	-
Operating loss on sales in Other (%)	-2.2	-4.0		
<b>Corporate and Eliminations:</b>				
Sales:				
Intersegment	-969	-912	57	
Total	-969	-912	57	-
Operating expenses:				
Intersegment	-969	-912	57	
Corporate	16,439	13,036	-3,403	
Total	15,470	12,124	-3,346	-
Operating loss	-16,439	-13,036	3,403	-
<b>Consolidated:</b>				
Sales:				
Unaffiliated customers	514,697	526,438	11,741	2.3
Intersegment	-	-	-	
Total	514,697	526,438	11,741	2.3
Operating expenses	492,458	499,269	6,811	1.4
Operating profit	22,239	27,169	4,930	22.2
Operating profit on consolidated sales (%)	4.3	5.2		

\* The compilation method has been changed from this fiscal year such as reclassification of certain products from Imaging & Solutions to Industrial Products. Prior year comparative figures have been also reclassified to conform to the current year's presentation.

## (b) Geographic Segment Information

(Millions of yen)

	Three months ended June 30, 2013	Three months ended June 30, 2014	Change	%
<b>Japan:</b>				
Sales:				
Unaffiliated customers	212,888	212,229	-659	-0.3
Intersegment	108,401	108,592	191	0.2
Total	321,289	320,821	-468	-0.1
Operating expenses	303,260	305,143	1,883	0.6
Operating profit	18,029	15,678	-2,351	-13.0
Operating profit on sales in Japan (%)	5.6	4.9		
<b>The Americas:</b>				
Sales:				
Unaffiliated customers	143,134	147,275	4,141	2.9
Intersegment	1,779	1,683	-96	-5.4
Total	144,913	148,958	4,045	2.8
Operating expenses	142,836	144,124	1,288	0.9
Operating profit	2,077	4,834	2,757	132.7
Operating profit on sales in the Americas (%)	1.4	3.2		
<b>Europe, Middle East and Africa:</b>				
Sales:				
Unaffiliated customers	120,722	127,210	6,488	5.4
Intersegment	177	228	51	28.8
Total	120,899	127,438	6,539	5.4
Operating expenses	118,698	122,835	4,137	3.5
Operating profit	2,201	4,603	2,402	109.1
Operating profit on sales in Europe, Middle East and Africa (%)	1.8	3.6		
<b>Other:</b>				
Sales:				
Unaffiliated customers	37,953	39,724	1,771	4.7
Intersegment	52,838	57,090	4,252	8.0
Total	90,791	96,814	6,023	6.6
Operating expenses	87,559	93,565	6,006	6.9
Operating profit	3,232	3,249	17	0.5
Operating profit on sales in Other (%)	3.6	3.4		
<b>Corporate and Eliminations:</b>				
Sales:				
Intersegment	-163,195	-167,593	-4,398	-
Total	-163,195	-167,593	-4,398	-
Operating expenses	-159,895	-166,398	-6,503	-
Operating profit (loss)	-3,300	-1,195	2,105	-
<b>Consolidated:</b>				
Sales:				
Unaffiliated customers	514,697	526,438	11,741	2.3
Intersegment	-	-	-	-
Total	514,697	526,438	11,741	2.3
Operating expenses	492,458	499,269	6,811	1.4
Operating profit	22,239	27,169	4,930	22.2
Operating profit on consolidated sales (%)	4.3	5.2		

-APPENDIX- (Three months ended June 30, 2014)

1. Consolidated Sales by Product Category

	(Millions of yen)					
	Three months ended June 30, 2013	Three months ended June 30, 2014	Change	%	Change excluding exchange impact	%
<Imaging & Solutions>						
Office Imaging	363,229	359,715	-3,514	-1.0	-15,355	-4.2
Percentage of sales (%)	70.6	68.3				
Domestic	119,964	113,445	-6,519	-5.4	-6,519	-5.4
Overseas	243,265	246,270	3,005	1.2	-8,836	-3.6
Production Printing	39,326	41,990	2,664	6.8	1,072	2.7
Percentage of sales (%)	7.6	8.0				
Domestic	7,144	7,307	163	2.3	163	2.3
Overseas	32,182	34,683	2,501	7.8	909	2.8
Network System Solutions	58,033	68,763	10,730	18.5	9,956	17.2
Percentage of sales (%)	11.3	13.1				
Domestic	46,331	51,035	4,704	10.2	4,704	10.2
Overseas	11,702	17,728	6,026	51.5	5,252	44.9
Imaging & Solutions Total	460,588	470,468	9,880	2.1	-4,327	-0.9
Percentage of sales (%)	89.5	89.4				
Domestic	173,439	171,787	-1,652	-1.0	-1,652	-1.0
Overseas	287,149	298,681	11,532	4.0	-2,675	-0.9
The Americas	137,402	141,453	4,051	2.9	-602	-0.4
Europe, Middle East and Africa	116,236	121,771	5,535	4.8	-4,093	-3.5
Other	33,511	35,457	1,946	5.8	2,020	6.0
<Industrial Products>						
Industrial Products	25,520	27,397	1,877	7.4	1,250	4.9
Percentage of sales (%)	5.0	5.2				
Domestic	8,653	9,165	512	5.9	512	5.9
Overseas	16,867	18,232	1,365	8.1	738	4.4
The Americas	4,539	4,792	253	5.6	96	2.1
Europe, Middle East and Africa	4,114	4,699	585	14.2	273	6.6
Other	8,214	8,741	527	6.4	369	4.5
<Other>						
Other	28,589	28,573	-16	-0.1	-175	-0.6
Percentage of sales (%)	5.5	5.4				
Domestic	24,088	24,475	387	1.6	387	1.6
Overseas	4,501	4,098	-403	-9.0	-562	-12.5
The Americas	1,192	1,079	-113	-9.5	-134	-11.2
Europe, Middle East and Africa	1,818	1,625	-193	-10.6	-322	-17.7
Other	1,491	1,394	-97	-6.5	-106	-7.1
Grand Total	514,697	526,438	11,741	2.3	-3,252	-0.6
Percentage of sales (%)	100.0	100.0				
Domestic	206,180	205,427	-753	-0.4	-753	-0.4
Percentage of sales (%)	40.1	39.0				
Overseas	308,517	321,011	12,494	4.0	-2,499	-0.8
Percentage of sales (%)	59.9	61.0				
The Americas	143,133	147,324	4,191	2.9	-640	-0.4
Percentage of sales (%)	27.8	28.0				
Europe, Middle East and Africa	122,168	128,095	5,927	4.9	-4,142	-3.4
Percentage of sales (%)	23.7	24.3				
Other	43,216	45,592	2,376	5.5	2,283	5.3
Percentage of sales (%)	8.4	8.7				

\*Each category includes the following product line:

Office Imaging	MFPs (multifunctional printers), copiers, laser printers, digital duplicators, facsimile, scanners, related parts & supplies, services, support and software
Production Printing	Cut sheet printer, continuous feed printer, related parts & supplies, services, support and software
Network System Solutions	Personal computers, servers, network equipment, related services, support and software
Industrial Products	Thermal media, optical equipment, electronic components and semiconductor devices
Other	Digital cameras

\* The compilation method has been changed from this fiscal year such as reclassification of certain products from Production Printing to Industrial Products. Prior year comparative figures have been also reclassified to conform to the current year's presentation.

## 2. Forecast of Consolidated Performance

(Billions of yen)

	Three months ended June 30, 2014		Three months ending Sept. 30, 2014		Half year ending Sept. 30, 2014		Year ending March 31, 2015	
	Results	Change %	Forecast	Change %	Forecast	Change %	Forecast	Change %
Sales	526.4	2.3	553.5	-	1,080.0	-	2,260.0	2.9
Gross profit	219.3	3.8	230.6	-	450.0	-	936.0	7.2
Operating profit	27.1	22.2	27.8	-	55.0	-	140.0	16.3
Profit before income tax expenses	25.8	24.1	26.1	-	52.0	-	135.0	14.3
Profit attributable to owners of the parent	15.0	28.8	14.9	-	30.0	-	80.0	9.9
Earnings per share attributable to owners of the parent-basic (yen)	20.80	-	20.58	-	41.38	-	110.36	-
Earnings per share attributable to owners of the parent- diluted (yen)	-	-	-	-	-	-	-	-
Capital expenditures	18.2		23.8		42.0		89.0	
Depreciation	17.4		19.0		36.4		74.0	
R&D expenditures	27.9		32.1		60.0		121.0	
Exchange rate (Yen/US\$)	102.15		100.00		101.08		100.54	
Exchange rate (Yen/EURO)	140.13		140.00		140.07		140.03	

## 3. Forecast of Consolidated Sales by Product Category

(Billions of yen)

	Year ended March 31, 2014	Half year ending September 30, 2014		Year ending March 31, 2015			
	Results	Forecast	Forecast (Note)	Forecast	Change %	Forecast (Note)	Change %
<Imaging & Solutions>							
Office Imaging	1,476.7	731.2	711.3	1,526.6	3.4	1,509.9	2.2
Domestic	484.7	231.7	231.7	504.9	4.2	504.9	4.2
Overseas	992.0	499.5	479.6	1,021.7	3.0	1,005.0	1.3
Production Printing	180.0	91.3	88.7	194.1	7.8	192.3	6.8
Domestic	32.2	16.4	16.4	34.7	7.7	34.7	7.7
Overseas	147.8	74.9	72.3	159.4	7.9	157.6	6.6
Network System Solutions	308.0	137.2	135.8	296.5	-3.7	295.2	-4.1
Domestic	250.1	100.5	100.5	220.5	-11.9	220.5	-11.9
Overseas	57.8	36.7	35.3	76.0	31.5	74.7	29.3
Imaging & Solutions Total	1,964.8	959.9	936.0	2,017.4	2.7	1,997.6	1.7
Domestic	767.1	348.6	348.6	760.1	-0.9	760.1	-0.9
Overseas	1,197.7	611.2	587.3	1,257.2	5.0	1,237.4	3.3
The Americas	565.0	288.8	282.6	588.3	4.1	587.1	3.9
Europe, Middle East and Africa	494.4	248.5	230.9	520.2	5.2	500.4	1.2
Other	138.2	73.8	73.7	148.6	7.5	149.8	8.4
<Industrial Products>							
Industrial Products	110.0	56.6	55.8	115.8	5.4	115.3	4.9
Domestic	36.0	18.3	18.3	38.1	6.0	38.1	6.0
Overseas	73.9	38.3	37.5	77.7	5.0	77.2	4.3
The Americas	19.1	10.2	10.1	21.1	10.7	21.1	10.4
Europe, Middle East and Africa	16.9	8.9	8.4	18.0	6.9	17.4	3.3
Other	37.9	19.0	18.8	38.4	1.4	38.5	1.7
<Other>							
Other	120.8	63.3	63.1	126.6	4.9	126.4	4.6
Domestic	102.0	53.9	53.9	107.6	5.5	107.6	5.5
Overseas	18.7	9.3	9.1	18.9	1.4	18.7	0.0
The Americas	4.9	2.3	2.3	4.9	-0.1	4.9	-0.5
Europe, Middle East and Africa	7.7	3.5	3.2	7.7	0.3	7.4	-2.7
Other	6.0	3.4	3.4	6.2	4.0	6.2	3.8
Grand Total	2,195.6	1,080.0	1,055.0	2,260.0	2.9	2,239.4	2.0
Domestic	905.1	421.0	421.0	906.0	0.1	906.0	0.1
Overseas	1,290.5	659.0	634.0	1,354.0	4.9	1,333.4	3.3
The Americas	589.1	301.5	295.1	614.5	4.3	613.2	4.1
Europe, Middle East and Africa	519.1	261.0	242.7	546.0	5.2	525.4	1.2
Other	182.2	96.3	96.0	193.3	6.1	194.6	6.8

(Note) Excluding foreign exchange impact

\* The compilation method has been changed from this fiscal year such as reclassification of certain products from Production Printing to Industrial Products. Prior year comparative figures have been also reclassified to conform to the current year's presentation.