

QUARTERLY REPORT

Half year ended September 30, 2023

(Results for the Period from April 1, 2023 to September 30, 2023)

Performance Outline (Consolidated)

(1) Half year ended September 30, 2022 and 2023 (Actual result) and Year ending March 31, 2024 (Forecast)

	Half year ended	Half year ended	Change	(Billions of yen)	
	September 30, 2022 Results	September 30, 2023 Results		Year ending March 31, 2024 Forecast	Change
Domestic sales	351.5	404.1	14.9%	864.0	7.5%
Overseas sales	621.9	708.4	13.9%	1,466.0	10.2%
Sales	973.5	1,112.5	14.3%	2,330.0	9.2%
Gross profit	346.2	386.2	11.5%	815.0	9.3%
Operating profit (loss)	23.4	19.5	(16.6%)	70.0	(11.1%)
Profit (loss) before income tax expenses	24.6	24.6	0.1%	74.2	(8.7%)
Profit (loss) attributable to owners of the parent	14.9	15.6	4.7%	50.0	(8.0%)
Exchange rate (Yen/US\$)	133.92	140.92	7.00	142.96	7.47
Exchange rate (Yen/EURO)	138.70	153.36	14.66	154.18	13.27
Earnings per share attributable to owners of the parent-basic (yen)	23.87	25.63	1.76	82.09	(6.04)
Earnings per share attributable to owners of the parent-diluted (yen)	23.87	25.62	1.75	82.07	(6.03)
Cash flows from operating activities	(3.7)	31.4	35.1	—	—
Cash flows from investing activities	(81.7)	(50.3)	31.3	—	—
Cash flows from financing activities	44.0	(49.3)	(93.4)	—	—
Cash and cash equivalents at end of period *1	204.1	152.9	(51.2)	—	—
Capital expenditures *2	18.4	21.9	3.4	48.0	2.5
Depreciation *2	20.4	21.4	0.9	43.0	1.0
R&D expenditures	49.7	54.9	5.1	108.0	0.2

	March 31, 2023	September 30, 2023	Change
Total assets	2,149.9	2,210.7	60.8
Equity attributable to owners of the parent	931.5	1,004.2	72.7
Interest-bearing debt *3	362.9	347.2	(15.7)
Equity attributable to owners of the parent ratio (%)	43.3	45.4	2.1
Equity per share attributable to owners of the parent (yen)	1,529.46	1,648.80	119.34

(2) Three months ended September 30, 2022 and 2023

(Billions of yen)

	Three months ended September 30, 2022	Three months ended September 30, 2023	Change
	Results	Results	
Domestic sales	187.8	212.2	13.0%
Overseas sales	326.3	365.7	12.1%
Sales	514.1	577.9	12.4%
Gross profit	178.2	196.0	10.0%
Operating profit (loss)	13.8	9.3	(32.1%)
Profit (loss) before income tax expenses	13.4	11.2	(15.7%)
Profit (loss) attributable to owners of the parent	7.3	6.8	(6.9%)
Exchange rate (Yen/US\$)	138.29	144.49	6.20
Exchange rate (Yen/EURO)	139.39	157.18	17.79
Earnings per share attributable to owners of the parent-basic (yen)	11.89	11.20	(0.69)
Earnings per share attributable to owners of the parent-diluted (yen)	11.89	11.19	(0.70)
Capital expenditures *2	10.2	11.3	1.1
Depreciation *2	10.2	10.7	0.4
R&D expenditures	26.5	28.8	2.2

*1 The amounts shown as "Cash and cash equivalents at end of the period" are shown on the condensed consolidated statement of cash flows.

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

*3 The amounts are shown bonds and borrowings.

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.

Ricoh Company, Ltd. and its Consolidated Subsidiaries

Financial Highlights for the Half Year Ended September 30, 2023

[Prepared on the basis of International Financial Reporting Standards]

1. Results for the Period from April 1, 2023 to September 30, 2023

(1) Operating Results

	(Millions of yen)	
	Half year ended September 30, 2022	Half year ended September 30, 2023
Sales	973,536	1,112,590
(% change from the previous corresponding period)	15.4	14.3
Operating profit (loss)	23,448	19,561
(% change from the previous corresponding period)	79.0	(16.6)
Profit (loss) before income tax expenses	24,604	24,629
(% change from the previous corresponding period)	54.0	0.1
Profit (loss) for the period	15,342	15,325
(% change from the previous corresponding period)	36.2	(0.1)
Profit (loss) attributable to owners of the parent	14,914	15,614
(% change from the previous corresponding period)	33.7	4.7
Comprehensive income (loss)	73,716	83,852
(% change from the previous corresponding period)	355.2	13.8
Earnings per share attributable to owners of the parent-basic (yen)	23.87	25.63
Earnings per share attributable to owners of the parent-diluted (yen)	23.87	25.62

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, 2023	September 30, 2023
Total assets	2,149,956	2,210,788
Total equity	958,082	1,030,252
Equity attributable to owners of the parent	931,556	1,004,295
Equity attributable to owners of the parent ratio (%)	43.3	45.4

2. Dividend Information

	Year ended March 31, 2023 (Actual)	Year ending March 31, 2024 (Forecast)
Cash dividends, applicable to the year (yen)	34.00	36.00
Interim (yen)	17.00	18.00
Year-end (yen)	17.00	18.00

Notes: Revision of expected dividends during this period: No

3. Forecast of Operating Results from April 1, 2023 to March 31, 2024

	(Millions of yen)
	Year ending March 31, 2024
Sales	2,330,000
(% change from the previous corresponding period)	9.2
Operating profit (loss)	70,000
(% change from the previous corresponding period)	(11.1)
Profit (loss) before income tax expenses	74,200
(% change from the previous corresponding period)	(8.7)
Profit (loss) for the period	51,700
(% change from the previous corresponding period)	(7.1)
Profit (loss) attributable to owners of the parent	50,000
(% change from the previous corresponding period)	(8.0)
Earnings per share attributable to owners of the parent-basic (yen)	82.09

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

4. Others

- (1) Changes in significant subsidiaries: No
New: — (Company name: —)
Exclusion: — (Company name: —)
- (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
- (3) Number of common stock outstanding (including treasury stock):
As of September 30, 2023: 609,521,978 shares; As of March 31, 2023: 609,521,978 shares
- (4) Number of treasury stock:
As of September 30, 2023: 414,957 shares; As of March 31, 2023: 447,171 shares
- (5) Average number of common stock:
Half year ended September 30, 2023: 609,089,474 shares; Half year ended September 30, 2022: 624,766,306 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 September 30, 2023: 334,900 shares; As of March 31, 2023: 371,400 shares)

Qualitative Information on Consolidated Financial Results for the Quarter under Review

1. Qualitative Information on Consolidated Business Results

* Overview of the Half of Fiscal 2023 (April 1 – September 30, 2023)

Ricoh started the 21st Mid-Term Management Strategy from April 2023.

As our medium- to long-term goal, we aim to become a digital services company that supports worker's creativity and transforms the workplace, in order to achieve our Mission & Vision of "Fulfillment through Work." We expand the range of workplaces where we provide digital services from offices, centered on the sale of MFPs, to services on frontlines and throughout society. At the same time, we will expand the customer value we provide to each workplace (office/frontline/social setting) and progressively transform into a digital services company. During this fiscal year, we will accelerate our transformation from an earnings structure focused on the office printing business and work to enhance profitability, with the aim of increasing profitability through business expansion and structural reforms centered on the office services business. We will also build flexible production and supply systems, raise our capacity to tackle changes in business environment and establish a new pillar of earnings in frontline digital services domains.

Although the global economy was gradually recovering, it remained unstable due to factors such as prolonged inflation and continued tight monetary policies mainly in Europe and the Americas, and geopolitical risks such as the prolonged Russia/Ukraine situation. During the first half of this fiscal year, Japan's social and economic activities were normalized as a result of the category shift of COVID-19 to Class 5 infectious diseases, and increased demand for inbound. On the other hand, the future uncertainty continued due to inflation and yen depreciation. In the U.S., despite continued inflation, the economy remained firm against a backdrop of a favorable employment environment. Europe is experiencing a slowdown in its economic recovery due to the prolonged Russia/Ukraine situation, ongoing inflation, and other factors. In other regions, while economic activities in China were normalized, there were concerns that the economic recovery would be delayed due to the sluggish real estate market and the slowdown in personal consumption expenditures. During this period, the average exchange rates of Japanese yen against U.S. dollar and Euro were ¥140.92 (up ¥7.00 from the previous corresponding period) and ¥153.36 (up ¥14.66 from the previous corresponding period) respectively.

Sales for the half of this fiscal year increased by 14.3% as compared to the previous corresponding period, to ¥1,112.5 billion. Sales increased mainly in the office service business due to the relaxation of restrictions on supplying merchandise experienced in the half of the previous fiscal year, the acquisitions in Europe and the Americas, and other factors. In addition, sales increased due to the acquisition of PFU Limited (hereinafter, PFU), which became a consolidated subsidiary in September 2022, and yen depreciation.

In Japan, sales increased by 14.9% as compared to the previous corresponding period. Sales improved mainly in the office service business. Especially, Scrum series, which was expected to grow by the sales expansion targeting customers interests and needs such as back-office DX*, continued to grow at a high rate. In addition, sales increased due to the consolidation of PFU. Sales in the Americas increased by 12.9% (an increase of 7.5% excluding foreign currency exchange fluctuations) as compared to the previous corresponding period. Sales of edge devices in the office printing business increased due to the resolution of supply shortages, particularly for A4 MFPs. In the office services business, sales increased because of the growth in the communication services field where Cenero, LLC. (hereinafter, Cenero) was acquired in September 2022 and the robust growth in outsourcing services for document related operations. In addition, due in part to the impact of the consolidation of PFU and yen depreciation, sales increased. Sales in the Europe, the Middle East, and Africa increased by 17.6% (an increase of 6.6% excluding foreign currency exchange fluctuations) as compared to the previous corresponding period. Sales of edge devices increased in the office printing business as the shortage of A4 MFPs and other products was resolved. In the office service business, sales of application services and communications services increased steadily, especially among acquired companies, and sales increased due to the consolidation of PFH Technology Group (hereinafter "PFH") in June 2023. In addition, due in part to yen depreciation, sales increased. Sales in other regions increased by 6.9% (an increase of 4.8% excluding foreign currency exchange fluctuations) as compared to the previous corresponding period. Sales grew due to yen depreciation as well as an improvement in sales due to the normalization of economic activities following the lifting of the zero-covid policies in China. As a result, sales in the overseas market increased by 13.9% as compared to the previous corresponding period. Excluding effects of foreign currency fluctuations, sales in overseas would have increased by 6.8% as compared to the previous corresponding period.

* DX (digital transformation): Measures taken by companies in response to dramatic changes in the business environment to establish competitive advantage by transforming their products, services, and business models, as well as the operations themselves, organizations, processes, and corporate cultures, through utilization of data and digital technologies, based on the needs of customers and society.

Gross profit increased by 11.5% as compared to the previous corresponding period, to ¥386.2 billion. Profit increased due to the growth in the office service business and continued structural reforms as well as the impact of the consolidation of PFU and yen depreciation. On the other hand, gross profit margin decreased due to the delayed sales recoveries of edge devices, mainly relatively high-value-added A3 MFPs.

Selling, general and administrative expenses increased by 13.9% as compared to the previous corresponding period, to ¥371.8 billion mainly due to the PFU and yen depreciation, in addition to increases in personnel expenses due to business growth and inflation and structural reform expenses due to reorganization.

Operating profit decreased by ¥3.8 billion compared to the previous corresponding period, to ¥19.5 billion, because the increase in selling, general and administrative expenses exceeded the increase in gross profit.

Net financial income increased as compared to the previous corresponding period, reflecting higher foreign exchange gains. The share of profit of investments accounted for using the equity method was lower, reflecting worse performances among equity-method affiliates.

Profit before income tax expenses unchanged as compared to the previous corresponding period, to ¥24.6 billion.

Income tax expenses were almost unchanged as compared to the previous corresponding period.

Due to the above result and a decrease in profit attributable to non-controlling interests, profit attributable to owners of the parent increased by ¥0.7 billion as compared to the previous corresponding period, to ¥15.6 billion.

Comprehensive income increased to ¥83.8 billion, owing largely to an increase in profit for the period and translation adjustments for foreign operations.

* Review by Business Segment

Digital Services

Digital Services sales were ¥883.3 billion and increased by 14.2% as compared to the previous corresponding period. In the office services business, sales of the Scrum series in Japan continued to grow. In addition to increased sales of back-office and security-related services, such as support for invoicing systems, Scrum Asset, which offers solutions mainly to mid-sized companies, also grew at a rapid rate. In addition, the number of subscribers to RICOH kintone plus, a cloud-based business improvement platform developed jointly with Cybozu, Inc., also grew steadily.

In the Americas, sales increased due to growth in the area of communication services through the acquisition of Cenero, as well as the robust growth in outsourcing services for document related operations. In Europe, sales continued to increase due to steadily increase in sales of application services and communications services, especially among acquired companies. In June, we completed the acquisition of PFH, the leading provider of IT infrastructure, cloud and managed workplace services in Ireland, and are working to strengthen our IT services. In the office printing business, sales of edge devices increased from the previous corresponding period due to the progress in the delivery of bulk sales, including A3 MFPs, mainly due to the resolution of the supply shortage of A4 MFPs.

As a result of growth in the office service business and continued implementation of pricing controls, including cost pass-through and value-added sales, in addition to sales recovery of edge devices in the office printing business, Digital Services operating profit was ¥18.9 billion and increased by ¥8.4 billion as compared to the previous corresponding period.

Digital Products

Digital Products sales were ¥44.5 billion and increased by 75.6% (Sales including intersegment sales were ¥234.4 billion and increased by 2.1%) as compared to the previous corresponding period. Though intersegment sales decreased due to production adjustments in A3 MFPs, revenue increased due to the acquisition of PFU. Despite efforts to improve profits by continuing structural reforms in production and development, Digital Products operating profit was ¥1.8 billion and decreased by ¥21.7 billion as compared to the previous corresponding period, mainly due to a decline in sales caused by production adjustments for relatively high-value-added A3 MFPs.

Graphic Communications

Graphic Communications sales were ¥120.4 billion and increased by 10.6% as compared to the previous corresponding period. In the commercial printing business, sales of production printers continued to grow mainly in the Americas. Non-hardware sales were also robust, exceeding the level before the spread of the COVID-19. In the industrial printing business, sales increased as sales of inkjet head increased against the background of increased demand.

Despite increased expenses due to business growth and temporary increased expenses due to reorganization, Graphic Communications operating profit was ¥6.0 billion and increased by ¥2.1 billion as compared to the previous corresponding period due to sales increase and yen depreciation.

Industrial Solutions

Industrial Solutions sales were ¥51.8 billion and decreased by 7.0% as compared to the previous corresponding period. In the thermal media business, sales declined in Europe and the Americas due to inventory adjustments by customers. In the industrial products business, sales of optical products declined due to the demand decrease for projectors in China.

Despite efforts to secure profits through pricing controls and cost reductions, Industrial Solutions operating profit (loss) was ¥1.0 billion (loss). (Operating profit (loss) was ¥0.4 billion (loss) in the previous corresponding period.)

Other

Other segment sales were ¥12.3 billion and increased by 20.5% as compared to the previous corresponding period. In addition to the steady performance of the camera business, the drug discovery support business steadily grows in contract manufacturing services for investigational products.

As a result of up-front investments to create new businesses, including these activities, Other segment operating profit (loss) was ¥5.2 billion (loss), improved by ¥0.8 billion from the previous corresponding period.

- (Notes) 1. Digital services as a business segment is mainly limited to the office services business and the office printing sales business. This segment does not include all digital services, which Ricoh aims to transform into "a digital services company" that connects workplaces and support worker's creativity. "Digital Services" provided as "a digital services company" is included in all the business segments as well as Digital Services business segment.
2. The PFU business in Other segment has been reclassified into Digital Services and Digital Products from the first quarter. Prior year comparative figures have also been reclassified to conform to the current year's presentation.
3. The electronics business in Industrial Solutions has been reclassified into Digital Products from the previous third quarter. 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 increased by ¥60.8 billion as compared to the end of the previous fiscal year, to ¥2,210.7 billion. Assets increased due to translation adjustments of foreign assets resulting from a significant yen depreciation, compared to the end of the previous fiscal year. After excluding the foreign exchange impact, total assets decreased by ¥50.4 billion.

The exchange rates for major currencies for the yen at the end of the second quarter were ¥149.58 against the U.S. dollar (up ¥16.05 from the previous fiscal year) and ¥158.00 against the euro (up ¥12.28).

"Cash and cash equivalents" decreased by ¥59.5 billion. "Inventories" increased by ¥26.2 billion due to inventory for sales, acquisitions, yen depreciation and others. "Goodwill and intangible assets" increased by ¥39.8 billion due to acquisitions in Europe and yen depreciation.

Total liabilities decreased by ¥11.3 billion as compared to the end of previous year, to ¥1,180.5 billion. "Trade and other payables" decreased by ¥31.6 billion mainly due to the payment of liabilities recorded at the end of the previous fiscal year, and "Bonds and borrowings" decreased by ¥15.7 billion due to the repayment of borrowings and other factors.

Total equity increased by ¥72.1 billion as compared to the end of previous fiscal year, to ¥1,030.2 billion. Yen depreciation resulted in an increase in exchange differences on translation of foreign operations.

Equity attributable to owners of the parent therefore increased by ¥72.7 billion, to ¥1,004.2 billion. The equity attributable to owners of the parent ratio remained safe, at 45.4%.

* Cash Flows (Half year from April 1, 2023 to September 30, 2023)

Net cash provided by operating activities increased by ¥35.1 billion as compared to the previous corresponding period, to ¥31.4 billion. Cash proceeds increased mainly due to a decrease in trade and other receivables and a decrease in inventory increases compared to the previous corresponding period.

Net cash used in investing activities decreased by ¥31.3 billion as compared to the previous corresponding period, to ¥50.3 billion. Cash expenditures increased mainly due to the acquisition of PFU during the previous corresponding period.

Free cash flow (net cash provided by operating activities plus net cash used in investing activities) totaled ¥18.9 billion in expenditures, cash used decreased by ¥66.4 billion as compared to the previous corresponding period.

Net cash used in financing activities increased by ¥93.4 billion in expenditures as compared to the previous corresponding period, to ¥49.3 billion. During the half of this fiscal year, cash expenditures related to the acquisition of treasury stock decreased compared to the previous corresponding period. However, in contrast to cash proceeds increased from financing in the previous corresponding period, cash expenditures increased mainly due to the repayment of debt.

As a result, the balance of cash and cash equivalent at the end of period decreased by ¥57.9 billion as compared to the end of previous fiscal year, to ¥152.9 billion.

3. Qualitative Information on Forecasted Consolidated Financial Results

During the half of this fiscal year, the office service business grew steadily and sales grew more than expected due to yen depreciation. On the other hand, profits were squeezed because sales recovery of edge devices in the office printing business fell below expectations and production adjustments for high-value-added A3 MFPs continued.

From the third quarter of this fiscal year, the office service business continues to grow in Japan and overseas, but carefully reviewed the prerequisites of the respective businesses, such as the impact of changes in market conditions abroad and the delayed sales recoveries in the office printing business.

Furthermore, to reflect the current state of yen depreciation, Ricoh has changed the assumed exchange rates to ¥145 against the U.S. dollar and ¥155 against the euro in and after the third quarter of this fiscal year.

As a result, we revised upwards the outlook for sales and gross profit announced in the flash report in May this year.

There was no change on the forecast of operating profit, profit before income tax expenses and profit attributable to owners of the parent.

The actual exchange rates during the half of this fiscal year have been incorporated for the full year.

Exchange Rate Assumptions for the full year ending March 31, 2024

US\$ 1 = ¥142.96 (¥135.49 in previous fiscal year)

EURO 1 = ¥154.18 (¥140.91 in previous fiscal year)

	(Billions of yen)				
	Year ending March 31, 2024 (Previous forecast)	Year ending March 31, 2024 (Revised forecast)	Change (B-A)	Year ended March 31, 2023 (C)	Change (B-C)/C
	(A)	(B)			
Domestic sales	864.0	864.0	—	803.9	7.5%
Overseas sales	1,386.0	1,466.0	80.0	1,330.2	10.2%
Sales	2,250.0	2,330.0	80.0	2,134.1	9.2%
Gross profit	790.0	815.0	25.0	745.4	9.3%
Operating profit (loss)	70.0	70.0	—	78.7	(11.1%)
Profit (loss) before income tax expenses	74.2	74.2	—	81.3	(8.7%)
Profit (loss) attributable to owners of the parent	50.0	50.0	—	54.3	(8.0%)

* 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, 2023	September 30, 2023	Change
Current Assets			
Cash and cash equivalents	221,890	162,384	(59,506)
Time deposits	207	222	15
Trade and other receivables	476,429	469,275	(7,154)
Other financial assets	93,906	103,206	9,300
Inventories	314,368	340,612	26,244
Other current assets	68,499	81,455	12,956
Total Current Assets	1,175,299	1,157,154	(18,145)
Non-current assets			
Property, plant and equipment	196,512	201,617	5,105
Right-of-use assets	57,003	59,967	2,964
Goodwill and intangible assets	366,394	406,224	39,830
Other financial assets	135,158	155,344	20,186
Investments accounted for using the equity method	83,529	86,173	2,644
Other investments	19,359	19,296	(63)
Other non-current assets	44,540	49,312	4,772
Deferred tax assets	72,162	75,701	3,539
Total Non-current Assets	974,657	1,053,634	78,977
Total Assets	2,149,956	2,210,788	60,832

Liabilities and Equity

	(Millions of yen)		
	March 31, 2023	September 30, 2023	Change
Current Liabilities			
Bonds and borrowings	157,828	171,738	13,910
Trade and other payables	312,429	280,730	(31,699)
Lease liabilities	26,185	22,434	(3,751)
Other financial liabilities	2,582	25,788	23,206
Income tax payables	11,864	15,587	3,723
Provisions	10,968	10,036	(932)
Other current liabilities	307,258	329,721	22,463
Total Current Liabilities	829,114	856,034	26,920
Non-current Liabilities			
Bonds and borrowings	205,110	175,465	(29,645)
Lease liabilities	38,147	46,317	8,170
Other financial liabilities	27,566	7,312	(20,254)
Accrued pension and retirement benefits	41,058	40,628	(430)
Provisions	8,347	8,904	557
Other non-current liabilities	24,742	27,158	2,416
Deferred tax liabilities	17,790	18,718	928
Total Non-current Liabilities	362,760	324,502	(38,258)
Total Liabilities	1,191,874	1,180,536	(11,338)
Equity			
Common stock	135,364	135,364	—
Additional paid-in capital	158,529	158,392	(137)
Treasury stock	(427)	(398)	29
Other components of equity	167,368	235,814	68,446
Retained earnings	470,722	475,123	4,401
Equity attributable to owners of the parent	931,556	1,004,295	72,739
Non-controlling interests	26,526	25,957	(569)
Total Equity	958,082	1,030,252	72,170
Total Liabilities and Equity	2,149,956	2,210,788	60,832

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

Condensed Consolidated Statement of Profit or Loss

Half year ended September 30, 2022 and 2023

	(Millions of yen)			
	Half year ended September 30, 2022	Half year ended September 30, 2023	Change	%
Sales	973,536	1,112,590	139,054	14.3
Cost of sales	627,250	726,309	99,059	15.8
Percentage of sales (%)	<i>64.4</i>	<i>65.3</i>		
Gross profit	346,286	386,281	39,995	11.5
Percentage of sales (%)	<i>35.6</i>	<i>34.7</i>		
Selling, general and administrative expenses	326,520	371,825	45,305	13.9
Percentage of sales (%)	<i>33.5</i>	<i>33.4</i>		
Other income	3,682	5,105	1,423	38.6
Percentage of sales (%)	<i>0.4</i>	<i>0.5</i>		
Operating profit (loss)	23,448	19,561	(3,887)	(16.6)
Percentage of sales (%)	<i>2.4</i>	<i>1.8</i>		
Finance income	1,347	8,247	6,900	512.2
Percentage of sales (%)	<i>0.1</i>	<i>0.7</i>		
Finance costs	4,082	6,584	2,502	61.3
Percentage of sales (%)	<i>0.4</i>	<i>0.6</i>		
Share of profit (loss) of investments accounted for using the equity method	3,891	3,405	(486)	(12.5)
Percentage of sales (%)	<i>0.4</i>	<i>0.3</i>		
Profit (loss) before income tax expenses	24,604	24,629	25	0.1
Percentage of sales (%)	<i>2.5</i>	<i>2.2</i>		
Income tax expenses	9,262	9,304	42	0.5
Percentage of sales (%)	<i>1.0</i>	<i>0.8</i>		
Profit (loss) for the period	15,342	15,325	(17)	(0.1)
Percentage of sales (%)	<i>1.6</i>	<i>1.4</i>		
Profit (loss) attributable to:				
Owners of the parent	14,914	15,614	700	4.7
Percentage of sales (%)	<i>1.5</i>	<i>1.4</i>		
Non-controlling interests	428	(289)	(717)	—
Percentage of sales (%)	<i>0.0</i>	<i>(0.0)</i>		

	Half year ended September 30, 2022	Half year ended September 30, 2023	Change
Earnings per share attributable to owners of the parent-basic (yen)	23.87	25.63	1.76
Earnings per share attributable to owners of the parent-diluted (yen)	23.87	25.62	1.75

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

Three months ended September 30, 2022 and 2023

(Millions of yen)

	Three months ended September 30, 2022	Three months ended September 30, 2023	Change	%
Sales	514,195	577,989	63,794	12.4
Cost of sales	335,914	381,906	45,992	13.7
Percentage of sales (%)	65.3	66.1		
Gross profit	178,281	196,083	17,802	10.0
Percentage of sales (%)	34.7	33.9		
Selling, general and administrative expenses	166,842	189,816	22,974	13.8
Percentage of sales (%)	32.4	32.8		
Other income	2,383	3,123	740	31.1
Percentage of sales (%)	0.5	0.5		
Operating profit (loss)	13,822	9,390	(4,432)	(32.1)
Percentage of sales (%)	2.7	1.6		
Finance income	744	4,945	4,201	564.7
Percentage of sales (%)	0.1	0.9		
Finance costs	2,991	4,791	1,800	60.2
Percentage of sales (%)	0.6	0.8		
Share of profit (loss) of investments accounted for using the equity method	1,828	1,751	(77)	(4.2)
Percentage of sales (%)	0.4	0.3		
Profit (loss) before income tax expenses	13,403	11,295	(2,108)	(15.7)
Percentage of sales (%)	2.6	2.0		
Income tax expenses	5,683	4,549	(1,134)	(20.0)
Percentage of sales (%)	1.1	0.8		
Profit (loss) for the period	7,720	6,746	(974)	(12.6)
Percentage of sales (%)	1.5	1.2		
Profit (loss) attributable to:				
Owners of the parent	7,323	6,819	(504)	(6.9)
Percentage of sales (%)	1.4	1.2		
Non-controlling interests	397	(73)	(470)	—
Percentage of sales (%)	0.1	(0.0)		

	Three months ended September 30, 2022	Three months ended September 30, 2023	Change
Earnings per share attributable to owners of the parent-basic (yen)	11.89	11.20	(0.69)
Earnings per share attributable to owners of the parent-diluted (yen)	11.89	11.19	(0.70)

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

Condensed Consolidated Statement of Comprehensive Income

Half year ended September 30, 2022 and 2023

	(Millions of yen)		
	Half year ended September 30, 2022	Half year ended September 30, 2023	Change
Profit (loss) for the period	15,342	15,325	(17)
Other comprehensive income (loss):			
Components that will not be reclassified subsequently to profit or loss:			
Remeasurements of defined benefit plans	(570)	—	570
Net changes in fair value of financial assets measured through other comprehensive income	(143)	214	357
Share of other comprehensive income of investments accounted for using equity method	(768)	56	824
Total components that will not be reclassified subsequently to profit or loss	(1,481)	270	1,751
Components that will be reclassified subsequently to profit or loss:			
Net changes in fair value of cash flow hedges	(147)	—	147
Exchange differences on translation of foreign operations	59,936	68,273	8,337
Share of other comprehensive income of investments accounted for using equity method	66	(16)	(82)
Total components that will be reclassified subsequently to profit or loss	59,855	68,257	8,402
Total other comprehensive income (loss)	58,374	68,527	10,153
Comprehensive income (loss)	73,716	83,852	10,136
Comprehensive income (loss) attributable to:			
Owners of the parent	73,080	83,201	10,121
Non-controlling interests	636	651	15

Three months ended September 30, 2022 and 2023

	(Millions of yen)		
	Three months ended September 30, 2022	Three months ended September 30, 2023	Change
Profit (loss) for the period	7,720	6,746	(974)
Other comprehensive income (loss):			
Components that will not be reclassified subsequently to profit or loss:			
Remeasurements of defined benefit plans	(570)	—	570
Net changes in fair value of financial assets measured through other comprehensive income	83	(29)	(112)
Share of other comprehensive income of investments accounted for using equity method	(101)	181	282
Total components that will not be reclassified subsequently to profit or loss	(588)	152	740
Components that will be reclassified subsequently to profit or loss:			
Net changes in fair value of cash flow hedges	(70)	—	70
Exchange differences on translation of foreign operations	14,972	12,532	(2,440)
Share of other comprehensive income of investments accounted for using equity method	130	(125)	(255)
Total components that will be reclassified subsequently to profit or loss	15,032	12,407	(2,625)
Total other comprehensive income (loss)	14,444	12,559	(1,885)
Comprehensive income (loss)	22,164	19,305	(2,859)
Comprehensive income (loss) attributable to:			
Owners of the parent	21,592	19,156	(2,436)
Non-controlling interests	572	149	(423)

Consolidated Sales by Product Category

Half year ended September 30, 2022 and 2023

	(Millions of yen)			
	Half year ended September 30, 2022	Half year ended September 30, 2023	Change	%
<Digital Services>	773,208	883,374	110,166	14.2
Percentage of sales (%)	<i>79.4</i>	<i>79.4</i>		
<Digital Products>	25,395	44,590	19,195	75.6
Percentage of sales (%)	<i>2.6</i>	<i>4.0</i>		
<Graphic Communications>	108,882	120,407	11,525	10.6
Percentage of sales (%)	<i>11.2</i>	<i>10.8</i>		
<Industrial Solutions>	55,799	51,866	(3,933)	(7.0)
Percentage of sales (%)	<i>5.7</i>	<i>4.7</i>		
<Other>	10,252	12,353	2,101	20.5
Percentage of sales (%)	<i>1.1</i>	<i>1.1</i>		
Grand Total	973,536	1,112,590	139,054	14.3
Percentage of sales (%)	<i>100.0</i>	<i>100.0</i>		

Three months ended September 30, 2022 and 2023

	(Millions of yen)			
	Three months ended September 30, 2022	Three months ended September 30, 2023	Change	%
<Digital Services>	404,629	456,026	51,397	12.7
Percentage of sales (%)	<i>78.7</i>	<i>78.9</i>		
<Digital Products>	18,244	23,256	5,012	27.5
Percentage of sales (%)	<i>3.5</i>	<i>4.0</i>		
<Graphic Communications>	56,983	63,804	6,821	12.0
Percentage of sales (%)	<i>11.1</i>	<i>11.0</i>		
<Industrial Solutions>	28,834	28,763	(71)	(0.2)
Percentage of sales (%)	<i>5.6</i>	<i>5.0</i>		
<Other>	5,505	6,140	635	11.5
Percentage of sales (%)	<i>1.1</i>	<i>1.1</i>		
Grand Total	514,195	577,989	63,794	12.4
Percentage of sales (%)	<i>100.0</i>	<i>100.0</i>		

(Notes) 1. Digital services as a business segment is mainly limited to the office services business and the office printing sales business. This segment does not include all digital services, which Ricoh aims to transform into "a digital services company" that connects workplaces and support worker's creativity. "Digital Services" provided as "a digital services company" is included in all the business segments as well as Digital Services business segment.

For the product line of each category, please refer to "(7) Segment Information" on page 17.

2. The PFU business in Other segment has been reclassified into Digital Services and Digital Products from the first quarter. Prior year comparative figures have also been reclassified to conform to the current year's presentation.
3. The electronics business in Industrial Solutions has been reclassified into Digital Products from the previous third quarter. Prior year comparative figures have also been reclassified to conform to the current year's presentation.

Consolidated Sales by Geographic Area

Half year ended September 30, 2022 and 2023

	(Millions of yen)			
	Half year ended September 30, 2022	Half year ended September 30, 2023	Change	%
<Domestic>	351,586	404,127	52,541	14.9
Percentage of sales (%)	<i>36.1</i>	<i>36.3</i>		
<Overseas>	621,950	708,463	86,513	13.9
Percentage of sales (%)	<i>63.9</i>	<i>63.7</i>		
The Americas	283,674	320,281	36,607	12.9
Percentage of sales (%)	<i>29.1</i>	<i>28.8</i>		
Europe, Middle East and Africa	248,344	292,070	43,726	17.6
Percentage of sales (%)	<i>25.5</i>	<i>26.3</i>		
Other	89,932	96,112	6,180	6.9
Percentage of sales (%)	<i>9.2</i>	<i>8.6</i>		
Grand Total	973,536	1,112,590	139,054	14.3
Percentage of sales (%)	<i>100.0</i>	<i>100.0</i>		

Three months ended September 30, 2022 and 2023

	(Millions of yen)			
	Three months ended September 30, 2022	Three months ended September 30, 2023	Change	%
<Domestic>	187,822	212,218	24,396	13.0
Percentage of sales (%)	<i>36.5</i>	<i>36.7</i>		
<Overseas>	326,373	365,771	39,398	12.1
Percentage of sales (%)	<i>63.5</i>	<i>63.3</i>		
The Americas	151,083	167,719	16,636	11.0
Percentage of sales (%)	<i>29.4</i>	<i>29.0</i>		
Europe, Middle East and Africa	127,280	147,466	20,186	15.9
Percentage of sales (%)	<i>24.8</i>	<i>25.5</i>		
Other	48,010	50,586	2,576	5.4
Percentage of sales (%)	<i>9.3</i>	<i>8.8</i>		
Grand Total	514,195	577,989	63,794	12.4
Percentage of sales (%)	<i>100.0</i>	<i>100.0</i>		

(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, 2022	135,364	180,942	(460)	—	4,540	246
Profit (loss) for the period						
Other comprehensive income (loss)				(570)	(907)	(71)
Comprehensive income (loss)	—	—	—	(570)	(907)	(71)
Net change in treasury stock		(21)	(30,003)			
Dividends declared and approved to owners						
Share-based payment transactions		45	15			
Change in scope of consolidation						
Written put options over non-controlling interests		(20,829)				
Transfer from other components of equity to retained earnings				570	(51)	
Total transactions with owners	—	(20,805)	(29,988)	570	(51)	—
Balance as of September 30, 2022	135,364	160,137	(30,448)	—	3,582	175

	Other components of equity		Retained earnings	Equity attributable to owners of the parent	Non-controlling interests	Total equity
	Exchange differences on translation of foreign operations	Total other components of equity				
Balance as of April 1, 2022	121,555	126,341	459,855	902,042	3,783	905,825
Profit (loss) for the period			14,914	14,914	428	15,342
Other comprehensive income (loss)	59,714	58,166		58,166	208	58,374
Comprehensive income (loss)	59,714	58,166	14,914	73,080	636	73,716
Net change in treasury stock				(30,024)		(30,024)
Dividends declared and approved to owners			(8,281)	(8,281)	(75)	(8,356)
Share-based payment transactions				60		60
Change in scope of consolidation				—	14,656	14,656
Written put options over non-controlling interests				(20,829)		(20,829)
Transfer from other components of equity to retained earnings		519	(519)	—		—
Total transactions with owners	—	519	(8,800)	(59,074)	14,581	(44,493)
Balance as of September 30, 2022	181,269	185,026	465,969	916,048	19,000	935,048

(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, 2023	135,364	158,529	(427)	—	4,847	240
Profit (loss) for the period						
Other comprehensive income (loss)					254	(16)
Comprehensive income (loss)	—	—	—	—	254	(16)
Net change in treasury stock			(5)			
Dividends declared and approved to owners						
Share-based payment transactions		(137)	34			
Transfer from other components of equity to retained earnings					859	
Equity transactions with non-controlling shareholders						
Total transactions with owners	—	(137)	29	—	859	—
Balance as of September 30, 2023	135,364	158,392	(398)	—	5,960	224

	Other components of equity		Retained earnings	Equity attributable to owners of the parent	Non-controlling interests	Total equity
	Exchange differences on translation of foreign operations	Total other components of equity				
Balance as of April 1, 2023	162,281	167,368	470,722	931,556	26,526	958,082
Profit (loss) for the period			15,614	15,614	(289)	15,325
Other comprehensive income (loss)	67,349	67,587		67,587	940	68,527
Comprehensive income (loss)	67,349	67,587	15,614	83,201	651	83,852
Net change in treasury stock				(5)		(5)
Dividends declared and approved to owners			(10,354)	(10,354)	(1,372)	(11,726)
Share-based payment transactions				(103)		(103)
Transfer from other components of equity to retained earnings		859	(859)	—		—
Equity transactions with non-controlling shareholders				—	152	152
Total transactions with owners	—	859	(11,213)	(10,462)	(1,220)	(11,682)
Balance as of September 30, 2023	229,630	235,814	475,123	1,004,295	25,957	1,030,252

(4) Condensed Consolidated Statement of Cash Flows

	(Millions of yen)	
	Half year ended September 30, 2022	Half year ended September 30, 2023
I. Cash Flows from Operating Activities:		
Profit (loss) for the period	15,342	15,325
Adjustments to reconcile profit for the period to net cash provided by (used in) operating activities—		
Depreciation and amortization	45,052	53,031
Other income	(42)	(37)
Share of (profit) loss of investments accounted for using the equity method	(3,891)	(3,405)
Finance income and costs	2,735	(1,663)
Income tax expenses	9,262	9,304
(Increase) decrease in trade and other receivables	4,245	35,255
(Increase) decrease in inventories	(36,995)	(6,129)
(Increase) decrease in lease receivables	11,949	(7,439)
Increase (decrease) in trade and other payables	(15,926)	(41,570)
Increase (decrease) in accrued pension and retirement benefits	(4,795)	(1,932)
Other, net	(19,570)	(8,495)
Interest and dividends received	2,074	5,676
Interest paid	(2,245)	(4,243)
Income taxes paid	(10,910)	(12,277)
Net cash provided by (used in) operating activities	(3,715)	31,401
II. Cash Flows from Investing Activities:		
Proceeds from sales of property, plant and equipment	1,773	334
Expenditures for property, plant and equipment	(18,494)	(21,940)
Expenditures for intangible assets	(16,496)	(16,892)
Payments for purchases of investment securities	(255)	(12)
Proceeds from sales of investment securities	396	26
Net (increase) decrease of time deposits	(27)	4
Purchase of business, net of cash acquired	(48,626)	(13,132)
Other, net	—	1,239
Net cash provided by (used in) investing activities	(81,729)	(50,373)
III. Cash Flows from Financing Activities:		
Net increase (decrease) of short-term debt	26,019	(27,227)
Proceeds from long-term debt	108,091	43,364
Repayments of long-term debt	(21,999)	(38,498)
Repayments of bonds	(13,725)	—
Repayments of lease liabilities	(15,917)	(15,383)
Dividends paid	(8,281)	(10,354)
Payments for purchase of treasury stock	(30,003)	(5)
Other, net	(105)	(1,220)
Net cash provided by (used in) financing activities	44,080	(49,323)
IV. Effect of Exchange Rate Changes on Cash and Cash Equivalents	11,539	10,355
V. Net Increase (decrease) in Cash and Cash Equivalents	(29,825)	(57,940)
VI. Cash and Cash Equivalents at Beginning of Year	234,020	210,884
VII. Cash and Cash Equivalents at End of Period	204,195	152,944

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 material accounting policies

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

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

The effect of adoption of above standards is minor.

(7) Segment Information

Operating Segment Information
Half year ended September 30, 2022 and 2023

	(Millions of yen)			
	Half year ended September 30, 2022	Half year ended September 30, 2023	Change	%
Digital Services:				
Sales:				
Unaffiliated customers	773,208	883,374	110,166	14.2
Intersegment	—	—	—	—
Total	773,208	883,374	110,166	14.2
Operating expenses	762,773	864,466	101,693	13.3
Operating profit (loss)	10,435	18,908	8,473	81.2
Operating profit (loss) on sales in Digital Services (%)	1.3	2.1		
Digital Products:				
Sales:				
Unaffiliated customers	25,395	44,590	19,195	75.6
Intersegment	204,180	189,873	(14,307)	(7.0)
Total	229,575	234,463	4,888	2.1
Operating expenses	205,958	232,635	26,677	13.0
Operating profit (loss)	23,617	1,828	(21,789)	(92.3)
Operating profit (loss) on sales in Digital Products (%)	10.3	0.8		
Graphic Communications:				
Sales:				
Unaffiliated customers	108,882	120,407	11,525	10.6
Intersegment	—	—	—	—
Total	108,882	120,407	11,525	10.6
Operating expenses	105,018	114,378	9,360	8.9
Operating profit (loss)	3,864	6,029	2,165	56.0
Operating profit (loss) on sales in Graphic Communications (%)	3.5	5.0		
Industrial Solutions:				
Sales:				
Unaffiliated customers	55,799	51,866	(3,933)	(7.0)
Intersegment	1,167	766	(401)	(34.4)
Total	56,966	52,632	(4,334)	(7.6)
Operating expenses	57,378	53,699	(3,679)	(6.4)
Operating profit (loss)	(412)	(1,067)	(655)	—
Operating profit (loss) on sales in Industrial Solutions (%)	(0.7)	(2.0)		
Other:				
Sales:				
Unaffiliated customers	10,252	12,353	2,101	20.5
Intersegment	8,194	7,798	(396)	(4.8)
Total	18,446	20,151	1,705	9.2
Operating expenses	24,572	25,428	856	3.5
Operating profit (loss)	(6,126)	(5,277)	849	—
Operating profit (loss) on sales in Other (%)	(33.2)	(26.2)		
Eliminations and Corporate:				
Sales:				
Intersegment	(213,541)	(198,437)	15,104	
Total	(213,541)	(198,437)	15,104	—
Operating expenses:				
Intersegment	(213,541)	(198,437)	15,104	
Corporate	7,930	860	(7,070)	
Total	(205,611)	(197,577)	8,034	—
Operating profit (loss)	(7,930)	(860)	7,070	—
Consolidated:				
Sales:				
Unaffiliated customers	973,536	1,112,590	139,054	14.3
Intersegment	—	—	—	—
Total	973,536	1,112,590	139,054	14.3
Operating expenses	950,088	1,093,029	142,941	15.0
Operating profit (loss)	23,448	19,561	(3,887)	(16.6)
Operating profit (loss) on consolidated sales (%)	2.4	1.8		

Three months ended September 30, 2022 and 2023

(Millions of yen)

	Three months ended September 30, 2022	Three months ended September 30, 2023	Change	%
Digital Services:				
Sales:				
Unaffiliated customers	404,629	456,026	51,397	12.7
Intersegment	—	—	—	—
Total	404,629	456,026	51,397	12.7
Operating expenses	397,124	446,059	48,935	12.3
Operating profit (loss)	7,505	9,967	2,462	32.8
Operating profit (loss) on sales in Digital Services (%)	1.9	2.2		
Digital Products:				
Sales:				
Unaffiliated customers	18,244	23,256	5,012	27.5
Intersegment	108,415	94,462	(13,953)	(12.9)
Total	126,659	117,718	(8,941)	(7.1)
Operating expenses	115,109	116,886	1,777	1.5
Operating profit (loss)	11,550	832	(10,718)	(92.8)
Operating profit (loss) on sales in Digital Products (%)	9.1	0.7		
Graphic Communications:				
Sales:				
Unaffiliated customers	56,983	63,804	6,821	12.0
Intersegment	—	—	—	—
Total	56,983	63,804	6,821	12.0
Operating expenses	55,569	60,487	4,918	8.9
Operating profit (loss)	1,414	3,317	1,903	134.6
Operating profit (loss) on sales in Graphic Communications (%)	2.5	5.2		
Industrial Solutions:				
Sales:				
Unaffiliated customers	28,834	28,763	(71)	(0.2)
Intersegment	703	445	(258)	(36.7)
Total	29,537	29,208	(329)	(1.1)
Operating expenses	29,372	29,045	(327)	(1.1)
Operating profit (loss)	165	163	(2)	(1.2)
Operating profit (loss) on sales in Industrial Solutions (%)	0.6	0.6		
Other:				
Sales:				
Unaffiliated customers	5,505	6,140	635	11.5
Intersegment	4,529	4,296	(233)	(5.1)
Total	10,034	10,436	402	4.0
Operating expenses	13,138	13,205	67	0.5
Operating profit (loss)	(3,104)	(2,769)	335	—
Operating profit (loss) on sales in Other (%)	(30.9)	(26.5)		
Eliminations and Corporate:				
Sales:				
Intersegment	(113,647)	(99,203)	14,444	—
Total	(113,647)	(99,203)	14,444	—
Operating expenses:				
Intersegment	(113,647)	(99,203)	14,444	—
Corporate	3,708	2,120	(1,588)	—
Total	(109,939)	(97,083)	12,856	—
Operating profit (loss)	(3,708)	(2,120)	1,588	—
Consolidated:				
Sales:				
Unaffiliated customers	514,195	577,989	63,794	12.4
Intersegment	—	—	—	—
Total	514,195	577,989	63,794	12.4
Operating expenses	500,373	568,599	68,226	13.6
Operating profit (loss)	13,822	9,390	(4,432)	(32.1)
Operating profit (loss) on consolidated sales (%)	2.7	1.6		

Intersegment sales are primarily for Digital Services. Each category includes the following product line:

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

- (Notes) 1. Digital services as a business segment is mainly limited to the office services business and the office printing sales business. This segment does not include all digital services, which Ricoh aims to transform into “a digital services company” that connects workplaces and support worker’s creativity. “Digital Services” provided as "a digital services company" is included in all the business segments as well as Digital Services business segment.
2. The PFU business in Other segment has been reclassified into Digital Services and Digital Products from the first quarter. Prior year comparative figures have also been reclassified to conform to the current year's presentation.
3. The electronics business in Industrial Solutions has been reclassified into Digital Products from the previous third quarter. Prior year comparative figures have also been reclassified to conform to the current year's presentation.

-APPENDIX- (Half year ended September 30, 2023)

1. Consolidated Sales by Product Category

Half year ended September 30, 2022 and 2023

	Half year ended September 30, 2022	Half year ended September 30, 2023	Change	%	Change excluding exchange impact	%
(Millions of yen)						
<Digital Services>	773,208	883,374	110,166	14.2	73,787	9.5
Percentage of sales (%)	79.4	79.4				
Domestic	304,738	347,474	42,736	14.0	42,736	14.0
Overseas	468,470	535,900	67,430	14.4	31,051	6.6
The Americas	205,710	229,098	23,388	11.4	12,018	5.8
Europe, Middle East and Africa	206,013	245,833	39,820	19.3	16,310	7.9
Other	56,747	60,969	4,222	7.4	2,723	4.8
<Digital Products>	25,395	44,590	19,195	75.6	19,069	75.1
Percentage of sales (%)	2.6	4.0				
Domestic	13,237	21,446	8,209	62.0	8,209	62.0
Overseas	12,158	23,144	10,986	90.4	10,860	89.3
The Americas	5,072	14,070	8,998	177.4	8,985	177.1
Europe, Middle East and Africa	1,502	4,839	3,337	222.2	3,336	222.1
Other	5,584	4,235	(1,349)	(24.2)	(1,461)	(26.2)
<Graphic Communications>	108,882	120,407	11,525	10.6	5,513	5.1
Percentage of sales (%)	11.2	10.8				
Domestic	13,103	12,331	(772)	(5.9)	(772)	(5.9)
Overseas	95,779	108,076	12,297	12.8	6,285	6.6
The Americas	54,410	60,170	5,760	10.6	2,715	5.0
Europe, Middle East and Africa	27,502	30,766	3,264	11.9	442	1.6
Other	13,867	17,140	3,273	23.6	3,128	22.6
<Industrial Solutions>	55,799	51,866	(3,933)	(7.0)	(5,532)	(9.9)
Percentage of sales (%)	5.7	4.7				
Domestic	16,433	18,334	1,901	11.6	1,901	11.6
Overseas	39,366	33,532	(5,834)	(14.8)	(7,433)	(18.9)
The Americas	16,095	14,444	(1,651)	(10.3)	(2,366)	(14.7)
Europe, Middle East and Africa	11,545	8,633	(2,912)	(25.2)	(3,728)	(32.3)
Other	11,726	10,455	(1,271)	(10.8)	(1,339)	(11.4)
<Other>	10,252	12,353	2,101	20.5	1,801	17.6
Percentage of sales (%)	1.1	1.1				
Domestic	4,075	4,542	467	11.5	467	11.5
Overseas	6,177	7,811	1,634	26.5	1,334	21.6
The Americas	2,387	2,499	112	4.7	2	0.1
Europe, Middle East and Africa	1,782	1,999	217	12.2	27	1.5
Other	2,008	3,313	1,305	65.0	1,305	65.0
Total	973,536	1,112,590	139,054	14.3	94,637	9.7
Percentage of sales (%)	100.0	100.0				
Domestic	351,586	404,127	52,541	14.9	52,541	14.9
Percentage of sales (%)	36.1	36.3				
Overseas	621,950	708,463	86,513	13.9	42,096	6.8
Percentage of sales (%)	63.9	63.7				
The Americas	283,674	320,281	36,607	12.9	21,354	7.5
Percentage of sales (%)	29.1	28.8				
Europe, Middle East and Africa	248,344	292,070	43,726	17.6	16,387	6.6
Percentage of sales (%)	25.5	26.3				
Other	89,932	96,112	6,180	6.9	4,355	4.8
Percentage of sales (%)	9.2	8.6				

Each category includes the following product line:

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

(Notes) 1. Digital services as a business segment is mainly limited to the office services business and the office printing sales business. This segment does not include all digital services, which Ricoh aims to transform into "a digital services company" that connects workplaces and support worker's creativity. "Digital Services" provided as "a digital services company" is included in all the business segments as well as Digital Services business segment.

2. The PFU business in Other segment has been reclassified into Digital Services and Digital Products from the first quarter. Prior year comparative figures have also been reclassified to conform to the current year's presentation.

3. The electronics business in Industrial Solutions has been reclassified into Digital Products from the previous third quarter. Prior year comparative figures have also been reclassified to conform to the current year's presentation.

2. Consolidated Sales by Product Category

Three months ended September 30, 2022 and 2023

	(Millions of yen)					
	Three months ended September 30, 2022	Three months ended September 30, 2023	Change	%	Change excluding exchange impact	%
<Digital Services>	404,629	456,026	51,397	12.7	31,338	7.7
Percentage of sales (%)	78.7	78.9				
Domestic	161,877	182,420	20,543	12.7	20,543	12.7
Overseas	242,752	273,606	30,854	12.7	10,795	4.4
The Americas	107,980	118,628	10,648	9.9	5,541	5.1
Europe, Middle East and Africa	104,469	123,510	19,041	18.2	4,946	4.7
Other	30,303	31,468	1,165	3.8	308	1.0
<Digital Products>	18,244	23,256	5,012	27.5	4,974	27.3
Percentage of sales (%)	3.5	4.0				
Domestic	8,253	10,919	2,666	32.3	2,666	32.3
Overseas	9,991	12,337	2,346	23.5	2,308	23.1
The Americas	4,800	7,268	2,468	51.4	2,463	51.3
Europe, Middle East and Africa	1,500	2,707	1,207	80.5	1,207	80.5
Other	3,691	2,362	(1,329)	(36.0)	(1,362)	(36.9)
<Graphic Communications>	56,983	63,804	6,821	12.0	3,572	6.3
Percentage of sales (%)	11.1	11.0				
Domestic	6,525	6,130	(395)	(6.1)	(395)	(6.1)
Overseas	50,458	57,674	7,216	14.3	3,967	7.9
The Americas	29,294	32,722	3,428	11.7	1,976	6.7
Europe, Middle East and Africa	14,364	15,867	1,503	10.5	(219)	(1.5)
Other	6,800	9,085	2,285	33.6	2,210	32.5
<Industrial Solutions>	28,834	28,763	(71)	(0.2)	(933)	(3.2)
Percentage of sales (%)	5.6	5.0				
Domestic	8,843	10,561	1,718	19.4	1,718	19.4
Overseas	19,991	18,202	(1,789)	(8.9)	(2,651)	(13.3)
The Americas	7,778	7,842	64	0.8	(277)	(3.6)
Europe, Middle East and Africa	6,055	4,426	(1,629)	(26.9)	(2,124)	(35.1)
Other	6,158	5,934	(224)	(3.6)	(250)	(4.1)
<Other>	5,505	6,140	635	11.5	479	8.7
Percentage of sales (%)	1.1	1.1				
Domestic	2,324	2,188	(136)	(5.9)	(136)	(5.9)
Overseas	3,181	3,952	771	24.2	615	19.3
The Americas	1,231	1,259	28	2.3	(24)	(1.9)
Europe, Middle East and Africa	892	956	64	7.2	(46)	(5.2)
Other	1,058	1,737	679	64.2	685	64.7
Total	514,195	577,989	63,794	12.4	39,429	7.7
Percentage of sales (%)	100.0	100.0				
Domestic	187,822	212,218	24,396	13.0	24,396	13.0
Percentage of sales (%)	36.5	36.7				
Overseas	326,373	365,771	39,398	12.1	15,033	4.6
Percentage of sales (%)	63.5	63.3				
The Americas	151,083	167,719	16,636	11.0	9,679	6.4
Percentage of sales (%)	29.4	29.0				
Europe, Middle East and Africa	127,280	147,466	20,186	15.9	3,764	3.0
Percentage of sales (%)	24.8	25.5				
Other	48,010	50,586	2,576	5.4	1,590	3.3
Percentage of sales (%)	9.3	8.8				

Each category includes the following product line:

Digital Services	Sales of MFPs (multifunctional printers), laser printers, digital duplicators, wide format printers, facsimile machine, scanners, personal computers, servers, network equipment, related parts & supplies, services, support, software and service & solutions related to documents
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Industrial Solutions	Production and sales of thermal paper and thermal media, industrial optical component/module and precision mechanical component
Other	Digital cameras, 360°cameras, environment, healthcare

(Notes) 1. Digital services as a business segment is mainly limited to the office services business and the office printing sales business. This segment does not include all digital services, which Ricoh aims to transform into "a digital services company" that connects workplaces and support worker's creativity. "Digital Services" provided as "a digital services company" is included in all the business segments as well as Digital Services business segment.

2. The PFU business in Other segment has been reclassified into Digital Services and Digital Products from the first quarter. Prior year comparative figures have also been reclassified to conform to the current year's presentation.

3. The electronics business in Industrial Solutions has been reclassified into Digital Products from the previous third quarter. Prior year comparative figures have also been reclassified to conform to the current year's presentation.

3. Forecast of Consolidated Performance

(Billions of yen)

	Half year ended September 30, 2023 Results	Change %	Half year Ending March 31, 2024 Forecast	Change %	Year ending March 31, 2024 Forecast	Change %
Sales	1,112.5	14.3	1,217.4	4.9	2,330.0	9.2
Gross profit	386.2	11.5	428.7	7.4	815.0	9.3
Operating profit	19.5	(16.6)	50.4	(8.8)	70.0	(11.1)
Profit before income tax expenses	24.6	0.1	49.5	(12.6)	74.2	(8.7)
Profit attributable to owners of the parent	15.6	4.7	34.3	(12.8)	50.0	(8.0)
Earnings per share attributable to owners of the parent-basic (yen)	25.63	1.76	56.46	(7.80)	82.09	(6.04)
Earnings per share attributable to owners of the parent- diluted (yen)	25.62	1.75	56.45	(7.78)	82.07	(6.03)
Capital expenditures	21.9		26.0		48.0	
Depreciation	21.4		21.5		43.0	
R&D expenditures	54.9		53.0		108.0	
Exchange rate (Yen/US\$)	140.92		145.00		142.96	
Exchange rate (Yen/EURO)	153.36		155.00		154.18	

* 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, 2023	Half year ending March 31, 2024		Year ending March 31, 2024			
	Results	Forecast	Forecast excluding exchange impact	Forecast	Change %	Forecast excluding exchange impact	Change %
<Digital Services>	1,684.3	916.7	882.1	1,800.0	6.9	1,727.6	2.6
Domestic	689.2	384.2	384.2	731.7	6.2	731.7	6.2
Overseas	995.1	532.4	497.8	1,068.3	7.4	995.8	0.1
The Americas	426.6	221.1	209.1	450.2	5.6	426.8	0.0
Europe, Middle East and Africa	451.9	249.8	230.6	495.6	9.7	453.0	0.2
Other	116.5	61.4	58.0	122.3	5.0	116.0	(0.5)
<Digital Products>	79.6	63.4	61.5	108.0	35.6	104.7	31.5
Domestic	41.4	31.6	31.6	53.1	28.1	53.1	28.1
Overseas	38.1	31.7	29.8	54.8	43.7	51.6	35.2
The Americas	19.7	19.1	18.1	33.2	67.9	31.4	59.0
Europe, Middle East and Africa	8.7	6.7	6.2	11.5	33.1	10.6	21.8
Other	9.6	5.7	5.4	10.0	3.8	9.5	(1.7)
<Graphic Communications>	234.8	151.6	143.5	272.0	15.8	257.1	9.5
Domestic	27.1	18.0	18.0	30.3	11.6	30.3	11.6
Overseas	207.6	133.6	125.4	241.7	16.4	226.7	9.2
The Americas	118.0	75.0	70.9	135.2	14.6	128.1	8.6
Europe, Middle East and Africa	60.2	38.4	35.5	69.2	15.0	63.3	5.2
Other	29.3	20.1	19.0	37.2	26.8	35.3	20.1
<Industrial Solutions>	113.5	73.1	69.9	125.0	10.1	119.7	5.4
Domestic	36.9	20.8	20.8	39.1	6.1	39.1	6.1
Overseas	76.6	52.2	49.0	85.8	12.0	80.5	5.1
The Americas	31.8	20.9	19.8	35.3	11.3	33.5	5.4
Europe, Middle East and Africa	21.9	15.9	14.7	24.5	12.1	22.5	2.7
Other	22.8	15.3	14.5	25.8	12.9	24.4	6.9
<Other>	21.7	12.6	12.2	25.0	15.1	24.0	10.7
Domestic	9.1	5.0	5.0	9.5	5.3	9.5	5.3
Overseas	12.6	7.6	7.1	15.4	22.1	14.5	14.6
The Americas	4.5	2.7	2.5	5.2	14.1	4.9	8.2
Europe, Middle East and Africa	3.6	2.2	2.0	4.2	15.8	3.8	5.9
Other	4.4	2.6	2.5	5.9	35.6	5.6	28.5
Total	2,134.1	1,217.4	1,169.3	2,330.0	9.2	2,233.2	4.6
Domestic	803.9	459.8	459.8	864.0	7.5	864.0	7.5
Overseas	1,330.2	757.5	709.4	1,466.0	10.2	1,369.2	2.9
The Americas	600.8	339.0	320.5	659.3	9.7	624.9	4.0
Europe, Middle East and Africa	546.4	313.1	289.2	605.2	10.8	553.4	1.3
Other	182.9	105.2	99.6	201.3	10.1	190.9	4.4

(Notes) 1. Digital services as a business segment is mainly limited to the office services business and the office printing sales business. This segment does not include all digital services, which Ricoh aims to transform into "a digital services company" that connects workplaces and support worker's creativity. "Digital Services" provided as "a digital services company" is included in all the business segments as well as Digital Services business segment.

2. The PFU business in Other segment has been reclassified into Digital Services and Digital Products from the first quarter. Prior year comparative figures have also been reclassified to conform to the current year's presentation.