

## QUARTERLY REPORT

Third Quarter ended December 31, 2020

(Results for the Period from April 1, 2020 to December 31, 2020)

### Performance Outline (Consolidated)

(1) Nine months ended December 31, 2019 and 2020 (Actual result) and Year ending March 31, 2021 (Forecast)

	Nine months ended December 31, 2019 Results	Nine months ended December 31, 2020 Results	Change	(Billions of yen)	
				Year ending March 31, 2021 Forecast	Change
Domestic sales	637.1	516.7	(18.9%)	729.0	(16.4%)
Overseas sales	856.7	676.2	(21.1%)	935.0	(17.7%)
Sales	1,493.8	1,193.0	(20.1%)	1,664.0	(17.2%)
Gross profit	549.3	415.7	(24.3%)	563.6	(21.9%)
Operating profit (loss)	69.4	(29.7)	-	(49.0)	-
Profit (loss) before income tax expenses	68.4	(25.6)	-	(44.3)	-
Profit (loss) attributable to owners of the parent	41.4	(22.4)	-	(36.4)	-
Exchange rate (Yen/US\$)	108.73	106.09	(2.64)	105.82	(2.98)
Exchange rate (Yen/EURO)	121.11	122.36	1.25	121.77	0.87
Earnings per share attributable to owners of the parent-basic (yen)	57.23	(31.02)	(88.25)	(50.25)	(104.83)
Earnings per share attributable to owners of the parent-diluted (yen)	57.23	(31.02)	(88.25)	(50.25)	(104.83)
Cash flows from operating activities	58.8	72.6	13.8	-	-
Cash flows from investing activities	(125.2)	(45.4)	79.7	-	-
Cash flows from financing activities	57.3	34.7	(22.5)	-	-
Cash and cash equivalents at end of period	229.2	325.8	96.6	-	-
Capital expenditures *	61.0	29.9	(31.0)	48.0	(38.5)
Depreciation *	48.5	34.2	(14.3)	46.0	(16.5)
R&D expenditures	75.6	66.1	(9.5)	92.5	(10.2)
	March 31, 2020	December 31, 2020	Change		
Total assets	2,867.6	1,846.8	(1,020.7)		
Equity attributable to owners of the parent	920.3	897.8	(22.4)		
Interest-bearing debt **	179.6	242.2	62.6		
Equity attributable to owners of the parent ratio (%)	32.1	48.6	16.5		
Equity per share attributable to owners of the parent (yen)	1,270.47	1,239.42	(31.05)		

\*The amounts presented in capital expenditures and depreciation are for property, plant and equipment.

\*\*The amounts are shown bonds and borrowings.

## (2) Three months ended December 31, 2019 and 2020

(Billions of yen)

	Three months ended December 31, 2019 Results	Three months ended December 31, 2020 Results	Change
Domestic sales	207.5	181.3	(12.6%)
Overseas sales	291.5	249.7	(14.3%)
Sales	499.1	431.1	(13.6%)
Gross profit	181.9	153.3	(15.8%)
Operating profit (loss)	20.7	0.8	(95.8%)
Profit (loss) before income tax expenses	21.6	3.8	(82.0%)
Profit (loss) attributable to owners of the parent	12.2	(0.2)	-
Exchange rate (Yen/US\$)	108.76	104.47	(4.29)
Exchange rate (Yen/EURO)	120.39	124.49	4.10
Earnings per share attributable to owners of the parent-basic (yen)	16.86	(0.38)	(17.24)
Earnings per share attributable to owners of the parent-diluted (yen)	16.86	(0.38)	(17.24)
Capital expenditures *	22.8	7.4	(15.3)
Depreciation *	16.0	11.3	(4.7)
R&D expenditures	24.0	21.1	(2.8)

\*The amounts presented in capital expenditures and depreciation are for property, plant and equipment.

### Ricoh Company, Ltd.

\* The result forecasts and forward-looking statements included in this document are based on information available to the Company as at the date of submission of this quarterly report and certain assumptions that the Company considers reasonable. The Company makes no guarantees with respect to the achievement of its result forecasts or forward-looking statements. Actual results might be significantly different from the forecasts in the document, depending on various factors. For the assumptions for forecast and other related information, please refer to “3. Qualitative Information on Forecasted Consolidated Financial Results” on page 6.

# Ricoh Company, Ltd. and its Consolidated Subsidiaries

Financial Highlights for the Nine months ended December 31, 2020

[Prepared on the basis of International Financial Reporting Standards]

## 1. Results for the Period from April 1, 2020 to December 31, 2020

### (1) Operating Results

	(Millions of yen)	
	Nine months ended December 31, 2019	Nine months ended December 31, 2020
Sales	1,493,882	1,193,071
(% change from the previous corresponding period)	0.3	(20.1)
Operating profit (loss)	69,415	(29,738)
(% change from the previous corresponding period)	(12.3)	-
Profit (loss) before income tax expenses	68,468	(25,614)
(% change from the previous corresponding period)	(11.0)	-
Profit (loss) for the period	46,093	(22,474)
(% change from the previous corresponding period)	(16.2)	-
Profit (loss) attributable to owners of the parent	41,469	(22,471)
(% change from the previous corresponding period)	(18.1)	-
Comprehensive income (loss)	35,218	(7,682)
(% change from the previous corresponding period)	(23.5)	-
Earnings per share attributable to owners of the parent-basic (yen)	57.23	(31.02)
Earnings per share attributable to owners of the parent-diluted (yen)	57.23	(31.02)

Notes: Earnings per share attributable to owners of the parent (basic and diluted) are based on profit (loss) attributable to owners of the parent.

### (2) Financial Position

	(Millions of yen)	
	March 31, 2020	December 31, 2020
Total assets	2,867,645	1,846,889
Total equity	1,008,527	901,395
Equity attributable to owners of the parent	920,371	897,877
Equity attributable to owners of the parent ratio (%)	32.1	48.6

## 2. Dividend Information

	Year ended March 31, 2020 (Actual)	Year ending March 31, 2021 (Forecast)
Cash dividends, applicable to the year (yen)	26.00	15.00
Interim (yen)	13.00	7.50
Year-end (yen)	13.00	7.50

Notes: Revision of expected dividends during this period: No

## 3. Forecast of Operating Results from April 1, 2020 to March 31, 2021

	(Millions of yen)
	Year ending March 31, 2021
Sales	1,664,000
(% change from the previous corresponding period)	(17.2)
Operating profit (loss)	(49,000)
(% change from the previous corresponding period)	-
Profit (loss) before income tax expenses	(44,300)
(% change from the previous corresponding period)	-
Profit (loss) for the period	(36,400)
(% change from the previous corresponding period)	-
Profit (loss) attributable to owners of the parent	(36,400)
(% change from the previous corresponding period)	-
Earnings per share attributable to owners of the parent-basic (yen)	(50.25)

Notes: Revision of forecast of consolidated operating results during this period: Yes

## 4. Others

- (1) Changes in significant subsidiaries: Yes  
New: - (Company name: -)  
Exclusion: 1 (Company name: Ricoh Leasing Co., Ltd.)
- (2) Changes in accounting policies and accounting estimate  
(i) Changes in accounting policies required by IFRS: No  
(ii) Other changes: No  
(iii) Changes in accounting estimate: No
- (3) Number of common stock outstanding (including treasury stock):  
As of December 31, 2020: 744,912,078 shares; As of March 31, 2020: 744,912,078 shares
- (4) Number of treasury stock:  
As of December 31, 2020: 20,477,130 shares; As of March 31, 2020: 20,478,528 shares
- (5) Average number of common stock:  
Nine months ended December 31, 2020: 724,434,296 shares; Nine months ended December 31, 2019: 724,649,453 shares

Notes: The Company has established the Board Incentive Plan trust in which beneficiaries include Directors and Executive Officers. The shares owned by the trust account relating to this trust are accounted for as treasury shares. (As of December 31, 2020: 415,800 shares; As of March 31, 2020: 421,500 shares)

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

## 1. Qualitative Information on Consolidated Business Results

### \* Overview of the Third Quarter of Fiscal 2020 (April 1 – December 31, 2020)

The fiscal year of 2020 has started in a global pandemic called the Coronavirus (hereinafter, COVID-19). Ricoh has positioned ourselves, during this period, to tackle the crisis and accelerate change. Ricoh is proceeding to secure enough liquidity to overcome operational fluctuations, enhance our financial stability, and accelerate efforts to change in the aftermath of the pandemic of COVID-19.

The global economy has suffered a sharp slowdown, the worst level in the past few decades, due to the impact of the prolonged U.S. –China trade frictions as well as the global spread of COVID-19. Although there were signs of gradual recovery for economic activity in each country, the future still remains uncertain under the impact of COVID-19.

In Japan, the economy deteriorated rapidly due to the increase of self-isolation and movement restrictions encouraged by the declaration of the state of emergency in April. The situation is still severe due to the rapid increase of infected person, despite the sign of recovery following the resumption of the economic activity. In the Americas, the economy has been on a recovery trend due to economic measures and the resumption of economic activities, but the pace of economic recovery has been slow with the uncertainty such as the spread of infection and the impact of the change of the US administration. In Europe, the pace of recovery is still slow since the spread of COVID-19 did not stop and caused lockdown again. In other regions, the Chinese economy continues to recover despite the impact of U.S.-China trade frictions.

During this period, the average exchange rates of Japanese yen against U.S. dollar and Euro were ¥106.09 (decreased by ¥2.64 from the previous corresponding period) and ¥122.36 (increased by ¥1.25 from the previous corresponding period) respectively.

Sales in the last nine months has decreased by 20.1% (to ¥1,193.0 billion) compared to the previous corresponding period. In the Office Printing, sales of hardware decreased due to restrictions on sales activities by lockdowns and self-isolation. Sales of non-hardware also decreased due to the decline in demand of printing caused by the decrease in attendance rate (mainly in Europe and the Americas). These effects peaked in April to May, and a recovery trend has been seen since June, but the recovery has been moderate. Other factors in reduced sales included the adoption of equity method accounting for Ricoh Leasing Co., Ltd. (hereinafter, Ricoh Leasing) whose shares were transferred. As a result of that, sales decreased significantly compared to the previous corresponding period. Consolidated sales would have decreased by 17.2% after excluding the equity method adoption and foreign exchange impacts.

In Japan, sales have decreased by 18.9% as compared to the previous corresponding period. Despite the increase in online demand due to companies promoting working from home, hardware and non-hardware sales have declined as the sales opportunities have been limited due to the self-isolation and the decrease of the printing demand at customers' offices.

Sales in the Americas decreased by 29.3% (a decrease of 27.6% excluding foreign currency exchange fluctuations) as compared to the previous corresponding period. The decrease was mainly in the Office Printing due to the stagnation of sales and delivery activities by lockdowns, movement restrictions and slowing in demand of printing by the closing of customers' offices. Sales in Europe, the Middle East, and Africa decreased by 12.4% (a decrease of 13.3% excluding foreign currency exchange fluctuations) as compared to the previous corresponding period. Although Office Service sales expanded due to the strengthening of sales and service systems including acquisitions, Office Printing sales have decreased by the same reason as the Americas. Sales in other regions were down by 16.9% (a decrease of 15.4% excluding foreign currency exchange fluctuations) as compared to the previous corresponding period mainly due to decline of sales in the Office Printing.

As a result, sales in the overseas market decreased by 21.1% as compared to the previous corresponding period. Excluding effects of foreign currency fluctuations, sales in overseas would have decreased by 20.3% as compared to the previous corresponding period.

Gross profit was down by 24.3% as compared to the previous corresponding period, to ¥415.7 billion. A prime factor was a decrease in sales volume of hardware and non-hardware such as consumables in the Office Printing due to decline of business opportunities by COVID-19 pandemic. Other factors that reduced the profit included an impact of adoption of equity-method accounting for Ricoh Leasing in the other segment.

Selling, general and administrative expenses fell by 8.3% as compared to the previous corresponding period, to ¥447.0 billion despite an impairment loss of ¥7.7 billion recognized on property, plant and equipment and intangible assets in Commercial Printing segment. This stemmed from the implementation of urgent measures to reduce expenses and the reduction in expenses generated in connection with sales under the circumstances of the spread of COVID-19.

Other income decreased compared to the previous corresponding period primarily due to gain on sales of land, buildings and structures in Ricoh Industry Co., Ltd.'s former Saitama plant in the previous corresponding period.

Impairment of goodwill was a loss of ¥2.6 billion on goodwill in the Commercial Printing segment.

Operating profit (loss) decreased by ¥99.1 billion compared to the previous corresponding period, to ¥29.7 billion (loss).

Finance income and costs improved as compared to the previous corresponding period due to a decrease in interest expenses and an increase of foreign exchange gains.

Profit (loss) before income tax expenses decreased by ¥94.0 billion as compared to the previous corresponding period, to ¥25.6 billion (loss).

Income tax expenses decreased by ¥25.5 billion as compared to the previous corresponding period due to a decrease in profit (loss) before income tax expenses.

As a result, profit (loss) attributable to owners of the parent decreased by ¥63.9 billion as compared to the previous corresponding period, to ¥22.4 billion (loss).

Comprehensive income (loss) was ¥7.6 billion (loss) due to the decrease in profit for the period.

## \* Review by Business Segment

### Office Printing

Office Printing sales were ¥593.5 billion and decreased by 22.7% as compared to the previous corresponding period (a decrease of 22.2% excluding foreign currency exchange fluctuations). It was mainly due to a decrease in sales volume of hardware and consumables revenues because of the lockdowns, movement restrictions and a decrease in demand of printing by the decrease in attendance rate, particularly in Europe and the Americas, although the recovery continued after bottoming out in the first quarter of fiscal 2020 and the effects of contingency plan were evident, returning to profit in the third quarter of fiscal 2020.

In addition, operating profit of previous corresponding period included gain on sales of land, buildings and structures in Ricoh Industry Co., Ltd.'s former Saitama plant.

As a result, Office Printing operating profit was ¥6.1 billion and decreased by 91.6% as compared to the previous corresponding period.

### Office Service

Office Service sales were ¥358.2 billion and decreased by 10.0% as compared to the previous corresponding period (a decrease of 9.8% excluding foreign currency exchange fluctuations). In Japan, application for working from home has increased, and sales of IT services expanded in Europe. On the other hand, the IT equipment demanded in the previous fiscal year in Japan has decreased, and BPS (Business Process Service) sales decreased due to the lockdowns, movement restrictions mainly in the Americas. In the three-month period ended December 31, 2020, sales of packaged products have increased steadily, particularly in Japan and Europe, and profits increased from the previous corresponding period.

As a result, Office Service operating profit was ¥20.8 billion and decreased by 4.4% as compared to the previous corresponding period.

### Commercial Printing

Commercial Printing sales were ¥98.1 billion and decreased by 26.4% as compared to the previous corresponding period (a decrease of 25.6% excluding foreign currency exchange fluctuations). Although the non-hardware business has been recovering due to the resumption of customer events and business activities, the recovery of hardware has been slow, resulting in a decline in sales. Due to the recognition of impairment loss on fixed assets such as a goodwill in addition to the decrease in gross profit caused by the reduction of sales, Commercial Printing operating profit (loss) was ¥3.0 billion (loss) and decreased by ¥19.8 billion as compared to the previous corresponding period.

### Industrial Printing

Industrial Printing sales were ¥16.6 billion and decreased by 6.6% as compared to the previous corresponding period (a decrease of 5.9% excluding foreign currency exchange fluctuations). Although inkjet head demand in the Chinese market is on a recovery trend, business activities of Europe and the Americas customers have declined, and it resulted in significant decrease in sales opportunities. Industrial Printing operating profit (loss) was ¥2.0 billion (loss). (Operating loss of the previous corresponding period was ¥2.9 billion.)

### Thermal Media

Thermal Media sales were ¥42.4 billion and decreased by 11.3% as compared to the previous corresponding period (a decrease of 10.5% excluding foreign currency exchange fluctuations), due to reduction in demand for events and transportation tickets by the lockdowns, movement restrictions and the reduction of the label area despite increased demand for e-commerce. Thermal Media operating profit was ¥1.5 billion and decreased by 46.1% as compared to the previous corresponding period, despite of the reduction activities in cost of sales and expenses.

### Other

Other segment sales were ¥83.9 billion and decreased by 34.9% as compared to the previous corresponding period (a decrease of 34.8% excluding foreign currency exchange fluctuations). A prime factor was the adoption of equity method accounting for Ricoh Leasing. Other segment operating profit (loss) was ¥16.0 billion (loss). (Operating loss of the previous corresponding period was ¥1.9 billion.)

\* Some of the business in the Office Service segment have been reclassified into the Office Printing segment and Other segment from this fiscal year. In addition, some corporate expenses have been allocated to the relevant segments. Prior year comparative figures have also been reclassified to conform to the current year's presentation.

## 2. Analysis of Consolidated Financial Position

### \*Assets, Liabilities and Equity

Total assets decreased by ¥1,020.7 billion as compared to the end of the previous fiscal year, to ¥1,846.8 billion. At a meeting in March 2020, the Board of Directors of Ricoh agreed to sell a portion of Ricoh's shares in Ricoh Leasing to Mizuho Leasing Company, Ltd. (referred to as "Mizuho Leasing"). Therefore, in accordance with IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations", Ricoh reclassified assets and liabilities owned by Ricoh Leasing and its subsidiaries to "Assets classified as held for sale" and "Liabilities directly related to assets held for sale" in previous fiscal year. As of April 23, 2020, Ricoh concluded the partial transfer of common shares in Ricoh Leasing to Mizuho Leasing. As a result of the share transfer, Ricoh's voting rights in Ricoh Leasing changed to the ownership ratio of 33.7%, and Ricoh Leasing moved from being a consolidated subsidiary of Ricoh to an equity-method affiliate. As a result, assets classified as held for sale decreased with the completion of the partial transfer of Ricoh Leasing shares, while the remaining investment on Ricoh Leasing was booked on investments accounted for using the equity method.

Total liabilities decreased by ¥913.6 billion as compared to the end of previous fiscal year, to ¥945.4 billion. While bonds and borrowings increased mainly due to procure in preparation for the risk of business environment deterioration because of COVID-19, a decrease in liabilities directly related to assets held for sale resulted from the partial transfer of common shares in Ricoh Leasing.

Total equity decreased by ¥107.1 billion as compared to the end of previous fiscal year, to ¥901.3 billion. As a result of the spread of COVID-19, Ricoh posted a quarterly loss and reduced retained earnings, while Ricoh Leasing became an equity-method affiliate, resulting in a decrease in non-controlling interests.

Equity attributable to owners of the parent therefore decreased by ¥22.4 billion, to ¥897.8 billion. The equity attributable to owners of the parent ratio remained stable, at 48.6%.

### \*Cash Flows (Nine months from April 1, 2020 to December 31, 2020)

Net cash provided by operating activities increased by ¥13.8 billion as compared to the previous corresponding period, to ¥72.6 billion. Although the loss for the period was recorded due to the spread of COVID-19, the proceeds increased due to the decrease in trade and other receivables and lease receivables.

Net cash used in investing activities decreased by ¥79.7 billion as compared to the previous corresponding period, to ¥45.4 billion. This was factors such as temporary cash income from the partial transfer of Ricoh Leasing shares and the change of Ricoh Leasing from a consolidated subsidiary to an equity-method affiliate, which resulted in a decrease in capital investment. In addition, there were expenditures due to the acquisition of DocuWare GmbH to expand the digital business in the previous corresponding period.

Free cash flow (net cash provided by operating activities plus net cash used in investing activities) totaled ¥27.2 billion, up by ¥93.5 billion. Net cash provided by financing activities decreased by ¥22.5 billion as compared to the previous corresponding period, to ¥34.7 billion. Since there was a decrease in procurement due to Ricoh Leasing becoming an equity-method affiliate from a consolidated subsidiary, the proceeds decreased as compared to the previous corresponding period in spite of the execution of borrowings in preparation for the risk of deterioration of the business environment by COVID-19.

As a result, the balance of cash and cash equivalent at the end of period increased by ¥62.1 billion as compared to the end of previous fiscal year, to ¥325.8 billion.

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

During the nine months of fiscal 2020, there was a gradual recovery in business results, bottoming out in the first quarter, due to the easing of activity restrictions accompanying the spread of COVID-19, although there were inconsistent economic recoveries by countries and regions. However, since the number of infected persons began to expand again, mainly in Europe, the pace of recovery is slow.

In November, 2020, we have announced the previous forecast expecting a negative impact on operating results, particularly in the Office Printing segment, our main business in consideration that the effects of the spread of COVID-19 will be protracted.

The business results during this period were robust, excluding the impairment losses in Commercial Printing segment, compared from the forecast announced in November. In consideration of the business results during this period and the effects of protracted spread of COVID-19, we have revised the forecasts of domestic/overseas sales, gross profit and profit (loss) before income tax expenses from those previously announced in November, 2020. On the other hand, we have not changed the forecasts of total sales, operating profit (loss) and profit (loss) attributable to owners of the parent.

Ricoh maintains the assumed exchange rates set forth in November, 2020 of ¥105 against the U.S. dollar and of ¥120 against the euro from fourth quarter while the actual exchange rates during the third quarter have been incorporated into exchange rate assumptions for the full year.

Exchange Rate Assumptions for the full year ending March 31, 2021

US\$ 1 = ¥105.82 (¥108.80 in previous fiscal year)  
EURO 1 = ¥121.77 (¥120.90 in previous fiscal year)

	(Billions of yen)				
	Year ending March 31, 2021 (Previous forecast)	Year ending March 31, 2021 (Revised forecast)	Change (B-A)	Year ended March 31, 2020 (Actual)	Change (B-C)/C
	(A)	(B)		(C)	
Domestic sales	725.0	729.0	4.0	872.3	(16.4%)
Overseas sales	939.0	935.0	(4.0)	1,136.2	(17.7%)
Sales	1,664.0	1,664.0	-	2,008.5	(17.2%)
Gross profit	547.6	563.6	16.0	721.5	(21.9%)
Operating profit (loss)	(49.0)	(49.0)	-	79.0	-
Profit (loss) before income tax expenses	(50.3)	(44.3)	6.0	75.8	-
Profit (loss) attributable to owners of the parent	(36.4)	(36.4)	-	39.5	-

\* The result forecasts and forward-looking statements included in this document are based on information available to the Company as at the date of submission of this quarterly report and certain assumptions that the Company considers reasonable. The Company makes no guarantees with respect to the achievement of its result forecasts or forward-looking statements. Actual results might be significantly different from the forecasts in the document, depending on various factors. Factors which may affect the actual business results include but are not limited to the economic situation in the geographic areas where Ricoh conducts business, including Japan, the Americas, Europe, Middle East, Africa, China and Asia, market environment, and currency exchange rates.

## 4. Condensed Consolidated Financial Statements

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

#### Assets

	(Millions of yen)		
	March 31, 2020	December 31, 2020	Change
<b>Current Assets</b>			
Cash and cash equivalents	262,834	328,562	65,728
Time deposits	50	146	96
Trade and other receivables	392,780	346,396	(46,384)
Other financial assets	87,226	90,039	2,813
Inventories	201,248	204,628	3,380
Other current assets	36,428	46,247	9,819
Subtotal	980,566	1,016,018	35,452
Assets classified as held for sale	1,125,582	-	(1,125,582)
<b>Total Current Assets</b>	<b>2,106,148</b>	<b>1,016,018</b>	<b>(1,090,130)</b>
<b>Non-current assets</b>			
Property, plant and equipment	201,569	194,473	(7,096)
Right-of-use assets	59,425	66,258	6,833
Goodwill and intangible assets	231,898	231,503	(395)
Other financial assets	139,181	131,927	(7,254)
Investments accounted for using the equity method	14,305	78,574	64,269
Other investments	14,951	16,628	1,677
Other non-current assets	29,550	29,567	17
Deferred tax assets	70,618	81,941	11,323
<b>Total Non-current Assets</b>	<b>761,497</b>	<b>830,871</b>	<b>69,374</b>
<b>Total Assets</b>	<b>2,867,645</b>	<b>1,846,889</b>	<b>(1,020,756)</b>

#### Liabilities and Equity

	(Millions of yen)		
	March 31, 2020	December 31, 2020	Change
<b>Current Liabilities</b>			
Bonds and borrowings	51,492	73,569	22,077
Trade and other payables	246,055	256,091	10,036
Lease liabilities	27,230	25,673	(1,557)
Other financial liabilities	-	795	795
Income tax payables	9,455	6,161	(3,294)
Provisions	11,686	6,778	(4,908)
Other current liabilities	233,909	219,678	(14,231)
Subtotal	579,827	588,745	8,918
Liabilities directly related to assets held for sale	969,069	-	(969,069)
<b>Total Current Liabilities</b>	<b>1,548,896</b>	<b>588,745</b>	<b>(960,151)</b>
<b>Non-current Liabilities</b>			
Bonds and borrowings	128,172	168,712	40,540
Lease liabilities	38,741	49,126	10,385
Accrued pension and retirement benefits	99,795	94,751	(5,044)
Provisions	6,458	7,231	773
Other non-current liabilities	34,143	33,881	(262)
Deferred tax liabilities	2,913	3,048	135
<b>Total Non-current Liabilities</b>	<b>310,222</b>	<b>356,749</b>	<b>46,527</b>
<b>Total Liabilities</b>	<b>1,859,118</b>	<b>945,494</b>	<b>(913,624)</b>
<b>Equity</b>			
Common stock	135,364	135,364	-
Additional paid-in capital	186,173	186,217	44
Treasury stock	(37,795)	(37,732)	63
Other components of equity	41,768	56,125	14,357
Other comprehensive income related to disposal group held for sale	130	-	(130)
Retained earnings	594,731	557,903	(36,828)
Equity attributable to owners of the parent	920,371	897,877	(22,494)
Non-controlling interests	88,156	3,518	(84,638)
<b>Total Equity</b>	<b>1,008,527</b>	<b>901,395</b>	<b>(107,132)</b>
<b>Total Liabilities and Equity</b>	<b>2,867,645</b>	<b>1,846,889</b>	<b>(1,020,756)</b>

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

## Condensed Consolidated Statement of Profit or Loss

Nine months ended December 31, 2019 and 2020

(Millions of yen)				
	Nine months ended December 31, 2019	Nine months ended December 31, 2020	Change	%
Sales	1,493,882	1,193,071	(300,811)	(20.1)
Cost of sales	944,534	777,354	(167,180)	(17.7)
Percentage of sales (%)	63.2	65.2		
Gross profit	549,348	415,717	(133,631)	(24.3)
Percentage of sales (%)	36.8	34.8		
Selling, general and administrative expenses	487,259	447,038	(40,221)	(8.3)
Percentage of sales (%)	32.6	37.5		
Other Income	7,326	4,224	(3,102)	(42.3)
Percentage of sales (%)	0.5	0.4		
Impairment of goodwill	-	2,641	2,641	-
Percentage of sales (%)	-	0.2		
Operating profit (loss)	69,415	(29,738)	(99,153)	-
Percentage of sales (%)	4.6	(2.5)		
Finance income	4,361	3,754	(607)	(13.9)
Percentage of sales (%)	0.3	0.3		
Finance costs	5,551	3,064	(2,487)	(44.8)
Percentage of sales (%)	0.4	0.3		
Share of profit (loss) of investments accounted for using the equity method	243	3,434	3,191	-
Percentage of sales (%)	0.0	0.3		
Profit (loss) before income tax expenses	68,468	(25,614)	(94,082)	-
Percentage of sales (%)	4.6	(2.1)		
Income tax expenses	22,375	(3,140)	(25,515)	-
Percentage of sales (%)	1.5	(0.3)		
Profit (loss) for the period	46,093	(22,474)	(68,567)	-
Percentage of sales (%)	3.1	(1.9)		
Profit (loss) attributable to:				
Owners of the parent	41,469	(22,471)	(63,940)	-
Percentage of sales (%)	2.8	(1.9)		
Non-controlling interests	4,624	(3)	(4,627)	-
Percentage of sales (%)	0.3	(0.0)		

  

	Nine months ended December 31, 2019	Nine months ended December 31, 2020	Change
Earnings per share attributable to owners of the parent-basic (yen)	57.23	(31.02)	(88.25)
Earnings per share attributable to owners of the parent-diluted (yen)	57.23	(31.02)	(88.25)

\* Gain on sales of property, plant and equipment and others were included in "other income".

Three months ended December 31, 2019 and 2020

(Millions of yen)

	Three months ended December 31, 2019	Three months ended December 31, 2020	Change	%
Sales	499,103	431,123	(67,980)	(13.6)
Cost of sales	317,128	277,823	(39,305)	(12.4)
Percentage of sales (%)	63.5	64.4		
Gross profit	181,975	153,300	(28,675)	(15.8)
Percentage of sales (%)	36.5	35.6		
Selling, general and administrative expenses	163,555	151,826	(11,729)	(7.2)
Percentage of sales (%)	32.8	35.2		
Other Income	2,347	2,047	(300)	(12.8)
Percentage of sales (%)	0.5	0.5		
Impairment of goodwill	-	2,641	2,641	-
Percentage of sales (%)	-	0.6		
Operating profit (loss)	20,767	880	(19,887)	(95.8)
Percentage of sales (%)	4.2	0.2		
Finance income	1,461	2,308	847	58.0
Percentage of sales (%)	0.3	0.5		
Finance costs	747	874	127	17.0
Percentage of sales (%)	0.1	0.2		
Share of profit (loss) of investments accounted for using the equity method	141	1,580	1,439	-
Percentage of sales (%)	0.0	0.4		
Profit (loss) before income tax expenses	21,622	3,894	(17,728)	(82.0)
Percentage of sales (%)	4.3	0.9		
Income tax expenses	7,741	4,187	(3,554)	(45.9)
Percentage of sales (%)	1.6	1.0		
Profit (loss) for the period	13,881	(293)	(14,174)	-
Percentage of sales (%)	2.8	(0.1)		
Profit (loss) attributable to:				
Owners of the parent	12,211	(276)	(12,487)	-
Percentage of sales (%)	2.4	(0.1)		
Non-controlling interests	1,670	(17)	(1,687)	-
Percentage of sales (%)	0.3	(0.0)		

  

	Three months ended December 31, 2019	Three months ended December 31, 2020	Change
Earnings per share attributable to owners of the parent-basic (yen)	16.86	(0.38)	(17.24)
Earnings per share attributable to owners of the parent-diluted (yen)	16.86	(0.38)	(17.24)

\* Gain on sales of property, plant and equipment and others were included in "other income".

Condensed Consolidated Statement of Comprehensive Income

Nine months ended December 31, 2019 and 2020

	(Millions of yen)		
	Nine months ended December 31, 2019	Nine months ended December 31, 2020	Change
Profit (loss) for the period	46,093	(22,474)	(68,567)
Other comprehensive income (loss):			
Components that will not be reclassified subsequently to profit or loss:			
Remeasurement of defined benefit plan	(1,910)	-	1,910
Net changes in fair value of financial assets measured through other comprehensive income	1,348	1,589	241
Share of other comprehensive income of investments accounted for using equity method	-	67	67
Total components that will not be reclassified subsequently to profit or loss	(562)	1,656	2,218
Components that will be reclassified subsequently to profit or loss:			
Net changes in fair value of cash flow hedges	(455)	(421)	34
Exchange differences on translation of foreign operations	(9,858)	13,547	23,405
Share of other comprehensive income of investments accounted for using equity method	-	10	10
Total components that will be reclassified subsequently to profit or loss	(10,313)	13,136	23,449
Total other comprehensive income (loss)	(10,875)	14,792	25,667
Comprehensive income (loss)	35,218	(7,682)	(42,900)
Comprehensive income (loss) attributable to:			
Owners of the parent	30,272	(7,750)	(38,022)
Non-controlling interests	4,946	68	(4,878)

Three months ended December 31, 2019 and 2020

	(Millions of yen)		
	Three months ended December 31, 2019	Three months ended December 31, 2020	Change
Profit (loss) for the period	13,881	(293)	(14,174)
Other comprehensive income (loss):			
Components that will not be reclassified subsequently to profit or loss:			
Remeasurement of defined benefit plan	(1,910)	-	1,910
Net changes in fair value of financial assets measured through other comprehensive income	1,155	884	(271)
Share of other comprehensive income of investments accounted for using equity method	-	61	61
Total components that will not be reclassified subsequently to profit or loss	(755)	945	1,700
Components that will be reclassified subsequently to profit or loss:			
Net changes in fair value of cash flow hedges	(693)	(179)	514
Exchange differences on translation of foreign operations	18,773	6,844	(11,929)
Share of other comprehensive income of investments accounted for using equity method	-	32	32
Total components that will be reclassified subsequently to profit or loss	18,080	6,697	(11,383)
Total other comprehensive income (loss)	17,325	7,642	(9,683)
Comprehensive income (loss)	31,206	7,349	(23,857)
Comprehensive income (loss) attributable to:			
Owners of the parent	29,168	7,353	(21,815)
Non-controlling interests	2,038	(4)	(2,042)

Consolidated Sales by Product Category

Nine months ended December 31, 2019 and 2020

	(Millions of yen)			
	Nine months ended December 31, 2019	Nine months ended December 31, 2020	Change	%
<Office Total>	1,165,942	951,826	(214,116)	(18.4)
Percentage of sales (%)	78.0	79.8		
<Office Printing>	767,860	593,595	(174,265)	(22.7)
Percentage of sales (%)	51.4	49.8		
<Office Service>	398,082	358,231	(39,851)	(10.0)
Percentage of sales (%)	26.6	30.0		
<Commercial Printing>	133,375	98,177	(35,198)	(26.4)
Percentage of sales (%)	8.9	8.2		
<Industrial Printing>	17,794	16,618	(1,176)	(6.6)
Percentage of sales (%)	1.2	1.4		
<Thermal Media>	47,896	42,491	(5,405)	(11.3)
Percentage of sales (%)	3.2	3.6		
<Other>	128,875	83,959	(44,916)	(34.9)
Percentage of sales (%)	8.6	7.0		
Grand Total	1,493,882	1,193,071	(300,811)	(20.1)
Percentage of sales (%)	100.0	100.0		

Three months ended December 31, 2019 and 2020

	(Millions of yen)			
	Three months ended December 31, 2019	Three months ended December 31, 2020	Change	%
<Office Total>	388,452	344,860	(43,592)	(11.2)
Percentage of sales (%)	77.8	80.0		
<Office Printing>	255,441	211,310	(44,131)	(17.3)
Percentage of sales (%)	51.2	49.0		
<Office Service>	133,011	133,550	539	0.4
Percentage of sales (%)	26.7	31.0		
<Commercial Printing>	45,838	35,498	(10,340)	(22.6)
Percentage of sales (%)	9.2	8.2		
<Industrial Printing>	6,068	6,313	245	4.0
Percentage of sales (%)	1.2	1.5		
<Thermal Media>	16,198	15,324	(874)	(5.4)
Percentage of sales (%)	3.2	3.6		
<Other>	42,547	29,128	(13,419)	(31.5)
Percentage of sales (%)	8.5	6.8		
Grand Total	499,103	431,123	(67,980)	(13.6)
Percentage of sales (%)	100.0	100.0		

\* Each category includes the following product line:

Office Printing	MFPs (multifunctional printers), copiers, laser printers, digital duplicators, wide format printers, facsimile machine, scanners, related parts & supplies, services, support and software
Office Service	Personal computers, servers, network equipment, related services, support, software and service & solutions related to documents
Commercial Printing	Cut sheet printers, continuous feed printer, related parts & supplies, services, support and software
Industrial printing	Inkjet heads, imaging systems and industrial printers
Thermal Media	Thermal paper and thermal media
Other	Industrial optical component/module, electronic components, precision mechanical component, digital cameras, 3D printing, environment, healthcare and financial services

\* Some of the business in the Office Service segment have been reclassified into the Office Printing segment and Other segment from this fiscal year. In addition, some corporate expenses have been allocated to the relevant segments. Prior year comparative figures have also been reclassified to conform to the current year's presentation.

Consolidated Sales by Geographic Area

Nine months ended December 31, 2019 and 2020

	(Millions of yen)			
	Nine months ended December 31, 2019	Nine months ended December 31, 2020	Change	%
<Domestic>	637,113	516,789	(120,324)	(18.9)
Percentage of sales (%)	42.6	43.3		
<Overseas>	856,769	676,282	(180,487)	(21.1)
Percentage of sales (%)	57.4	56.7		
The Americas	402,810	284,675	(118,135)	(29.3)
Percentage of sales (%)	27.0	23.9		
Europe, Middle East and Africa	321,835	281,792	(40,043)	(12.4)
Percentage of sales (%)	21.5	23.6		
Other	132,124	109,815	(22,309)	(16.9)
Percentage of sales (%)	8.8	9.2		
Grand Total	1,493,882	1,193,071	(300,811)	(20.1)
Percentage of sales (%)	100.0	100.0		

Three months ended December 31, 2019 and 2020

	(Millions of yen)			
	Three months ended December 31, 2019	Three months ended December 31, 2020	Change	%
<Domestic>	207,522	181,372	(26,150)	(12.6)
Percentage of sales (%)	41.6	42.1		
<Overseas>	291,581	249,751	(41,830)	(14.3)
Percentage of sales (%)	58.4	57.9		
The Americas	133,762	97,978	(35,784)	(26.8)
Percentage of sales (%)	26.8	22.7		
Europe, Middle East and Africa	113,335	112,311	(1,024)	(0.9)
Percentage of sales (%)	22.7	26.0		
Other	44,484	39,462	(5,022)	(11.3)
Percentage of sales (%)	8.9	9.2		
Grand Total	499,103	431,123	(67,980)	(13.6)
Percentage of sales (%)	100.0	100.0		

## (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 changes in fair value of financial assets measured through other comprehensive income	Net changes in fair value of cash flow hedges
Balance as of April 1, 2019	135,364	186,086	(37,394)	-	7,815	59
Profit (loss) for the period						
Other comprehensive income (loss)				(1,910)	1,035	(413)
Comprehensive income (loss)	-	-	-	(1,910)	1,035	(413)
Net change in treasury stock			(399)			
Dividends declared and approved to owners						
Share-based payment transactions		25				
Share-based payment transactions of subsidiaries						
Transfer from other components of equity to retained earnings				1,910	(58)	
Equity transactions with non-controlling shareholders		44				
Total transactions with owners	-	69	(399)	1,910	(58)	-
Balance as of December 31, 2019	135,364	186,155	(37,793)	-	8,792	(354)

	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, 2019	65,771	73,645	574,876	932,577	86,411	1,018,988
Profit (loss) for the period			41,469	41,469	4,624	46,093
Other comprehensive income (loss)	(9,909)	(11,197)		(11,197)	322	(10,875)
Comprehensive income (loss)	(9,909)	(11,197)	41,469	30,272	4,946	35,218
Net change in treasury stock				(399)		(399)
Dividends declared and approved to owners			(18,841)	(18,841)	(1,227)	(20,068)
Share-based payment transactions				25		25
Share-based payment transactions of subsidiaries				-	21	21
Transfer from other components of equity to retained earnings		1,852	(1,852)	-		-
Equity transactions with non-controlling shareholders				44	(1,724)	(1,680)
Total transactions with owners	-	1,852	(20,693)	(19,171)	(2,930)	(22,101)
Balance as of December 31, 2019	55,862	64,300	595,652	943,678	88,427	1,032,105

(Millions of Yen)

	Common Stock	Additional paid-in capital	Treasury stock	Other components of equity		
				Remeasurement of defined benefit plan	Net changes in fair value of financial assets measured through other comprehensive income	Net changes in fair value of cash flow hedges
Balance as of April 1, 2020	135,364	186,173	(37,795)	-	5,191	409
Profit (loss) for the period						
Other comprehensive income (loss)					1,549	(489)
Comprehensive income (loss)	-	-	-	-	1,549	(489)
Net change in treasury stock			(3)			
Dividends declared and approved to owners						
Share-based payment transactions		44	5			
Share-based payment transactions of subsidiaries						
Loss of control of subsidiaries						
Transfer from other components of equity to retained earnings					(212)	
Other			61			
Total transactions with owners	-	44	63	-	(212)	-
Balance as of December 31, 2020	135,364	186,217	(37,732)	-	6,528	(80)

	Other components of equity		Other comprehensive income related to disposal groups held for sale	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, 2020	36,168	41,768	130	594,731	920,371	88,156	1,008,527
Profit (loss) for the period				(22,471)	(22,471)	(3)	(22,474)
Other comprehensive income (loss)	13,509	14,569	152		14,721	71	14,792
Comprehensive income (loss)	13,509	14,569	152	(22,471)	(7,750)	68	(7,682)
Net change in treasury stock					(3)		(3)
Dividends declared and approved to owners				(14,851)	(14,851)	(34)	(14,885)
Share-based payment transactions					49		49
Share-based payment transactions of subsidiaries					-	4	4
Loss of control of subsidiaries					-	(84,676)	(84,676)
Transfer from other components of equity to retained earnings		(212)	(282)	494	-		-
Other					61		61
Total transactions with owners	-	(212)	(282)	(14,357)	(14,744)	(84,706)	(99,450)
Balance as of December 31, 2020	49,677	56,125	-	557,903	897,877	3,518	901,395

## (4) Condensed Consolidated Statement of Cash Flows

	(Millions of yen)	
	Nine months ended December 31, 2019	Nine months ended December 31, 2020
<b>I. Cash Flows from Operating Activities:</b>		
Profit (loss) for the period	46,093	(22,474)
Adjustments to reconcile profit for the period to net cash provided by operating activities—		
Depreciation and amortization	91,516	79,670
Impairment of property, plant and equipment and intangible assets	-	7,745
Impairment of goodwill	-	2,641
Other income	(5,313)	(1,221)
Share of profit (loss) of investments accounted for using the equity method	(243)	(3,434)
Finance income and costs	1,190	(690)
Income tax expenses	22,375	(3,140)
(Increase) decrease in trade and other receivables	20,576	67,500
(Increase) decrease in inventories	(31,309)	(1,750)
(Increase) decrease in lease receivables	(23,785)	13,061
Increase (decrease) in trade and other payables	(16,115)	(33,268)
Increase (decrease) in accrued pension and retirement benefits	(3,985)	(5,559)
Other, net	(15,195)	(13,092)
Interest and dividends received	3,928	3,393
Interest paid	(3,655)	(1,861)
Income taxes paid	(27,208)	(14,832)
<b>Net cash provided by (used in) operating activities</b>	<b>58,870</b>	<b>72,689</b>
<b>II. Cash Flows from Investing Activities:</b>		
Proceeds from sales of property, plant and equipment	7,272	2,427
Expenditures for property, plant and equipment	(61,009)	(29,941)
Proceeds from sales of intangible assets	134	60
Expenditures for intangible assets	(19,898)	(16,796)
Payments for purchases of investment securities	(13,870)	(594)
Proceeds from sales of investment securities	1,006	336
Net (increase) decrease in time deposits	4	(89)
Purchase of business, net of cash acquired	(16,118)	(8,431)
Net increase (decrease) due to loss of control of subsidiaries	-	7,846
Other, net	(22,723)	(280)
<b>Net cash provided by (used in) investing activities</b>	<b>(125,202)</b>	<b>(45,462)</b>
<b>III. Cash Flows from Financing Activities:</b>		
Net increase (decrease) of short-term debt	(11,090)	2,871
Proceeds from long-term debt	227,845	97,037
Repayments of long-term debt	(154,673)	(11,554)
Proceeds from issuance of bonds	72,119	-
Repayments of bonds	(32,148)	(12,413)
Repayments of lease liabilities	(22,605)	(26,293)
Dividends paid	(18,841)	(14,851)
Payments for purchase of treasury stock	(399)	(3)
Other, net	(2,907)	(34)
<b>Net cash provided by (used in) financing activities</b>	<b>57,301</b>	<b>34,760</b>
<b>IV. Effect of Exchange Rate Changes on Cash and Cash Equivalents</b>	<b>(1,820)</b>	<b>212</b>
<b>V. Net Increase (decrease) in Cash and Cash Equivalents</b>	<b>(10,851)</b>	<b>62,199</b>
<b>VI. Cash and Cash Equivalents at Beginning of Year</b>	<b>240,099</b>	<b>263,688</b>
<b>VII. Cash and Cash Equivalents at End of Period</b>	<b>229,248</b>	<b>325,887</b>

Notes: The difference in the amount of “cash and cash equivalents” between condensed consolidated statement of financial position and condensed consolidated statement of cash flows represents bank overdrafts.

(5) Notes on premise going concern

Not applicable

(6) Changes in accounting policies

Significant accounting policies which apply in the Condensed Consolidated Financial Statements are the same as those in the previous fiscal year.

## (7) Segment Information

## Operating Segment Information

Nine months ended December 31, 2019 and 2020

(Millions of yen)

	Nine months ended December 31, 2019	Nine months ended December 31, 2020	Change	%
<b>Office Total:</b>				
Sales:				
Unaffiliated customers	1,165,942	951,826	(214,116)	(18.4)
Intersegment	-	-	-	-
Total	1,165,942	951,826	(214,116)	(18.4)
Operating expenses	1,071,027	924,831	(146,196)	(13.7)
Operating profit (loss)	94,915	26,995	(67,920)	(71.6)
Operating profit (loss) on sales in Office Total (%)	8.1	2.8		
<b>Office Printing:</b>				
Sales:				
Unaffiliated customers	767,860	593,595	(174,265)	(22.7)
Intersegment	-	-	-	-
Total	767,860	593,595	(174,265)	(22.7)
Operating expenses	694,774	587,458	(107,316)	(15.4)
Operating profit (loss)	73,086	6,137	(66,949)	(91.6)
Operating profit (loss) on sales in Office Printing (%)	9.5	1.0		
<b>Office Service:</b>				
Sales:				
Unaffiliated customers	398,082	358,231	(39,851)	(10.0)
Intersegment	-	-	-	-
Total	398,082	358,231	(39,851)	(10.0)
Operating expenses	376,253	337,373	(38,880)	(10.3)
Operating profit (loss)	21,829	20,858	(971)	(4.4)
Operating profit (loss) on sales in Office Service (%)	5.5	5.8		
<b>Commercial Printing:</b>				
Sales:				
Unaffiliated customers	133,375	98,177	(35,198)	(26.4)
Intersegment	-	-	-	-
Total	133,375	98,177	(35,198)	(26.4)
Operating expenses	116,604	101,265	(15,339)	(13.2)
Operating profit (loss)	16,771	(3,088)	(19,859)	-
Operating profit (loss) on sales in Commercial Printing (%)	12.6	(3.1)		
<b>Industrial Printing:</b>				
Sales:				
Unaffiliated customers	17,794	16,618	(1,176)	(6.6)
Intersegment	-	-	-	-
Total	17,794	16,618	(1,176)	(6.6)
Operating expenses	20,719	18,657	(2,062)	(10.0)
Operating profit (loss)	(2,925)	(2,039)	886	-
Operating profit (loss) on sales in Industrial Printing (%)	(16.4)	(12.3)		
<b>Thermal Media:</b>				
Sales:				
Unaffiliated customers	47,896	42,491	(5,405)	(11.3)
Intersegment	-	-	-	-
Total	47,896	42,491	(5,405)	(11.3)
Operating expenses	45,073	40,970	(4,103)	(9.1)
Operating profit (loss)	2,823	1,521	(1,302)	(46.1)
Operating profit (loss) on sales in Thermal Media (%)	5.9	3.6		
<b>Other:</b>				
Sales:				
Unaffiliated customers	128,875	83,959	(44,916)	(34.9)
Intersegment	19,616	13,734	(5,882)	(30.0)
Total	148,491	97,693	(50,798)	(34.2)
Operating expenses	150,440	113,743	(36,697)	(24.4)
Operating profit (loss)	(1,949)	(16,050)	(14,101)	-
Operating profit (loss) on sales in Other (%)	(1.3)	(16.4)		
<b>Eliminations and Corporate:</b>				
Sales:				
Intersegment	(19,616)	(13,734)	5,882	-
Total	(19,616)	(13,734)	5,882	-
Operating expenses:				
Intersegment	(19,616)	(13,734)	5,882	-
Corporate	40,220	37,077	(3,143)	-
Total	20,604	23,343	2,739	-
Operating profit (loss)	(40,220)	(37,077)	3,143	-
<b>Consolidated:</b>				
Sales:				
Unaffiliated customers	1,493,882	1,193,071	(300,811)	(20.1)
Intersegment	-	-	-	-
Total	1,493,882	1,193,071	(300,811)	(20.1)
Operating expenses	1,424,467	1,222,809	(201,658)	(14.2)
Operating profit (loss)	69,415	(29,738)	(99,153)	-
Operating profit (loss) on consolidated sales (%)	4.6	(2.5)		

Three months ended December 31, 2019 and 2020

(Millions of yen)

	Three months ended December 31, 2019	Three months ended December 31, 2020	Change	%
<b>Office Total:</b>				
Sales:				
Unaffiliated customers	388,452	344,860	(43,592)	(11.2)
Intersegment	-	-	-	-
Total	388,452	344,860	(43,592)	(11.2)
Operating expenses	360,319	323,170	(37,149)	(10.3)
Operating profit (loss)	28,133	21,690	(6,443)	(22.9)
Operating profit (loss) on sales in Office Total (%)	7.2	6.3		
<b>Office Printing:</b>				
Sales:				
Unaffiliated customers	255,441	211,310	(44,131)	(17.3)
Intersegment	-	-	-	-
Total	255,441	211,310	(44,131)	(17.3)
Operating expenses	233,653	198,900	(34,753)	(14.9)
Operating profit (loss)	21,788	12,410	(9,378)	(43.0)
Operating profit (loss) on sales in Office Printing (%)	8.5	5.9		
<b>Office Service:</b>				
Sales:				
Unaffiliated customers	133,011	133,550	539	0.4
Intersegment	-	-	-	-
Total	133,011	133,550	539	0.4
Operating expenses	126,665	124,271	(2,394)	(1.9)
Operating profit (loss)	6,346	9,279	2,933	46.2
Operating profit (loss) on sales in Office Service (%)	4.8	6.9		
<b>Commercial Printing:</b>				
Sales:				
Unaffiliated customers	45,838	35,498	(10,340)	(22.6)
Intersegment	-	-	-	-
Total	45,838	35,498	(10,340)	(22.6)
Operating expenses	39,807	40,593	786	2.0
Operating profit (loss)	6,031	(5,095)	(11,126)	-
Operating profit (loss) on sales in Commercial Printing (%)	13.2	(14.4)		
<b>Industrial Printing:</b>				
Sales:				
Unaffiliated customers	6,068	6,313	245	4.0
Intersegment	-	-	-	-
Total	6,068	6,313	245	4.0
Operating expenses	6,691	6,422	(269)	(4.0)
Operating profit (loss)	(623)	(109)	514	-
Operating profit (loss) on sales in Industrial Printing (%)	(10.3)	(1.7)		
<b>Thermal Media:</b>				
Sales:				
Unaffiliated customers	16,198	15,324	(874)	(5.4)
Intersegment	-	-	-	-
Total	16,198	15,324	(874)	(5.4)
Operating expenses	14,885	14,722	(163)	(1.1)
Operating profit (loss)	1,313	602	(711)	(54.2)
Operating profit (loss) on sales in Thermal Media (%)	8.1	3.9		
<b>Other:</b>				
Sales:				
Unaffiliated customers	42,547	29,128	(13,419)	(31.5)
Intersegment	6,592	4,511	(2,081)	(31.6)
Total	49,139	33,639	(15,500)	(31.5)
Operating expenses	50,436	37,985	(12,451)	(24.7)
Operating profit (loss)	(1,297)	(4,346)	(3,049)	-
Operating profit (loss) on sales in Other (%)	(2.6)	(12.9)		
<b>Eliminations and Corporate:</b>				
Sales:				
Intersegment	(6,592)	(4,511)	2,081	
Total	(6,592)	(4,511)	2,081	-
Operating expenses:				
Intersegment	(6,592)	(4,511)	2,081	
Corporate	12,790	11,862	(928)	
Total	6,198	7,351	1,153	-
Operating profit (loss)	(12,790)	(11,862)	928	-
<b>Consolidated:</b>				
Sales:				
Unaffiliated customers	499,103	431,123	(67,980)	(13.6)
Intersegment	-	-	-	-
Total	499,103	431,123	(67,980)	(13.6)
Operating expenses	478,336	430,243	(48,093)	(10.1)
Operating profit (loss)	20,767	880	(19,887)	(95.8)
Operating profit (loss) on consolidated sales (%)	4.2	0.2		

\* Each category includes the following product line:

Office Printing	MFPs (multifunctional printers), copiers, laser printers, digital duplicators, wide format printers, facsimile machine, scanners, related parts & supplies, services, support and software
Office Service	Personal computers, servers, network equipment, related services, support, software and service & solutions related to documents
Commercial Printing	Cut sheet printers, continuous feed printer, related parts & supplies, services, support and software
Industrial printing	Inkjet heads, imaging systems and industrial printers
Thermal Media	Thermal paper and thermal media
Other	Industrial optical component/module, electronic components, precision mechanical component, digital cameras, 3D printing, environment, healthcare and financial services

\* Some of the business in the Office Service segment have been reclassified into the Office Printing segment and Other segment from this fiscal year. In addition, some corporate expenses have been allocated to the relevant segments. Prior year comparative figures have also been reclassified to conform to the current year's presentation.

-APPENDIX- (Nine months ended December 31, 2020)

1. Consolidated Sales by Product Category

Nine months ended December 31, 2019 and 2020

	(Millions of yen)					
	Nine months ended December 31, 2019	Nine months ended December 31, 2020	Change	%	Change excluding exchange impact	%
<b>&lt;Office Total&gt;</b>						
<b>Office Total</b>	1,165,942	951,826	(214,116)	(18.4)	(209,629)	(18.0)
Percentage of sales (%)	78.0	79.8				
Domestic	496,185	420,803	(75,382)	(15.2)	(75,382)	(15.2)
Overseas	669,757	531,023	(138,734)	(20.7)	(134,247)	(20.0)
The Americas	311,687	215,968	(95,719)	(30.7)	(90,340)	(29.0)
Europe, Middle East and Africa	266,599	239,155	(27,444)	(10.3)	(29,888)	(11.2)
Other	91,471	75,900	(15,571)	(17.0)	(14,019)	(15.3)
<b>Office Printing</b>	767,860	593,595	(174,265)	(22.7)	(170,695)	(22.2)
Percentage of sales (%)	51.4	49.8				
Domestic	256,525	226,043	(30,482)	(11.9)	(30,482)	(11.9)
Overseas	511,335	367,552	(143,783)	(28.1)	(140,213)	(27.4)
The Americas	232,860	151,952	(80,908)	(34.7)	(77,125)	(33.1)
Europe, Middle East and Africa	197,924	150,011	(47,913)	(24.2)	(49,446)	(25.0)
Other	80,551	65,589	(14,962)	(18.6)	(13,642)	(16.9)
<b>Office Service</b>	398,082	358,231	(39,851)	(10.0)	(38,934)	(9.8)
Percentage of sales (%)	26.6	30.0				
Domestic	239,660	194,760	(44,900)	(18.7)	(44,900)	(18.7)
Overseas	158,422	163,471	5,049	3.2	5,966	3.8
The Americas	78,827	64,016	(14,811)	(18.8)	(13,215)	(16.8)
Europe, Middle East and Africa	68,675	89,144	20,469	29.8	19,558	28.5
Other	10,920	10,311	(609)	(5.6)	(377)	(3.5)
<b>&lt;Commercial Printing&gt;</b>						
<b>Commercial Printing</b>	133,375	98,177	(35,198)	(26.4)	(34,153)	(25.6)
Percentage of sales (%)	8.9	8.2				
Domestic	18,823	17,317	(1,506)	(8.0)	(1,506)	(8.0)
Overseas	114,552	80,860	(33,692)	(29.4)	(32,647)	(28.5)
The Americas	69,411	47,529	(21,882)	(31.5)	(20,695)	(29.8)
Europe, Middle East and Africa	35,928	25,559	(10,369)	(28.9)	(10,631)	(29.6)
Other	9,213	7,772	(1,441)	(15.6)	(1,321)	(14.3)
<b>&lt;Industrial Printing&gt;</b>						
<b>Industrial Printing</b>	17,794	16,618	(1,176)	(6.6)	(1,049)	(5.9)
Percentage of sales (%)	1.2	1.4				
Domestic	3,116	1,994	(1,122)	(36.0)	(1,122)	(36.0)
Overseas	14,678	14,624	(54)	(0.4)	73	0.5
The Americas	4,902	5,150	248	5.1	391	8.0
Europe, Middle East and Africa	3,446	2,682	(764)	(22.2)	(782)	(22.7)
Other	6,330	6,792	462	7.3	464	7.3
<b>&lt;Thermal Media&gt;</b>						
<b>Thermal Media</b>	47,896	42,491	(5,405)	(11.3)	(5,028)	(10.5)
Percentage of sales (%)	3.2	3.6				
Domestic	10,017	9,713	(304)	(3.0)	(304)	(3.0)
Overseas	37,879	32,778	(5,101)	(13.5)	(4,724)	(12.5)
The Americas	14,510	13,223	(1,287)	(8.9)	(957)	(6.6)
Europe, Middle East and Africa	11,990	10,445	(1,545)	(12.9)	(1,651)	(13.8)
Other	11,379	9,110	(2,269)	(19.9)	(2,116)	(18.6)
<b>&lt;Other&gt;</b>						
<b>Other</b>	128,875	83,959	(44,916)	(34.9)	(44,815)	(34.8)
Percentage of sales (%)	8.6	7.0				
Domestic	108,972	66,962	(42,010)	(38.6)	(42,010)	(38.6)
Overseas	19,903	16,997	(2,906)	(14.6)	(2,805)	(14.1)
The Americas	2,300	2,805	505	22.0	575	25.0
Europe, Middle East and Africa	3,872	3,951	79	2.0	41	1.1
Other	13,731	10,241	(3,490)	(25.4)	(3,421)	(24.9)
<b>Grand Total</b>	1,493,882	1,193,071	(300,811)	(20.1)	(294,674)	(19.7)
Percentage of sales (%)	100.0	100.0				
Domestic	637,113	516,789	(120,324)	(18.9)	(120,324)	(18.9)
Percentage of sales (%)	42.6	43.3				
Overseas	856,769	676,282	(180,487)	(21.1)	(174,350)	(20.3)
Percentage of sales (%)	57.4	56.7				
The Americas	402,810	284,675	(118,135)	(29.3)	(111,026)	(27.6)
Percentage of sales (%)	27.0	23.9				
Europe, Middle East and Africa	321,835	281,792	(40,043)	(12.4)	(42,911)	(13.3)
Percentage of sales (%)	21.5	23.6				
Other	132,124	109,815	(22,309)	(16.9)	(20,413)	(15.4)
Percentage of sales (%)	8.8	9.2				

## 2. Consolidated Sales by Product Category

Three months ended December 31, 2019 and 2020

	(Millions of yen)					
	Three months ended December 31, 2019	Three months ended December 31, 2020	Change	%	Change excluding exchange impact	%
<b>&lt;Office Total&gt;</b>						
<b>Office Total</b>	388,452	344,860	(43,592)	(11.2)	(43,097)	(11.1)
Percentage of sales (%)	77.8	80.0				
Domestic	159,774	148,033	(11,741)	(7.3)	(11,741)	(7.3)
Overseas	228,678	196,827	(31,851)	(13.9)	(31,356)	(13.7)
The Americas	102,788	73,887	(28,901)	(28.1)	(25,947)	(25.2)
Europe, Middle East and Africa	94,415	95,934	1,519	1.6	(1,143)	(1.2)
Other	31,475	27,006	(4,469)	(14.2)	(4,266)	(13.6)
<b>Office Printing</b>	255,441	211,310	(44,131)	(17.3)	(43,550)	(17.0)
Percentage of sales (%)	51.2	49.0				
Domestic	83,446	78,429	(5,017)	(6.0)	(5,017)	(6.0)
Overseas	171,995	132,881	(39,114)	(22.7)	(38,533)	(22.4)
The Americas	76,625	52,585	(24,040)	(31.4)	(21,953)	(28.6)
Europe, Middle East and Africa	67,901	56,899	(11,002)	(16.2)	(12,677)	(18.7)
Other	27,469	23,397	(4,072)	(14.8)	(3,903)	(14.2)
<b>Office Service</b>	133,011	133,550	539	0.4	453	0.3
Percentage of sales (%)	26.7	31.0				
Domestic	76,328	69,604	(6,724)	(8.8)	(6,724)	(8.8)
Overseas	56,683	63,946	7,263	12.8	7,177	12.7
The Americas	26,163	21,302	(4,861)	(18.6)	(3,994)	(15.3)
Europe, Middle East and Africa	26,514	39,035	12,521	47.2	11,534	43.5
Other	4,006	3,609	(397)	(9.9)	(363)	(9.1)
<b>&lt;Commercial Printing&gt;</b>						
<b>Commercial Printing</b>	45,838	35,498	(10,340)	(22.6)	(9,973)	(21.8)
Percentage of sales (%)	9.2	8.2				
Domestic	6,424	5,861	(563)	(8.8)	(563)	(8.8)
Overseas	39,414	29,637	(9,777)	(24.8)	(9,410)	(23.9)
The Americas	23,766	16,682	(7,084)	(29.8)	(6,425)	(27.0)
Europe, Middle East and Africa	12,598	9,937	(2,661)	(21.1)	(2,945)	(23.4)
Other	3,050	3,018	(32)	(1.0)	(40)	(1.3)
<b>&lt;Industrial Printing&gt;</b>						
<b>Industrial Printing</b>	6,068	6,313	245	4.0	309	5.1
Percentage of sales (%)	1.2	1.5				
Domestic	1,229	758	(471)	(38.3)	(471)	(38.3)
Overseas	4,839	5,555	716	14.8	780	16.1
The Americas	1,511	2,028	517	34.2	599	39.6
Europe, Middle East and Africa	1,177	948	(229)	(19.5)	(248)	(21.1)
Other	2,151	2,579	428	19.9	429	19.9
<b>&lt;Thermal Media&gt;</b>						
<b>Thermal Media</b>	16,198	15,324	(874)	(5.4)	(839)	(5.2)
Percentage of sales (%)	3.2	3.6				
Domestic	3,507	3,606	99	2.8	99	2.8
Overseas	12,691	11,718	(973)	(7.7)	(938)	(7.4)
The Americas	4,938	4,465	(473)	(9.6)	(292)	(5.9)
Europe, Middle East and Africa	3,741	3,749	8	0.2	(109)	(2.9)
Other	4,012	3,504	(508)	(12.7)	(537)	(13.4)
<b>&lt;Other&gt;</b>						
<b>Other</b>	42,547	29,128	(13,419)	(31.5)	(13,418)	(31.5)
Percentage of sales (%)	8.5	6.8				
Domestic	36,588	23,114	(13,474)	(36.8)	(13,474)	(36.8)
Overseas	5,959	6,014	55	0.9	56	0.9
The Americas	759	916	157	20.7	192	25.3
Europe, Middle East and Africa	1,404	1,743	339	24.1	297	21.2
Other	3,796	3,355	(441)	(11.6)	(433)	(11.4)
<b>Grand Total</b>						
<b>Grand Total</b>	499,103	431,123	(67,980)	(13.6)	(67,018)	(13.4)
Percentage of sales (%)	100.0	100.0				
Domestic	207,522	181,372	(26,150)	(12.6)	(26,150)	(12.6)
Percentage of sales (%)	41.6	42.1				
Overseas	291,581	249,751	(41,830)	(14.3)	(40,868)	(14.0)
Percentage of sales (%)	58.4	57.9				
The Americas	133,762	97,978	(35,784)	(26.8)	(31,873)	(23.8)
Percentage of sales (%)	26.8	22.7				
Europe, Middle East and Africa	113,335	112,311	(1,024)	(0.9)	(4,148)	(3.7)
Percentage of sales (%)	22.7	26.0				
Other	44,484	39,462	(5,022)	(11.3)	(4,847)	(10.9)
Percentage of sales (%)	8.9	9.2				

\* Each category includes the following product line:

Office Printing	MFPs (multifunctional printers), copiers, laser printers, digital duplicators, wide format printers, facsimile machine, scanners, related parts & supplies, services, support and software
Office Service	Personal computers, servers, network equipment, related services, support, software and service & solutions related to documents
Commercial Printing	Cut sheet printers, continuous feed printer, related parts & supplies, services, support and software
Industrial printing	Inkjet heads, imaging systems and industrial printers
Thermal Media	Thermal paper and thermal media
Other	Industrial optical component/module, electronic components, precision mechanical component, digital cameras, 3D printing, environment, healthcare and financial services

\* Some of the business in the Office Service segment have been reclassified into the Office Printing segment and Other segment from this fiscal year. In addition, some corporate expenses have been allocated to the relevant segments. Prior year comparative figures have also been reclassified to conform to the current year's presentation.

### 3. Forecast of Consolidated Performance

(Billions of yen)

	Nine months ended		Three months ending		Year ending	
	December 31, 2020	Change %	March 31, 2021	Change %	March 31, 2021	Change %
	Results		Forecast		Forecast	
Sales	1,193.0	(20.1)	470.9	(8.5)	1,664.0	(17.2)
Gross profit	415.7	(24.3)	147.8	(14.1)	563.6	(21.9)
Operating profit (loss)	(29.7)	-	(19.2)	-	(49.0)	-
Profit (loss) before income tax expenses	(25.6)	-	(18.6)	-	(44.3)	-
Profit (loss) attributable to owners of the parent	(22.4)	-	(13.9)	-	(36.4)	-
Earnings per share attributable to owners of the parent-basic (yen)	(31.02)	(88.25)	(19.23)	(16.58)	(50.25)	(104.83)
Earnings per share attributable to owners of the parent- diluted (yen)	(31.02)	(88.25)	(19.23)	(16.58)	(50.25)	(104.83)
Capital expenditures*	29.9		18.0		48.0	
Depreciation*	34.2		11.7		46.0	
R&D expenditures	66.1		26.4		92.5	
Exchange rate (Yen/US\$)	106.09		105.00		105.82	
Exchange rate (Yen/EURO)	122.36		120.00		121.77	

\*The amounts presented in capital expenditures and depreciation are for property, plant and equipment.

## 4. Forecast of Consolidated Sales by Product Category

(Billions of yen)

	Year ended March 31, 2020	Three months ending March 31, 2021		Year ending March 31, 2021			
	Results	Forecast	Forecast excluding exchange impact	Forecast	Change %	Forecast excluding exchange impact	Change %
<b>&lt;Office Total&gt;</b>	1,570.2	382.0	386.5	1,333.8	(15.1)	1,342.8	(14.5)
Domestic	679.4	178.8	178.8	599.6	(11.7)	599.6	(11.7)
Overseas	890.7	203.1	207.6	734.1	(17.6)	743.1	(16.6)
The Americas	412.9	82.2	85.4	298.1	(27.8)	306.8	(25.7)
Europe, Middle East and Africa	362.4	99.2	98.8	338.4	(6.6)	335.5	(7.4)
Other	115.4	21.6	23.3	97.5	(15.5)	100.8	(12.7)
<b>Office Printing</b>	1,013.0	214.5	218.3	808.1	(20.2)	815.4	(19.5)
Domestic	338.7	78.8	78.8	304.9	(10.0)	304.9	(10.0)
Overseas	674.3	135.7	139.4	503.2	(25.4)	510.5	(24.3)
The Americas	308.2	60.3	62.7	212.2	(31.1)	218.4	(29.1)
Europe, Middle East and Africa	265.2	57.5	57.3	207.5	(21.8)	205.8	(22.4)
Other	100.8	17.9	19.3	83.4	(17.2)	86.2	(14.5)
<b>Office Service</b>	557.1	167.4	168.2	525.6	(5.7)	527.3	(5.3)
Domestic	340.7	99.9	99.9	294.7	(13.5)	294.7	(13.5)
Overseas	216.4	67.4	68.2	230.9	6.7	232.6	7.5
The Americas	104.6	21.8	22.7	85.9	(17.9)	88.3	(15.6)
Europe, Middle East and Africa	97.1	41.7	41.4	130.9	34.7	129.6	33.5
Other	14.5	3.7	4.0	14.1	(3.4)	14.6	0.0
<b>&lt;Commercial Printing&gt;</b>	178.3	37.8	38.7	135.9	(23.8)	137.9	(22.7)
Domestic	25.3	7.1	7.1	24.4	(3.7)	24.4	(3.7)
Overseas	152.9	30.6	31.5	111.5	(27.1)	113.5	(25.8)
The Americas	93.2	18.1	18.8	65.6	(29.6)	67.5	(27.5)
Europe, Middle East and Africa	47.6	9.8	9.8	35.4	(25.7)	35.1	(26.3)
Other	12.0	2.6	2.8	10.4	(13.3)	10.7	(10.6)
<b>&lt;Industrial Printing&gt;</b>	23.0	8.3	8.5	25.0	8.7	25.2	9.8
Domestic	4.1	1.4	1.4	3.4	(17.3)	3.4	(17.3)
Overseas	18.8	6.9	7.0	21.5	14.4	21.8	15.8
The Americas	6.2	2.6	2.7	7.8	25.3	8.0	29.5
Europe, Middle East and Africa	5.0	1.3	1.3	4.0	(19.9)	4.0	(19.8)
Other	7.5	2.9	2.9	9.7	28.2	9.7	28.2
<b>&lt;Thermal Media&gt;</b>	61.8	15.0	15.5	57.5	(7.0)	58.4	(5.6)
Domestic	12.8	3.3	3.3	13.1	1.6	13.1	1.6
Overseas	49.0	11.6	12.1	44.4	(9.3)	45.3	(7.5)
The Americas	18.8	4.3	4.4	17.5	(6.9)	18.0	(4.5)
Europe, Middle East and Africa	16.3	3.7	3.7	14.1	(13.3)	14.1	(13.8)
Other	13.7	3.5	3.9	12.7	(7.7)	13.1	(4.2)
<b>&lt;Other&gt;</b>	175.0	27.6	27.9	111.6	(36.2)	112.0	(36.0)
Domestic	150.4	21.3	21.3	88.3	(41.3)	88.3	(41.3)
Overseas	24.5	6.2	6.5	23.2	(5.3)	23.6	(3.7)
The Americas	2.9	0.8	0.9	3.6	27.0	3.8	31.6
Europe, Middle East and Africa	4.9	1.8	1.8	5.8	17.0	5.8	17.1
Other	16.7	3.5	3.7	13.7	(17.5)	14.0	(16.0)
<b>Grand Total</b>	2,008.5	470.9	477.3	1,664.0	(17.2)	1,676.5	(16.5)
Domestic	872.3	212.2	212.2	729.0	(16.4)	729.0	(16.4)
Overseas	1,136.2	258.7	265.0	935.0	(17.7)	947.5	(16.6)
The Americas	534.1	108.2	112.5	392.9	(26.4)	404.2	(24.3)
Europe, Middle East and Africa	436.4	116.1	115.7	397.9	(8.8)	394.6	(9.6)
Other	165.5	34.4	36.8	144.2	(12.9)	148.5	(10.3)

\* Some of the business in the Office Service segment have been reclassified into the Office Printing segment and Other segment from this fiscal year. In addition, some corporate expenses have been allocated to the relevant segments. Prior year comparative figures have also been reclassified to conform to the current year's presentation.