



March 23, 2018

Company Name: Ricoh Company, Ltd.
 President and C.E.O.: Yoshinori Yamashita
 (Code Number: 7752 First Section of the Tokyo
 Stock Exchange, Nagoya Stock Exchange, Fukuoka
 Stock Exchange, and Sapporo Securities Exchange)
 Contact: Kiyoshi Hashimoto
 General Manager, PR Department
 Tel. 050-3814-2806

**Revision to the forecasted consolidated operating results for the full fiscal year and
 announcement of impairment losses**

TOKYO, March 23, 2018-Ricoh today announced the following revision to their forecasted consolidated operating results for the full year ending March 31, 2018, previously announced on February 1, 2018. Ricoh is expecting to allocate the following impairment losses in the fourth quarter financial results ending March 31, 2018.

1. Revision to the forecast of Ricoh's consolidated operating results

(1) Revision to the forecast of Ricoh's consolidated operating results for the full year ending
 March 31, 2018

(From April 1, 2017 to March 31, 2018)

	Net sales (Millions of yen)	Operating profit (Millions of yen)	Profit before income tax (Millions of yen)	Profit attributable to owners of the parent (Millions of yen)	Earnings per share attributable to owners of the parent-basic (Yen)
Forecast announced in February 2018 (A)	2,040,000	20,000	14,000	0	0.00
New forecast (B)	2,040,000	-160,000	-166,000	-170,000	—
Increase/decrease (B-A)	—	-180,000	-180,000	-170,000	—
Increase/decrease (%)	—	—	—	—	—
(Reference) Results for the full year ended March 31, 2017	2,028,899	33,880	29,955	3,489	4.81

(2) Background of revision

Ricoh's consolidated operating results for the full year ending March 31, 2018 are scheduled to be announced on April 27. Based on the expected impairment losses detailed below, and taking their significance into consideration, a new forecast of Ricoh's consolidated operating results for the full year ending March 31, 2018, was announced today.

We will not change the forecast of the term-end dividend.

2. Allocation of the impairment losses

(1) Description of the impairment losses

Our sales subsidiary in the United States, Ricoh USA, Inc. (referred to as RUS from here), is expecting to allocate impairment losses of 140 billion yen in their fourth quarter financial results ending March 31, 2018, from fixed assets including the goodwill of IKON Office Solutions, Inc. (already merged with RUS and referred to as IKON from here), acquired in 2008. In addition to this, RUS is expecting to allocate impairment losses of 40 billion yen in their fourth quarter results March 31, 2018, from companies such as the IT services company, mindSHIFT Technologies, Inc. (referred to as mindSHIFT from here) acquired in 2014.

Due to these impairment losses, recognition of the loss of the value of the shares of affiliates related to shares in Ricoh Americas Holdings, Inc, the parent company of RUS, is expected to be allocated as an extraordinary loss to the individual settlements for the full year ending March 31, 2018. As for the exact amount, we will disclose this as soon as the valuation is finalized. There is no impact on our consolidated business results since the loss of the value of shares of affiliated companies in individual accounts is eliminated in the consolidated settlement of accounts.

(2) Background of the impairment losses

As a result of conducting an impairment test based on International Financial Reporting Standards (IFRS), and considering the possibility of future recovery based on the current business environment, we expect to allocate impairment losses of the goodwill etc. that we acquired at the time of acquisition.

For Ricoh group, the main purpose of the acquisition of IKON and other distributors in the United States was: (1.) to increase our competitiveness by expanding our business in the US market, (2.) to stabilize our future earnings potential by acquiring direct sales MIF (Machines in field) and developing an understanding of solutions requirements, and (3.) to secure a sales infrastructure and customer base to enable us to grow into new areas such as the services business with a focus on managed services, and production printing business. IKON's management were brought together with RUS and we strengthened our sales coverage and expanded our overall business in the United States. More recently, as paperless work environments have increased, primarily due to the increase in the use of cloud and mobile technologies, digitization has increased even faster than we expected in the North American

market. As such, unit prices continue to decline due to intensified competition. The severity of business conditions will continue to increase.

As a result of this, in 2017 we redefined our business domains based on customer segments as part of RICOH Resurgent, our 19th Mid-Term Management Plan, which covers the period from fiscal year 2017 to fiscal year 2019. This plan had three key elements which included structural reforms and business selectivity, prioritizing growth businesses and reinforcing our management systems, and revising our business segments. Additionally, based on the framework of the new business domains, we improved our ability to precisely monitor our business units and support decision-making and management. The new cash generating unit structure is the basis upon which impairment tests of fixed assets are conducted.

Regarding RUS's office printing business, we changed the strategy to being profit-focused under RICOH Resurgent, and as a result of reviewing future cash flows, which were based on future expansion, it became apparent that we needed to allocate impairment losses of 140 billion yen for goodwill, intangible assets and tangible fixed assets relating to IKON and other acquisitions.

As for other impairment losses, having reviewed mindSHIFT and other business we anticipated that their future cash flow will change given the changes in the market environment, including the rapid popularization of cloud services, and so we decided that it would be difficult to recover the full book value of the assets held. We expect to allocate impairment losses of 40 billion yen mainly for goodwill of the acquired one-stop-shop IT services business, which was very labor intensive.

(3) Future measures

We will continue to position RUS as our representative sales company and an extremely important subsidiary of the Ricoh Group and we will promote structural reforms to further contribute to the enhancement of their corporate value to the group, not only in the short term but also in the medium and longer term.

For the services business including mindSHIFT, we will shift from the former scale expansion strategy to a more profit-focused strategy, and invest intensively in areas where we can expect greatest contribution to profit.

(Note) The above consolidated financial forecasts are forward-looking statements which incorporate the Company's assumptions and outlook for the future and estimates based on the Company's plans as of the date of this release. These forward-looking statements are based on information available to and certain assumptions by the Company as of the date of this release, and there can be no assurance that the relevant forecasts will be achieved. Please note that significant differences between the forecasts and actual results may arise from various factors in the future.

###