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Announcement of Impairment Losses

Today, Ricoh Company, Ltd., announced that the Company allocated the following impairment losses in the fourth quarter of fiscal 2020, ended March 31, 2021.

1. Impairment loss allocation details

Ricoh recorded a fourth-quarter impairment loss of 16,161 million yen on property, plant, and equipment and intangible assets (including development assets) in selling, general and administrative expenses. This stemmed from impairment testing based on International Financial Reporting Standards (IFRS) for property, plant and equipment and intangible assets (including development assets) in the Commercial Printing business.

A reduced customer investment appetite amid an increasingly uncertain outlook in the commercial printing industry owing to the COVID-19 pandemic has hampered that business. In the third quarter, the Company recorded an impairment loss on some assets, including goodwill from past acquisitions.

Ricoh shifted to a business unit structure in April 2021 to maximize corporate value by stepping up its transition into a digital services company. Each unit operates independently under an integrated development, production, and sales structure. The Company has accordingly executed plans to reorganize production, converting some domestic plants for office printing products to serve commercial and other printing products.

Reviewing allocations of related overhead costs and reflecting them in forward-looking plans will mean posting envisaged earnings later than planned for third-quarter impairment testing.

As a result of impairment testing based on new forward-looking plans, the Company will record an additional impairment loss on property, plant and equipment, intangible assets, and other assets in the fourth quarter.

2. Future outlook

Financial Results for the Fiscal Year Ended March 31, 2021 [IFRS] (Consolidated), released today, reflects the above impairment loss.

(Note) The above consolidated financial forecasts are forward-looking statements that incorporate the Company's assumptions, outlook, and estimates based on its plans on as of this release date. These statements are based on available information and certain management assumptions on that date. The relevant forecasts do not constitute a pledge to achieve them. Various factors may cause significant differences between forecasts and results.