

**<Note>**

This document is prepared for reference purposes for investors. It represents the essence of a presentation of consolidated results for the second quarter FY2013/03.

It is not a verbatim record.

**P2 FY2013/03 1H results overview**

- Operating income was up 29.4 billion yen y-o-y to 27.3 billion yen .
- Net sales decreased yoy, but if you exclude Forex impact, RICOH group in total marked growth by 0.6%.
- Some factors surrounding our business include a weak business environment in Europe. And there were certain areas where sales suddenly fell down from September in the US. Some customers are holding off purchasing at the moment due to the uncertain circumstances including presidential election and macro economy.
- A4MFP which were launched from the latter part of last year to this year, and also by the growth of our businesses including MDS and IT services, which led to steady growth of our business globally.
- Not only are we starting to see the benefits of our structural reform activities, but also are spending less now compared to the previous year. Thus, we were able to generate 36.8 billion yen through this effort.
- FCF improved by 13.2 billion yen compared to FY2012/03 Q2.
- Although Sales forecast of Fiscal Year 2013 March was revised down due to our sales decline in the First half, we intend to keep the full year's profit forecast we initially announced in our 1st Quarter unchanged.
- Our half-year dividend will of course be kept at 12.5 yen per share as planned, but we hope to revise our year-end dividend to 16.5 yen per share, in the view that we will achieve Fiscal Year 2013 March profit.

**P3 FY2013/03 1H income statement**

- Net Sales in the second quarter was 917.4 billion yen, down 2.3% y-o-y, however, there was 0.6% growth y-o-y, if you exclude the forex impact.
- US dollar remained pretty much the same, at 79 yen range compared to the first half of previous year. However, Euro fell large, by 13 yen. This did cause a heavy impact.
- We have downsized our SG&A, and increased our Operating income. Otherwise we couldn't achieve up to the 30 billion yen level. Operating income reached 27.3 billion yen.

#### P4 FY2013/03 1H operating income y-o-y comparison

1H Operating income was 27.3 billion yen up 29.4 billion yen compared to minus 2 billion yen in 1H of last year, FY2012/03.

##### <Increase in sales>

We were able to increase our Sales by 4.2 billion yen. This is partly thanks to Pentax, but there were other core businesses, namely our office printers, Production Printing and IT service businesses that made steady growth as well. But it's also true that we couldn't mark as much growth as we would've liked. We were focusing more on improving our bottom line. For example, we decided to replace some items we procured from other companies because it didn't give us much margin. Another example is how we decided to transfer measuring equipment business outside our company. On the other hand, we did gain positive growth from Pentax as well as ADA, the German IT service company we acquired. Both these companies contributed to our consolidated figures.

##### <Reduction in production costs>

We also have 2.1 billion yen improvement in our Product cost reduction efforts. Cost reduction is something we do well and are committed to pursuing.

##### <R&D>

R&D expenses decreased 5 billion yen. But development of products is progressing as planned. By sophisticated use of simulation, prototype costs were reduced and development costs have fallen.

##### <Other factors>

One large negative factor is the minus 11.9 billion yen in the Other Expenses. This includes the acquisition costs for the aforementioned Pentax and ADA. Because we had to fly some of our back orders at the end of last fiscal year following Thai flood. We had to continue that up until the 1st Quarter.

##### <Forex, net>

Minus 10.5 billion yen, is the net impact of Foreign exchange. Forex pulled gross profit down by 18.8 billion yen. On the other hand, Forex impact to SG&A downsized by 8.2 billion yen.

##### <Flood impact last year>

The quake-related costs were 3.6 billion yen less compared to the previous year. This does not include sales decline we suffered because of the earthquake last year. We're just referring to

what we actually had to pay to overcome the quake last year.

<Net restructuring benefit>

If you add the 14.4 billion yen of cost reduction and the 22.4 billion yen benefit, that gives you 36.8 billion yen..

**P5 FY2013/03 1H results supplement**

<Operating income>

Operating profit has certainly recovered since Q4 of last fiscal year.

<SG&A>

SG&A expenses except research and development cost have fallen steadily to about 140 billion yen level in the current fiscal year from about 160 billion yen level the last fiscal year and before.

**P6 FY2013/03 1H business segment**

<Imaging & Solutions>

Imaging & Solutions marked negative growth of 0.7% even excluding forex impact. Both Office Imaging and Production Printing sales dropped as well. However Network System Solutions did mark positive growth. As for Production Printing slowdown in the second quarter, it is partly due to the fact that second quarter last year happened to mark a rather high figure, when everyone was striving for recovery after the earthquake. On top of that, macro economy has slowed down.

<Industrial Products>

Measuring equipment business sales are decreasing because we now transfer the business to other company. Sales of semiconductor business also decreased from the last year.

<Other>

Other business did grow significantly thanks to Pentax consolidation.

**P7 Imaging & Solutions**

- Hardware sales of MFP, office printers and PP marked a 2 % increase in this first quarter, however, sharply dropped to minus 5% this 2nd Quarter. Likewise non-hardware sales

marked a plus 3% increase first quarter, dragged down to 0% growth this quarter.

- Both MDS and IT services are growing, by plus 17% and 18 % respectively.
- We also have been able to maintain positive sales for Cut Sheet type Production Printing.

## P8 Imaging & Solutions Topics

⟨Japan⟩

Operating income improved y-o-y thanks to strengthening profit-oriented sales activities, although net sales decreased due to weak macro economy.

⟨The Americas⟩

There was a drop in sales in the 2nd Quarter especially in September, and the first half ended a minus 0.7% growth. However we are seeing some recovery in sales since October.

⟨EMEA⟩

If you consider the economic slowdown in Europe, we are still doing fairly well.

⟨AP & China⟩

In China there was little impact from the recent events. We plan to utilize our plant in Thailand established a few years before as a risk countermeasure.

## P9 Industrial Products / Other

⟨Industrial Products⟩

Thermal media business including rewritable media has been increasing its revenue. However, we saw decrease in measuring equipment business and semiconductor business compared to last corresponding period. Thus, net sales for the overall Industrial Products declined. As for its OP, we have made 1.4 billion yen improvement in the first half on a year-on year comparison thanks to restructuring efforts.

⟨Other⟩

Pentax Ricoh Imaging launched DSLR K-30 at the end of this June. It is being received very well in the market. Moreover we have launched DSLR camera PENTAX K-5 II and mirror-less camera PENTAX Q10 recently. We have high expectations for these three series.

### P10 Balance Sheet as of October 30, 2012

- Our total assets come to 2 trillion 218.5 billion yen. We have been able to downsize this by 70.8 billion yen.
- Inventories increased slightly. Our backorder issues have been resolved now, however we have also built up our inventories in an attempt to make sure we have enough of our newly launched products. We will pursue a step further rationalization to achieve our inventories per averaged cost of sales kept under 2 months.

### P11 Balance Sheet as of October 30, 2012

- Our operating capital is increasing, and our Net debt increased to 616.2 billion yen.
- We borrowed another 30 billion yen this October from Development Bank of Japan (DBJ). RICOH is recognized as a company highly aware of its environmental responsibility by the DBJ (RICOH has been rated the highest rating “S”), and we were able to procure this money from DBJ with a low interest rate. We actually have 59 billion yen of loans that reach maturity at the end of March and we will apply some of the 30 billion yen for this purpose.
- Equity ratio improved slightly from the previous year.

### P12 FY2013/03 1H statement of cash flow

Free cash flow is better by 13.2 billion yen in the first half than the same term last year, although it is still negative by 24.1 billion yen. We are determined to implement all measures to turn it positive.

### P14 FY2013/03 income statement forecast

- We have revised down our Net sales forecast for the full year from the previous 1trillion 920 billion yen to 1 trillion 900 billion yen. This still would mean a positive yoy growth of 2.4%, excluding Forex impact.
- We have kept all our profit forecast unchanged.
- R&D expense forecast is 117.0 billion yen, slightly below last year's result. We plan to slightly increase our CAPEX figure to 79.0 billion yen from last fiscal year.
- We have confidence in our numbers here. There are the new products, and MDS, IT service and PP businesses are making steady growth. Our seeds for New businesses are also starting to show growth. Besides, we have no impact this fiscal year such as Thai flood and earthquake in the year before that. That is why we expect to achieve our forecast this year,

### P15 FY2013/03 operating income y-o-y comparison

This ladder chart shows how we expect to bring operating profit up to 70 billion yen from last fiscal year minus 18.0 billion yen.

- This fiscal year, we will not have any impairment impact of 37.0 billion yen and Quake & Flood impact 6.0 billion yen we booked last fiscal year.
- Net contribution from Restructuring charge will be 50.5 billion yen. At first 34.1 billion yen we spent last fiscal year give us positive turn this year. And this year we will spend 20 billion yen, however there is also the 36.4 billion yen benefit we can enjoy. If you add up these numbers, you can see 50.5 billion yen benefit.
- We expect an increase in gross profit with sales to increase by 11.3 billion yen, and a further Product Cost reduction of 5.0 billion yen
- Other Expenses will increase slightly from the previous forecast mainly because of the new consolidated entities.

### P16 Progress of structural reform (CRGP)

- The base concept of this plan announced May 2011 has not changed.
- We changed the structural reform cost forecast for three years of our mid-term plan from previous 60.0 to 54.1 billion yen. We also revised the cumulative effect for three years up to 75.0 billion yen from previous 70.0 billion yen.
- We are implementing HR optimization according to our plan to reduce 10,000 persons over three years as we planned.

### P17 FY2013/3 sales forecast

Network System Solutions business will achieve 200 billion yen this fiscal year. We intend to keep on growing this business.

Some examples of what we offer in Network System Solutions business are shown on the next slide.

**P18 Ricoh provided Solutions and Services to the 2012 Annual Meetings of the IMF and World Bank Group in Japan**

Ricoh provided Solutions and Services to the 2012 Annual Meetings of the IMF and World Bank Group in Japan as below. We believe these products and services will contribute to the growth of our Network System Solutions business.

- Large digital signage with three Ricoh ultra-short-throw projectors
- Virtual help desk using UCS
- Development and management of a document output environment at the press center
- Paperless conference solution using tablet devices

**P19 FY2013/03 new products (Imaging & Solutions – Document)**

This chart shows where RICOH is aiming to go in document business. we have been making steady progress such as launching products and services in accordance with the strategy.

**P20 FY2013/03 new products (Imaging & Solutions – Document)**

We launched new A4 MFPs at the end of the last fiscal year, and we have begun to offer a broader product lineup from this Fiscal year, including our new Monochrome MFP series. We believe these new lineups are sure to contribute to sales.

**P21 Dividend and ROE**

We had to decrease our yearend dividend to 8.5 yen per share last fiscal year. However we will return dividend level back up to 16.5 yen with a view to achieving the FY2013/03 operating profit of 70.0 billion yen.