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**This document is prepared for reference purposes for investors. It represents the essence of a presentation of consolidated results for the fourth quarter of FY2011, It isn't a verbatim record.**

Our hearts go out to the countless victims of the Great East Japan Earthquake and Tsunami. Inspired by the extraordinary resilience and bravery of the people in the affected areas, Ricoh pledges its full support to the ongoing efforts.

**P2 「Impact of Great East Japan Earthquake and Tsunami」**

- At Ricoh, we set up an Earthquake Disaster Countermeasure Headquarters immediately after the quake, lead by Mr. Kondo and CEO, our President. Many activities have been implemented thus far, including donations, but also support to help our customers continue on with their business.
- We had set up our BCP, Business Continuity Plan a few years ago. This enabled us to be prepared to respond quickly in this case.
- For instance, we were able to swiftly deliver products and various equipment required in the affected areas, e.g. sending waterproof digital cameras with GPS function. We've also supported the delivery of goods for donation using our nationwide logistics network.
- We are also thinking of offering other support for regional revitalization as well as for business expansion.
- The Ricoh Group has four production sites, a research site and several sales & service sites in the Tohoku area, and all have been impacted by the disaster.
- We were able to bring back our production to nearly pre-quake levels by mid-April. We of course still carry some issues in regards to components we procure, but in the main we do not have worries at this point.
- What we cannot yet foresee is how the rolling blackout plan will develop. We too have implemented measures to achieve 25% power reduction.

**P3 「FY2011/03 results overview」**

- We could not achieve our FY2011/03 operating income target of 85 billions of yen, which we forecasted in the last quarterly financial release, due to the impact of the earthquakes in Q4.

- Not only in the affected area, but at other areas in Japan our sales staff felt unease in pursuing their task, because it was a particularly difficult time to talk business with the customers, and each company was reluctant to make additional investments. This accounts for our poor domestic sales performance in March.
- As a result, FY2011/03 operating income came to 8% yoy decrease and 29% decrease for net income attributable for our shareholders.
- On the other hand, since we have launched new products, especially the new office color MFP lineup, in FY2011/03, we should be able to strengthen our competitiveness.
- MDS, Managed Document Service, and IT service business are enjoying steady growth.
- We have continued our structural reforms and have improved efficiency by keeping down SG&A and CAPEX.
- We forecast an expansion in overseas business, e.g. in the U.S. and emerging markets, and new businesses in FY2012/03. Also we will be pursuing even deeper structural reform.
- We forecast FY2012/03 operating income as 16% yoy growth and 47% growth for net income
- There will be no change to our dividend for FY2011/03, and we plan to keep the same level of dividend for FY2012/03 as well.

#### **P4 「FY2011/03 income statement」**

- There was a decline both in our sales and income in FY2011/03.
- Sales came to 1,942 billions yen, a 3.7% decrease yoy. If you exclude forex impact, a 1.9% increase yoy.
- Compare with our forecast after the Q3 results, domestic sales were down drastically due to the impact of the earthquakes. Overseas, we could not achieve our target due to the still mild market recovery and tougher competition, although we were able to gain some market share by launching new products.
- For Gross profit, growth was negative due to the decrease of sales and negative impact from forex fluctuations, although we had some gain from the expansion of high-value added business such as MDS&IT service and continuous cost reduction.
- We were able to reduce SG&A down by 26.4 billion yen due to our efforts to reduce costs and also the effects of yen appreciation.
- Therefore, our FY2011/03 operating income came to 60.1 billion yen, a 8.8% negative growth yoy.

#### **P5 「FY2011/03 operating income y-o-y comparison」**

- Sales & margin, was plus 41.9 billion yen, lower than we previously forecasted at 59.7 billion yen, due to impact from the earthquake.
- We gained 7 billion yen from Product cost down, lower than our previous forecast of 9 billion yen due to the impact of earthquake
- R&D spending was almost as planned.
- Other expenses increased 5 billion yen yoy, down from our previous forecast of 9.8 billion increase yoy.
- Net impact from Forex was 39.4 billion profit decrease yoy.
- In addition to the above, we also had 9.4 billion profit decrease impact directly from the earthquake. This includes negative impact we saw in sales of products and consumables, plus other costs required in replacement and scrapping of equipment damaged in the quake.
- All in all, our FY2011/03 operating Income was 5.8 billion yen decrease yoy,

#### **P6 「FY2011/03 results supplement」**

- This page shows how our OP margin, Gross margin and SG&A ratio progressed, in line graphs.
- We expected to improve these indexes in Q4, but instead, they fell through the impact of earthquake.
- We were able to control the amount of SG&A.
- Sales growth excluding Forex was down by 1.9% yoy in Q4, where we were expecting positive yoy. This was main reason why we could not achieve our targets.

#### **P7 「FY2011/03 sales」**

- We explain sales by business areas on this page.
- Japan was actually on a good recovery trend until Q3. We had slight decline in sales yoy due to poor performance in March.
- In the Americas, we have been seeing growth on a yoy basis ever since the second quarter.
- In Europe, we've seen gradual but steady recovery as well. As you are aware, Europe actually has strong and weak areas, but all in all, there is a gradual recovery.
- The Others market is still showing a steady growth.

#### **P8 「FY2011/03 business segment: Imaging & Solutions」**

- Imaging & Solutions in total resulted in minus 4.3% growth yoy. This includes the forex impact, and in local currency, this portion actually came to 1.8% growth yoy.
- The Imaging Solutions, marked a minus 5.7% growth yoy. Without Forex, this would be a plus 0.8%.
- Domestic sales deteriorated both in Hardware and Non-hardware products. However, again, since we are finding gradual recovery overseas, we did find both Hardware and Non-hardware products enjoyed a steady growth outside Japan.
- As for Network System Solutions, needless to say, domestic sales marked a slight decrease, while Overseas, MDS & IT service businesses grew.
- While the operating income of this segment declined yoy by value, we have been able to maintain our OP margin thanks to the expansion of value-adding products like Color products and service businesses of Network Systems Solutions.
- For quarterly trend of operating income, we again find that the fourth quarter for FY2011/03 ended unexpectedly low.

#### **P9 「Imaging & Solutions supplement」**

- We first show our Hardware and Non-hardware performance. For hardware sales, we expressed our intention to keep growing, with another tug upwards in the final quarter. However, we saw a decline instead.
- As non-hardware has not seen such deterioration so far, we recognize that we have to keep the installation of our MFPs growing.

#### **P10 「FY2011/03 new products launched for Imaging & Solutions」**

- We were able to launch several new Color MFPs for the office, and have enhanced our lineups. Again, we are starting to see growth here, and we expect full contribution to come in FY2012/03.
- As for our new businesses, we're working a lot on our Projection System products, and we've also started Unified Communication System Business. Both Projection Systems and Unified Communication Systems indicate our focus on utilizing video images as communication media, instead of just using papers and electronic information.

#### **P11 「FY2011/03 milestones」**

- We announced a strategic cooperation with Heidelberg in our production printing business.
- We've established "Ricoh Production Print Solutions," a company using the corporate status of InfoPrint Solutions, to expand production printing business even further.
- We've also entered the Eco Solutions Business. The first in this agenda is an LED light.
- For CAPEX, we have opened a new office at the Ricoh Technology Center in Ebina. We have gathered all our design and development team here to enhance efficiency.
- In CSR, we've also listed some examples where Ricoh was selected or given an award.

#### **P12 「FY2011/03 business segment: Industrial Products」**

- For Industrial Products segment, although the OP margin is still small at 0.9%, we were able to turn this loss making business into a profitable one.
- Looking at this quarterly trend, it seems that we have bottomed out, and hopefully will be able to see growth from here.

#### **P13 「FY2011/03 business segment: Other」**

- The Other segment has not been able to rise back to a gain. This section will be an important theme in Fiscal 2012/03, where we aim to initiate a large reform.

#### **P14 「FY2011/03 geographic segment: Japan and the Americas」**

- Operating income for Japan had a very low Q4 result due to the impact of earthquake, however, this result includes one-time incident.
- For The Americas, we have turned profitable in the fourth quarter. However, full-year operating income was still a negative figure, minus 3.6 billion yen. We expect and are looking forward to further profit growth in this segment, together with the expansion of the market.

#### **P15 「FY2011/03 geographic segment: Europe and Other」**

- Europe continue to grow steadily, but we have actually started our initiative since 2011 to further

accelerate our profit growth there.

- In Other areas, our aim is to increase sales. We have acted proactively for sales expansion in each country.

#### **P16 「Balance sheet as of March 31, 2011」**

- Total Assets ended at 2,262.3 billion yen, a decrease of 121.5 billion yen. This is due to our debt repayment, which we do using cash.
- Total debts came to 630.4 billion yen, marking a decrease in assets of 54 billion yen. This was enabled through early redemption of our CBs and corporate bonds held by IKON.
- Inventories increased by 1.7 billion yen. We had initially planned to trim them down, but after the quake, we decided to build up our inventories a little more instead.

#### **P17 「Balance sheet indexes」**

- Inventories / averaged cost of sales as of End of March 2011 was 1.78 months, which is a little above the 1.7 months in End of March 2010. After those 1.7 months, quarterly inventories were; Q1 1.85 months, Q2 1.93 months and Q3 1.96 months, and we implemented actions to improve the situation in Q4. However, when the quake struck, we decided to slightly decelerate, and thus have ended with 1.78 months.
- Total assets turn over, Equity ratio and so forth did make some recovery, and Debt/Equity ratio also marked some improvement through repayment of debts.

#### **P18 「FY2011/03 statement of cash flow」**

- Internal reserves, namely Consolidated net income and Depreciation & Amortization totaled 116.1 billion yen, which was less than the year before. However, we are not worried about this, as we do aim to keep on controlling our operating costs from hereon as well.
- Net cash by operating activities was 130 billion yen and our Net cash by investing activities was minus 92 billion yen. Therefore, our Free cash flow came to 38 billion yen.
- We have become able to generate free cash flow these last two years.

## **P20 「FY2012/03 forecast」**

- In Japan, our sales forecast is 900 billion yen, and in Overseas, 1,190 billion yen, totaling to 2,090 billion yen for FY2012/03, expecting with an expected 7.6% growth yoy.
- Operating income is 70 billion, achieving 16.3% growth yoy. Income before income taxes and Net income are expected to grow by 38.8% and 47.6% respectively.
- We are observing growth in our core business especially in Overseas markets, and we are also gaining competitiveness with new products, and which is why we expect to achieve this kind of growth.
- New businesses including MDS&IT service and Production Printing are of course included in this forecast, however, other new businesses we have just announced for market entry, have not yet been counted in the figures.
- We are entering new phase of our CRGP, structural reform project. So far we have been trying to shift our human resources from current business to new businesses. And as a next stage we will accelerate optimal allocation of our resources this fiscal year.
- When we calculated this 70 billion yen in operating income, we included a budget of 20 billion yen for structural reform. This 20 billion yen is the net value from the investment we pay upfront and the contribution we receive from it. Roughly speaking, we assume we will just see costs accruing during the first half, and in the second half, we will start to see profits.
- We will also expect to see impact coming from the earthquake all through the year. We have therefore included a forecast of 10 billion yen for that.
- We are also thinking to contribute to the regional revitalization of Tohoku. We are now considering the possibility of expanding the recycling business of copiers and printers that will contribute to the creation of employment in Tohoku.
- As for our CAPEX, large investments such as a new R&D office and plant were completed previous Fiscal year, and this fiscal year we need to invest in new businesses. However, that does not mean we aim to make any large investment, as investments required for such new businesses are not expected to exceed our Depreciation and Amortization level.
- We seek further efficiency in our R&D costs. Our aim is to allocate money to new products in our core and new businesses. Roughly speaking, our aim is to do this within 5 to 6 % of our sales.

## **P21 「FY2012/03 operating income forecast y-o-y comparison」**

- We aim to increase our Gross profit by increasing sales by 44 billion yen. This sales increase will come from overseas sales expansion in our core businesses, as well as expansion in our new businesses.

- We also aim to reduce our Product Costs by 5 billion yen.
- As for R&D, we will have to increase this portion by 9.2 billion yen, due to our focus on expanding our New businesses.
- We have labeled net Forex impact here as 9 billion yen. This is because we expect 13.9 billion yen positives coming from the increase in Gross profit, however, another 4.9 negatives will come from the increase in SG&A.
- Restructuring charges will come to 20 billion yen. Earthquake impact is forecasted as 10 billion yen.

### **P22 「FY2012/3 sales forecast」**

- Page 22 shows the breakdown of our sales.

### **P23 「Annual Financial Indexes」**

- Dividend per share will be 33 yen for FY 2011/03 as we have announced.
- The forecast of dividend per share for FY2012/03 will remain at 33 yen.
- In terms of shareholder returns, we not only will be looking at our dividends, but will also take share buy-backs within our consideration, looking at how our Cash Flow goes as well as how our investments will be carried out.

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