

**Ricoh Company, Ltd.**

Condensed Consolidated Financial Statements  
for the Three Months Ended June 30, 2021

This is an English translation of the Quarterly Securities Report (Shihanki Hokokusho) for the three months ended June 30, 2021 pursuant to the Japanese Financial Instrument and Exchange Law.

# Condensed Consolidated Statement of Financial Position

Ricoh Company, Ltd. and its Consolidated Subsidiaries

ASSETS	Millions of Yen	
	As of March 31, 2021	As of June 30, 2021
Current assets:		
Cash and cash equivalents (Note 6)	334,810	328,670
Time deposits (Note 6)	238	275
Trade and other receivables	392,132	342,205
Other financial assets	92,823	91,514
Inventories	192,016	193,809
Other current assets	46,725	51,465
Total current assets	1,058,744	1,007,938
Non-current assets:		
Property, plant and equipment	191,963	188,116
Right-of-use assets	63,653	61,502
Goodwill and intangible assets	225,510	231,283
Other financial assets	136,093	132,391
Investments accounted for using the equity method (Note 12)	79,504	80,783
Other investments	18,504	18,735
Other non-current assets	29,773	29,533
Deferred tax assets	84,124	85,087
Total non-current assets	829,124	827,430
Total assets	1,887,868	1,835,368

<b>LIABILITIES AND EQUITY</b>	Millions of Yen	
	As of March 31, 2021	As of June 30, 2021
Current liabilities:		
Bonds and borrowings (Note 7)	82,731	101,834
Trade and other payables	287,160	252,210
Lease liabilities	25,475	23,568
Other financial liabilities	1,669	2,257
Income tax payables	7,213	7,180
Provisions	12,946	12,066
Other current liabilities	240,322	249,556
Total current liabilities	657,516	648,671
Non-current liabilities:		
Bonds and borrowings (Note 7)	139,676	120,389
Lease liabilities	46,737	45,796
Accrued pension and retirement benefits	70,463	68,229
Provisions	11,413	10,074
Other non-current liabilities	34,469	35,592
Deferred tax liabilities	3,742	3,668
Total non-current liabilities	306,500	283,748
Total liabilities	964,016	932,419
Equity:		
Common stock	135,364	135,364
Additional paid-in capital	186,231	186,242
Treasury stock (Note 8)	(45,024)	(70,280)
Other components of equity	82,097	86,084
Retained earnings	561,578	561,899
Equity attributable to owners of the parent	920,246	899,309
Non-controlling interests	3,606	3,640
Total equity	923,852	902,949
Total liabilities and equity	1,887,868	1,835,368

*The accompanying notes are an integral part of these condensed consolidated financial statements.*

# Condensed Consolidated Statement of Profit or Loss

Ricoh Company, Ltd. and its Consolidated Subsidiaries

	Millions of Yen	
	Three months ended June 30, 2020	Three months ended June 30, 2021
Sales (Note 4,5)	352,325	424,804
Cost of sales	230,252	272,441
Gross profit	122,073	152,363
Selling, general and administrative expenses (Note 11,12)	144,918	150,344
Other income *	1,573	3,647
Operating profit (loss)	(21,272)	5,666
Finance income	838	1,071
Finance costs	2,668	882
Share of profit (loss) of investments accounted for using the equity method	490	1,827
Profit (loss) before income tax expenses	(22,612)	7,682
Income tax expenses	(3,949)	2,846
Profit (loss) for the period	(18,663)	4,836
Profit (loss) attributable to:		
Owners of the parent	(18,659)	4,787
Non-controlling interests	(4)	49

	Yen	
	Three months ended June 30, 2020	Three months ended June 30, 2021
Earnings per share attributable to owners of the parent: (Note 13)		
Basic	(25.76)	6.77
Diluted	(25.76)	6.77

*The accompanying notes are an integral part of these condensed consolidated financial statements.*

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

# Condensed Consolidated Statement of Comprehensive Income

Ricoh Company, Ltd. and its Consolidated Subsidiaries

	Millions of Yen	
	Three months ended June 30, 2020	Three months ended June 30, 2021
Profit (loss) for the period	(18,663)	4,836
Other comprehensive income (loss):		
Components that will not be reclassified subsequently to profit or loss:		
Remeasurement of defined benefit plan	-	981
Net changes in fair value of financial assets measured through other comprehensive income	615	207
Share of other comprehensive income of investments accounted for using equity method	19	114
Total components that will not be reclassified subsequently to profit or loss	634	1,302
Components that will be reclassified subsequently to profit or loss:		
Net changes in fair value of cash flow hedges	214	(128)
Exchange differences on translation of foreign operations	3,429	3,810
Share of other comprehensive income of investments accounted for using equity method	24	(68)
Total components that will be reclassified subsequently to profit or loss	3,667	3,614
Total other comprehensive income (loss)	4,301	4,916
Comprehensive income (loss)	(14,362)	9,752
Comprehensive income (loss) attributable to:		
Owners of the parent	(14,403)	9,695
Non-controlling interests	41	57

*The accompanying notes are an integral part of these condensed consolidated financial statements.*

# Condensed Consolidated Statement of Changes in Equity

Ricoh Company, Ltd. and its Consolidated Subsidiaries

(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)					527	147
Comprehensive income (loss)	-	-	-	-	527	147
Net change in treasury stock			(1)			
Dividends declared and approved to owners (Note 9)						
Share-based payment transactions		16				
Share-based payment transactions of subsidiaries						
Loss of control of subsidiaries (Note 12)						
Transfer from other components of equity to retained earnings (Note 12)						
Other			(49)			
Total transactions with owners	-	16	(50)	-	-	-
Balance as of June 30, 2020	135,364	186,189	(37,845)	-	5,718	556

(Millions of Yen)

	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				(18,659)	(18,659)	(4)	(18,663)
Other comprehensive income (loss)	3,430	4,104	152		4,256	45	4,301
Comprehensive income (loss)	3,430	4,104	152	(18,659)	(14,403)	41	(14,362)
Net change in treasury stock					(1)		(1)
Dividends declared and approved to owners (Note 9)				(9,418)	(9,418)	(26)	(9,444)
Share-based payment transactions					16		16
Share-based payment transactions of subsidiaries					-	4	4
Loss of control of subsidiaries (Note 12)					-	(84,676)	(84,676)
Transfer from other components of equity to retained earnings (Note 12)			(282)	282	-		-
Other					(49)		(49)
Total transactions with owners	-	-	(282)	(9,136)	(9,452)	(84,698)	(94,150)
Balance as of June 30, 2020	39,598	45,872	-	566,936	896,516	3,499	900,015

(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, 2021	135,364	186,231	(45,024)	-	7,807	(430)
Profit (loss) for the period						
Other comprehensive income (loss)				981	321	(197)
Comprehensive income (loss)	-	-	-	981	321	(197)
Net change in treasury stock (Note 8)			(25,260)			
Dividends declared and approved to owners (Note 9)						
Share-based payment transactions		11	4			
Transfer from other components of equity to retained earnings				(981)	60	
Total transactions with owners	-	11	(25,256)	(981)	60	-
Balance as of June 30, 2021	135,364	186,242	(70,280)	-	8,188	(627)



(Millions of Yen)

	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, 2021	74,720	82,097	561,578	920,246	3,606	923,852
Profit (loss) for the period			4,787	4,787	49	4,836
Other comprehensive income (loss)	3,803	4,908		4,908	8	4,916
Comprehensive income (loss)	3,803	4,908	4,787	9,695	57	9,752
Net change in treasury stock (Note 8)				(25,260)		(25,260)
Dividends declared and approved to owners (Note 9)			(5,387)	(5,387)	(23)	(5,410)
Share-based payment transactions				15		15
Transfer from other components of equity to retained earnings		(921)	921	-		-
Total transactions with owners	-	(921)	(4,466)	(30,632)	(23)	(30,655)
Balance as of June 30, 2021	78,523	86,084	561,899	899,309	3,640	902,949

*The accompanying notes are an integral part of these condensed consolidated financial statements.*

# Condensed Consolidated Statement of Cash Flows

Ricoh Company, Ltd. and its Consolidated Subsidiaries

(Millions of Yen)

	Three months ended June 30, 2020	Three months ended June 30, 2021
<b>I. Cash Flows from Operating Activities:</b>		
Profit (loss) for the period	(18,663)	4,836
Adjustments to reconcile profit for the period to net cash provided by (used in) operating activities -		
Depreciation and amortization	26,502	23,477
Other income	(14)	(2,712)
Share of (profit) loss of investments accounted for using the equity method	(490)	(1,827)
Finance income and costs	1,830	(189)
Income tax expenses	(3,949)	2,846
(Increase) decrease in trade and other receivables	80,692	51,714
(Increase) decrease in inventories	(11,165)	(1,199)
(Increase) decrease in lease receivables	9,832	5,976
Increase (decrease) in trade and other payables	(47,798)	(35,187)
Increase (decrease) in accrued pension and retirement benefits	(1,885)	(2,833)
Other, net	(1,823)	7,463
Interest and dividends received	1,562	1,011
Interest paid	(900)	(845)
Income taxes paid	(6,373)	(4,664)
<b>Net cash provided by (used in) operating activities</b>	<b>27,358</b>	<b>47,867</b>
<b>II. Cash Flows from Investing Activities:</b>		
Proceeds from sales of property, plant and equipment	44	3,329
Expenditures for property, plant and equipment	(12,000)	(7,584)
Proceeds from sales of intangible assets	54	-
Expenditures for intangible assets	(4,913)	(7,349)
Payments for purchases of investment securities	(591)	(169)
Proceeds from sales of investment securities	17	13
Net (Increase) decrease in time deposits	(12)	(36)
Purchase of business, net of cash acquired	(1,476)	(2,292)
Net increase (decrease) due to loss of control of subsidiaries (Note 12)	7,846	-
Other, net	(428)	-
<b>Net cash provided by (used in) investing activities</b>	<b>(11,459)</b>	<b>(14,088)</b>
<b>III. Cash Flows from Financing Activities:</b>		
Net increase (decrease) of short-term debt	(20,616)	(3,661)
Proceeds from long-term debt	88,776	1,134
Repayments of long-term debt	(10,488)	(927)
Repayments of lease liabilities	(7,763)	(8,906)
Dividends paid (Note 9)	(9,418)	(5,387)
Payments for purchase of treasury stock (Note 8)	(1)	(25,260)
Other, net	(26)	(23)
<b>Net cash provided by (used in) financing activities</b>	<b>40,464</b>	<b>(43,030)</b>
<b>IV. Effect of Exchange Rate Changes on Cash and Cash Equivalents</b>	<b>(36)</b>	<b>604</b>
<b>V. Net Increase (decrease) in Cash and Cash Equivalents</b>	<b>56,327</b>	<b>(8,647)</b>
<b>VI. Cash and Cash Equivalents at Beginning of Year</b>	<b>263,688</b>	<b>330,344</b>
<b>VII. Cash and Cash Equivalents at End of Period (Note 6)</b>	<b>320,015</b>	<b>321,697</b>

The accompanying notes are an integral part of these condensed consolidated financial statements.

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.

# Notes to Condensed Consolidated Financial Statements

*Ricoh Company, Ltd. and its Consolidated Subsidiaries*

## 1. REPORTING ENTITY

Ricoh Co., Ltd. (the “Company”) is a company domiciled in Japan. The condensed consolidated financial statements of the Company as of and for the period ended June 30, 2021 comprise of the Company and its subsidiaries (the “Ricoh” as a consolidated group) and Ricoh's interest in associates.

Ricoh is operating development, manufacturing, sales and service activities on the business segments of Digital Services, Digital Products, Graphic Communications, Industrial Solutions and Other (see Note 4, “Operating Segments”).

Ricoh adopted a business unit structure from April 1, 2021. Based on this new business unit structure, Ricoh changed Operating Segment Information from this fiscal year. Prior year comparative figures have also been reclassified to conform to the current year's presentation.

## 2. BASIS OF PREPARATION

### (1) Statements of Compliance

The condensed consolidated financial statements meet the requirements set out under Article 1-2, Paragraph 1, Item 2 of the Rules on Terminology, Formats and Compilation Methods of Quarterly Consolidated Financial Statements (Cabinet Office Ordinance No. 64 of 2007; hereinafter referred to as the “Rules on Quarterly Consolidated Financial Statements”) under which the Company is qualified as a “specified company” and duly prepares such summary in accordance with IAS 34 “Interim Financial Reporting”, under the provisions of Article 93 of the Rules on Quarterly Consolidated Financial Statements. As the condensed consolidated financial statements do not contain all the information required in annual consolidated financial statements, it should be read in combination with the consolidated financial statements for the fiscal year ended March 31, 2021, prepared in accordance with International Financial Reporting Standards (“IFRSs”).

The condensed consolidated financial statements are presented in Japanese yen, which is also the Company’s functional currency. All amounts presented in Japanese yen have been rounded to the nearest million.

### (2) Use of Estimates and Judgments

The preparation of condensed consolidated financial statements in accordance with IFRSs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in future periods in which the revision affects.

Estimates and judgments that have significant impact on the amounts in the condensed consolidated financial statements for the three months ended June 30, 2021 remain the same as those that had significant impact on the amounts in the consolidated financial statements for the previous fiscal year.

For the consolidated financial statements for the previous fiscal year under review, Ricoh assumed that although the spread of COVID-19 continued to affect its business results, to a certain extent, over this fiscal

year and beyond, the accelerated vaccination rollout will gradually contain the pandemic in the future. Therefore, there is no significant change about above assumptions as of June 30, 2021.

### 3. SIGNIFICANT ACCOUNTING POLICIES

Significant accounting policies which apply in the condensed consolidated financial statements are the same as those in the previous fiscal year.

### 4. OPERATING SEGMENTS

Ricoh adopted a business unit structure from April 1, 2021. Based on this new business unit structure, Ricoh changed Operating Segment Information from this fiscal year. Prior year comparative figures have also been reclassified to conform to the current year's presentation. Intersegment sales are primarily for Digital Services.

The following table presents the content of change in operating segment.

Conventional Segments	Business Domains
Office Printing	Production and sales of MFPs (multifunctional printers), copiers, laser printers, digital duplicators, wide format printers, facsimile machine, scanners, related parts and supplies, services, support and software
Office Services	Production and sales of personal computers, servers, network equipment, related services, support, software and service solutions related to documents
Commercial Printing	Production and sales of cut sheet printers, continuous feed printers, related parts and supplies, services, support and software
Industrial Printing	Production and sales of inkjet heads, imaging systems and industrial printers
Thermal Media	Production and sales of thermal papers, thermal media
Other	Industrial optical component/module, electronic components, precision mechanical component, digital cameras, 3D printing, environment, healthcare

New Segments	Business Domains
Digital Services	Sale of MFPs (multifunctional printers), laser printers, digital duplicators, wide format printers, facsimile machine, scanners, personal computers, servers, network equipment, related parts & supplies, services, support and service & solutions related to documents
Digital Products	Production and OEM of MFPs (multifunctional printers), laser printers, digital duplicators, wide format printers, facsimile machine, scanners, network equipment, and related parts & supplies
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, electronic components and precision mechanical component
Other	Digital cameras, 360°cameras, environment, healthcare

Segment profit (loss) is based on operating profit (loss) and is used by Ricoh's chief operating decision maker in deciding how to allocate resources and in assessing performance. Segment profit (loss) excludes certain adjustment such as unrealized gain or loss on inventories and fixed assets accrued from intersegment transaction.

The following tables present certain information regarding Ricoh's operating segments and geographic areas for the three months ended June 30, 2020 and 2021. Intersegment transactions are made at arm's-length prices. No single customer accounted for 10% or more of the total sales for the three months ended June 30, 2020 and 2021.

### (1) Operating Segment Information

	Millions of Yen	
	Three months ended June 30, 2020	Three months ended June 30, 2021
Segment sales:		
Digital Services	283,745	346,395
Digital Products	79,499	89,483
Graphic Communications	32,169	42,550
Industrial Solutions	25,602	28,678
Other	12,423	8,452
Intersegment sales	(81,113)	(90,754)
Total segment sales	352,325	424,804
Segment profit (loss):		
Digital Services	(7,311)	1,331
Digital Products	(1,727)	9,023
Graphic Communications	(8,937)	1,048
Industrial Solutions	(1,805)	(973)
Other	(3,167)	(3,264)
Total segment profit (loss)	(22,947)	7,165
Reconciling items:		
Corporate expenses and elimination	1,675	(1,499)
Finance income	838	1,071
Finance costs	(2,668)	(882)
Share of profit of investments accounted for using equity method	490	1,827
Profit (loss) before income tax expenses	(22,612)	7,682

### (2) Geographic Information

Sales based on the location of customers are as follows:

	Millions of Yen	
	Three months ended June 30, 2020	Three months ended June 30, 2021
Sales:		
Japan	159,305	171,317
The Americas	85,750	106,416
Europe, Middle East and Africa	74,232	106,310
Other	33,038	40,761
Consolidated	352,325	424,804
The United States (included in The Americas)	74,775	89,029

## 5. SALES

As described in Note 4 “OPERATING SEGMENTS,” operating segments of Ricoh comprise Digital Services, Digital Products, Graphic Communications, Industrial Solutions and Other. In addition, Sales are classified by region based on the location of customers.

The following table presents sales of each segment by geographic region.

Three months ended June 30, 2020	Millions of Yen				
	Japan	The Americas	Europe, Middle East and Africa	Other	Total
Digital Services	133,639	65,228	63,059	21,819	283,745
Digital Products	1,558	188	-	1,236	2,982
Graphic Communications	6,126	15,132	7,093	3,818	32,169
Industrial Solutions	10,938	4,422	3,503	5,114	23,977
Other	7,044	780	577	1,051	9,452
Total segment sales	159,305	85,750	74,232	33,038	352,325

Note:

1. Intersegment transactions were excluded in the table above.
2. Revenues recognized in accordance with IFRS15 ‘Revenue from contracts with customers’ as well as revenues from leases recognized in accordance with IFRS16 ‘Leases’ were included in Sales. The amount of revenue recognized in accordance with IFRS16 was ¥40,402 million which was mainly composed of Digital Services.
3. Ricoh adopted a business unit structure from April 1, 2021. Based on this new business unit structure, Ricoh changed Operating Segment Information from this fiscal year. Prior year comparative figures have also been reclassified to conform to the current year’s presentation.

Three months ended June 30, 2021	Millions of Yen				
	Japan	The Americas	Europe, Middle East and Africa	Other	Total
Digital Services	148,219	80,727	90,420	27,029	346,395
Digital Products	1,527	170	-	1,700	3,397
Graphic Communications	6,638	19,569	10,705	5,638	42,550
Industrial Solutions	12,260	4,726	4,164	5,776	26,926
Other	2,673	1,224	1,021	618	5,536
Total segment sales	171,317	106,416	106,310	40,761	424,804

Note:

1. Intersegment transactions were excluded in the table above.
2. Revenues recognized in accordance with IFRS15 ‘Revenue from contracts with customers’ as well as revenues from leases recognized in accordance with IFRS16 ‘Leases’ were included in Sales. The amount of revenue recognized in accordance with IFRS16 was ¥38,897 million which was mainly composed of Digital Services.

## 6. CASH AND CASH EQUIVALENTS

Details of cash and cash equivalents are as follows:

	Millions of Yen	
	As of June 30, 2020	As of June 30, 2021
Cash and deposits	320,077	328,945
Time deposits with a maturity of more than three months	(62)	(275)
Cash and cash equivalents in Condensed Consolidated Statement of Financial Position	320,015	328,670
Bank overdrafts	-	(6,973)
Cash and cash equivalents in Condensed Consolidated Statement of Cash Flows	320,015	321,697

## 7. BONDS

No issuance or repayment of bonds was noted for the first quarter ended June 30, 2020 and 2021.

## 8. CAPITAL AND RESERVES

(For the three months ended June 30, 2020)

There was no significant transaction.

(For the three months ended June 30, 2021)

At the meeting of the Board of Directors of the Company held on March 3, 2021, the Company resolved a share repurchase. The share repurchase for the first quarter ended June 30, 2021, is as follows.

(1) Share category	Common stock
(2) Number of shares	20,509,700 shares
(3) Repurchase cost	¥ 25,257,419,700
(4) Period	April 1, 2021, through June 30, 2021
(5) Method	Open market purchase on Tokyo Stock Exchange

(Reference)

1. The matters for resolution at the Board of Directors meeting held on March 3, 2021

(1) Share category	Common stock
(2) Number of shares	Up to 145,000,000 shares (representing 20.02% of issued and outstanding shares excluding treasury shares)
(3) Repurchase ceiling	¥100 billion
(4) Period	March 4, 2021, through March 3, 2022
(5) Method	Open market purchase on Tokyo Stock Exchange

## 9. DIVIDENDS

(1) Dividends paid during the three months ended June 30, 2020 and 2021 are as follows:

Resolution	Class of shares	Amount of dividends	Dividends per share	Record date	Effective date	Source of dividends
		(Millions of Yen)	(Yen)			
Ordinary general meeting of shareholders held on June 26, 2020	Ordinary shares	9,423	13.0	March 31, 2020	June 29, 2020	Retained earnings
Ordinary general meeting of shareholders held on June 24, 2021	Ordinary shares	5,390	7.5	March 31, 2021	June 25, 2021	Retained earnings

Note: The total amount of dividends paid during the three months ended June 30, 2020 and 2021 include ¥5 million and ¥3 million respectively corresponding to the Company's shares owned by the Board Incentive Plan trust in which beneficiaries include directors and executive officers.

(2) Dividends whose record date is in the current quarter but whose effective date is in the following quarter

No such dividend was noted for the first quarter ended June 30, 2020 and 2021.



## 10. FINANCIAL INSTRUMENTS

### (1) Fair value of financial instruments by type

Carrying amounts and fair values of the major financial instruments were as follows:

	Millions of Yen			
	As of March 31, 2021		As of June 30, 2021	
	Carrying amount	Fair value	Carrying amount	Fair value
Assets:				
Lease receivables	228,509	234,007	223,722	229,076
Derivative assets	407	407	183	183
Securities	17,770	17,770	18,162	18,162
Bonds	734	734	573	573
Total	247,420	252,918	242,640	247,994
Liabilities:				
Derivative liabilities	1,669	1,669	2,257	2,257
Bonds and borrowings	139,676	136,416	120,389	117,791
Total	141,345	138,085	122,646	120,048

Note:

#### (i) Cash and cash equivalents, time deposits and trade and other payables

These financial instruments are not included in the table above, as the carrying amounts approximate fair values due to the relatively short-term nature.

#### (ii) Trade and other receivables

Trade and other receivables settled in a short period are not included in the table above because the carrying amounts approximate the fair values due to the short maturities of these instruments.

The fair value of the receivables expected not to be recovered or settled in a short period is calculated per each receivable classified per certain business type based on the present value of such receivable discounted by the interest rate which takes into account the period to maturity and the credit risk.

Trade and other receivables using the inputs described above are classified as Level 3 under the fair value measurement and disclosure framework. Trade and other receivables that are not material are not included in the table above.

#### (iii) Lease receivables

The fair value of lease receivables per each receivable classified per certain period is calculated based on the present value of such receivables discounted by the interest rate which takes into account the period to maturity and the credit risk. Lease receivables using the inputs described above are classified as Level 3 under the fair value measurement and disclosure framework.

#### (iv) Derivatives

Derivative instruments include foreign currency contracts. These derivative instruments are classified as Level 2 since the fair values of these instruments are measured mainly by obtaining quotes from brokers or proper valuation methods based on available information.

#### (v) Securities and bonds

Securities and bonds include mainly marketable securities, bonds and unlisted securities. Marketable securities and bonds are held at fair value using quoted prices in an active market. Unlisted securities are classified as Level 3 since the fair value of unlisted securities is measured using comparable companies' analyses or other reasonable valuation methods.

#### (vi) Bonds and borrowings

Bonds and borrowings expected to be settled in less than 12 months are not included in the table above as the carrying amounts approximate fair values due to the short-term maturities of these instruments. The fair value of bonds, borrowings and lease liabilities are calculated from estimated present values using year-end borrowing rates applied to borrowings with similar maturities derived from future cash flows on a per-loan basis as well as calculated based on market prices. Bonds and borrowings using inputs described above are classified as Level 2 under the fair value measurement and disclosure framework, since they are valued using observable market data.

(vii) Measurement of financial instruments

Measurement methods for the financial instruments in accordance with IFRS9 'Financial Instruments' were as follows.

At amortized cost: trade receivables, bonds (as a liability) and borrowings.

At fair value through profit or loss: derivative assets and liabilities.

At fair value through other comprehensive income: securities and bonds (as assets).

**(2) Fair value measurement applied in condensed consolidated statement of financial position**

The analysis of financial instruments subsequently measured at fair value is shown below. The fair value hierarchy of financial instruments is categorized as follows from Level 1 to Level 3:

Reclassification among the levels in the fair value hierarchy is recognized upon the date when the event or change in circumstances causing the reclassification first come into being.

Level 1: Fair values measured using quoted prices in active markets with respect to identical assets or liabilities

Level 2: Fair values measured using inputs other than quoted prices that are observable, either directly or indirectly

Level 3: Fair values measured using inputs not based on observable market data

	Millions of Yen			Total
	As of March 31, 2021			
	Level 1	Level 2	Level 3	
Financial assets at fair value through profit or loss:				
Derivative assets	-	407	-	407
Financial assets at fair value through other comprehensive income:				
Securities	15,317	-	2,453	17,770
Bonds	734	-	-	734
<b>Total assets</b>	<b>16,051</b>	<b>407</b>	<b>2,453</b>	<b>18,911</b>
Financial liabilities at fair value through profit or loss:				
Derivative liabilities	-	1,669	-	1,669
<b>Total liabilities</b>	<b>-</b>	<b>1,669</b>	<b>-</b>	<b>1,669</b>

	Millions of Yen			
	As of June 30, 2021			
	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss:				
Derivative assets	-	183	-	183
Financial assets at fair value through other comprehensive income:				
Securities	15,618	-	2,544	18,162
Bonds	573	-	-	573
<b>Total assets</b>	<b>16,191</b>	<b>183</b>	<b>2,544</b>	<b>18,918</b>
Financial liabilities at fair value through profit or loss:				
Derivative liabilities	-	2,257	-	2,257
<b>Total liabilities</b>	<b>-</b>	<b>2,257</b>	<b>-</b>	<b>2,257</b>

Note:

(i) Derivative instruments include foreign currency contracts. These derivative instruments are classified as Level 2 in the fair value hierarchy since the fair values of these instruments are measured mainly by obtaining quotes from brokers or proper valuation methods based on available information.

(ii) Securities and Bonds classified as Level 1 in the fair value hierarchy contains marketable equity securities and bonds. Marketable equity securities and bonds are valued using a market approach based on the quoted market prices of identical instruments in active markets. As for unlisted securities, Ricoh determines the fair value based on an approach using observable inputs such as comparable companies' share prices and unobservable inputs, therefore, unlisted securities are classified as Level 3.

A reconciliation of financial assets categorized at Level 3 from beginning balances to the ending balances is as follows:

	Millions of Yen	
	Three months ended	Three months ended
	June 30, 2020	June 30, 2021
<b>Beginning balance</b>	<b>16,509</b>	<b>2,453</b>
Gains and losses:		
- in other comprehensive income (Note)	-	(94)
Purchases	558	102
Sales	(18)	-
Decrease due to disposal of interest in subsidiaries	(14,142)	-
Others	1	83
<b>Ending balance</b>	<b>2,908</b>	<b>2,544</b>

Note:

Total gains and losses included in other comprehensive income relate to the shares not traded in the market. Related gains and losses are included in "Net changes in fair value of financial assets measured through other comprehensive income" in the condensed consolidated statement of comprehensive income.

## 11. SUPPLEMENTARY INFORMATION TO THE CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

The following amounts were charged to selling, general and administrative expenses for the three months ended June 30, 2020 and 2021:

	Millions of Yen	
	Three months ended June 30, 2020	Three months ended June 30, 2021
Research and development expenses	19,381	18,592
Shipping and handling expenses	5,275	6,476
Advertising expenses	758	854

## 12. LOSS OF CONTROL OF SUBSIDIARY

(For the three months ended June 30, 2020)

### (1) Overview of loss of control

At a meeting on March 9, 2020, the Board of Directors of Ricoh Company Ltd. agreed to sell a portion of its shares in Ricoh Leasing Co., Ltd. (referred to as “Ricoh Leasing”), a consolidated subsidiary of the Company, to Mizuho Leasing Company, Ltd. (referred to as “Mizuho Leasing”).

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, which used to be a consolidated subsidiary of the Company, became an affiliate accounted for under the equity method.

(2) Assets and liabilities as of the date which control was lost were as follows:

	Millions of Yen
	Carrying amount
Cash and cash equivalents	28,954
Trade and other receivables	219,572
Other financial assets	824,971
Property, plant and equipment	63,855
Other assets	46,144
Bonds and borrowings	(907,957)
Trade and other payables	(40,824)
Other liabilities	(51,229)
Net assets removed	183,486

Note: Assets and liabilities included in the derecognized subsidiary were the amounts before elimination of inter-company transactions.

(3) Gain or loss arising from the sale of the subsidiary with loss of control was as follows:

	Millions of Yen
	Three months ended June 30, 2020
Cash received	36,800
Net assets removed	(183,486)
Non-controlling interests	84,676
Retained investment in former subsidiary	62,010
Gain or loss arising from the deconsolidation	-

Note: The loss amounting to ¥2,539 million from measuring the disposal group classified as held for sale at fair value less costs to sell was included in selling, general and administrative expenses.

(4) Cash flows resulting from the sale of subsidiary were as follows:

	Millions of Yen
	Three months ended June 30, 2020
Cash received from the sale of subsidiary	36,800
Cash and cash equivalents of derecognized subsidiary	(28,954)
Net proceeds from the sale of subsidiary	7,846

(For the three months ended June 30, 2021)

There was no loss of control of subsidiary.

### 13. EARNINGS PER SHARE

Basic earnings per share and diluted earnings per share are as follows.

(1) Basic earnings per share

	Three months ended June 30, 2020	Three months ended June 30, 2021
Profit (loss) attributable to owners of the parent (millions of yen)	(18,659)	4,787
Weighted average number of ordinary shares outstanding (thousands of shares)	724,433	706,901
Basic earnings per share (yen)	(25.76)	6.77

(2) Diluted earnings per share

	Three months ended June 30, 2020	Three months ended June 30, 2021
Profit (loss) attributable to owners of the parent (millions of yen)	(18,659)	4,787
Adjustments (millions of yen)	-	-
Profit (loss) used for calculation of diluted earnings per share (millions of yen)	(18,659)	4,787
Weighted average number of ordinary shares outstanding (thousands of shares) (*1)	724,433	706,901
Effect of dilutive potential ordinary shares		
Share-based payment (thousands of shares) (*2)	-	39
Weighted-average number of ordinary shares diluted (thousands of shares)	724,433	706,941
Diluted earnings per share (yen)	(25.76)	6.77

(\*1) For the purpose of calculation of basic earnings per share and diluted earnings per share, the shares of the Company held by Board Incentive Plan trust in which beneficiaries include directors and executive officers are accounted as treasury shares and the number of those shares are deducted from weighted-average number of ordinary shares outstanding during the period.

(\*2) For the three months ended June 30, 2020, since an increase in the number of ordinary shares due to share-based payment reduces loss per share for the period, potential shares have no dilutive effect.

## 14. CAPITAL COMMITMENTS AND CONTINGENCIES

As of March 31, 2021 and June 30, 2021, Ricoh had outstanding contractual commitments for acquisition of property, plant and equipment and other assets aggregating ¥5,956 million and ¥7,351 million, respectively.

As of March 31, 2021 and June 30, 2021, there were no significant contingent liabilities.

As of June 30, 2021, the Company and certain subsidiaries were parties to litigation involving routine matters, such as patent rights. In the opinion of management, the ultimate liability, if any, resulting from such litigation will not materially affect the financial position or the results of operations of Ricoh.

## 15. SUBSEQUENT EVENTS

(Share Repurchase)

At the meeting of the Board of Directors of the Company held on March 3, 2021, the Company resolved a share repurchase. The status of share repurchase after June 30, 2021 is as follows.

The status of share repurchase

(1) Share category	Common stock
(2) Number of shares	11,059,600 shares
(3) Repurchase cost	¥13,279,990,300
(4) Period	July 1, 2021, through August 5, 2021
(5) Method	Open market purchase on Tokyo Stock Exchange

(Reference)

1. The matters for resolution at the Board of Directors meeting held on March 3, 2021

(1) Share category	Common stock
(2) Number of shares	Up to 145,000,000 shares (representing 20.02% of issued and outstanding shares excluding treasury shares)
(3) Repurchase ceiling	¥100 billion
(4) Period	March 4, 2021, through March 3, 2022
(5) Method	Open market purchase on Tokyo Stock Exchange

2. Total number of shares repurchase (as of August 5, 2021)

(1) Total number of shares repurchase	37,782,300 shares
(2) Total repurchase cost	¥45,828,349,800

## 16. AUTHORIZATION OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The condensed consolidated financial statements were authorized for issue by Yoshinori Yamashita, Representative Director and President, and Hidetaka Matsuishi Director and Executive Corporate Officer, on August 6, 2021.