

QUARTERLY REPORT

Third Quarter ended December 31, 2019

(Results for the Period from April 1, 2019 to December 31, 2019)

Performance Outline (Consolidated)

(1) Nine months ended December 31, 2018 and 2019(Actual result) and Year ending March 31, 2020 (Forecast)

	Nine months ended December 31, 2018 Results	Nine months ended December 31, 2019 Results	Change	(Billions of yen)	
				Year ending March 31, 2020 Forecast	Change
Domestic sales	587.7	637.1	8.4%	860.0	6.7%
Overseas sales	901.7	856.7	(5.0%)	1,150.0	(4.8%)
Sales	1,489.4	1,493.8	0.3%	2,010.0	(0.2%)
Gross profit	575.0	549.3	(4.5%)	740.0	(3.5%)
Operating profit (loss)	79.1	69.4	(12.3%)	100.0	15.2%
Profit (loss) before income tax expenses	76.8	68.4	(11.0%)	98.0	16.7%
Profit (loss) attributable to owners of the parent	50.6	41.4	(18.1%)	62.0	25.2%
Exchange rate (Yen/US\$)	111.19	108.73	(2.46)	109.05	(1.90)
Exchange rate (Yen/EURO)	129.54	121.11	(8.43)	120.84	(7.62)
Earnings per share attributable to owners of the parent-basic (yen).	69.85	57.23	(12.62)	85.53	17.21
Earnings per share attributable to owners of the parent-diluted (yen).	-	57.23	-	85.53	-
Cash flows from operating activities	36.6	58.8	22.2	-	-
Cash flows from investing activities	(5.8)	(125.2)	(119.3)	-	-
Cash flows from financing activities	9.6	57.3	47.6	-	-
Cash and cash equivalents at end of period	201.2	229.2	27.9	-	-
Capital expenditures *	50.4	61.0	10.5	74.0	1.5
Depreciation *	49.5	48.5	(1.0)	67.0	1.5
R&D expenditures	80.3	75.6	(4.7)	112.0	0.9
	March 31, 2019	December 31, 2019	Change		
Total assets	2,725.1	2,873.3	148.2		
Equity attributable to owners of the parent	932.5	943.6	11.1		
Interest-bearing debt	933.4	1,034.0	100.6		
Equity attributable to owners of the parent ratio (%)	34.2	32.8	(1.4)		
Equity per share attributable to owners of the parent (yen)	1,286.56	1,302.64	16.08		

*The amounts presented in capital expenditures and depreciation are for property, plant and equipment.

(2) Three months ended December 31, 2018 and 2019

(Billions of yen)

	Three months ended December 31, 2018 Results	Three months ended December 31, 2019 Results	Change
Domestic sales	192.6	207.5	7.7%
Overseas sales	308.5	291.5	(5.5%)
Sales	501.1	499.1	(0.4%)
Gross profit	191.1	181.9	(4.8%)
Operating profit (loss)	27.1	20.7	(23.6%)
Profit (loss) before income tax expenses	26.8	21.6	(19.4%)
Profit (loss) attributable to owners of the parent	14.5	12.2	(16.3%)
Exchange rate (Yen/US\$)	112.87	108.76	(4.11)
Exchange rate (Yen/EURO)	128.82	120.39	(8.43)
Earnings per share attributable to owners of the parent-basic (yen).	20.13	16.86	(3.27)
Earnings per share attributable to owners of the parent-diluted (yen).	-	16.86	-
Capital expenditures *	14.8	22.8	7.9
Depreciation *	15.4	16.0	0.6
R&D expenditures	25.0	24.0	(1.0)

*The amounts presented in capital expenditures and depreciation are for property, plant and equipment.

Ricoh Company, Ltd.

* The result forecasts and forward-looking statements included in this document are based on information available to Ricoh Company, Ltd. (the Company) as at the date of submission of this quarterly report and certain assumptions that the Company considers reasonable. The Company makes no guarantees with respect to the achievement of its result forecasts or forward-looking statements. Actual results might be significantly different from the forecasts in the document, depending on various factors. For the assumptions for forecast and other related information, please refer to "3. Qualitative Information on Forecasted Consolidated Financial Results" on page 6.

Ricoh Company, Ltd. and Consolidated Subsidiaries

Financial Highlights for the Third Quarter Ended December 31, 2019
 [Prepared on the basis of International Financial Reporting Standards]

1. Results for the Period from April 1, 2019 to December 31, 2019

(1) Operating Results

	(Millions of yen)	
	Nine months ended December 31, 2018	Nine months ended December 31, 2019
Sales	1,489,451	1,493,882
(% change from the previous corresponding period)	(1.8)	0.3
Operating profit (loss)	79,179	69,415
(% change from the previous corresponding period)	64.8	(12.3)
Profit (loss) before income tax expenses	76,897	68,468
(% change from the previous corresponding period)	78.1	(11.0)
Profit (loss) for the period	55,008	46,093
(% change from the previous corresponding period)	152.4	(16.2)
Profit (loss) attributable to owners of the parent	50,633	41,469
(% change from the previous corresponding period)	192.1	(18.1)
Comprehensive income (loss)	46,014	35,218
(% change from the previous corresponding period)	(31.9)	(23.5)
Earnings per share attributable to owners of the parent-basic (yen)	69.85	57.23
Earnings per share attributable to owners of the parent-diluted (yen)	-	57.23

Notes: Earnings per share attributable to owners of the parent (basic and diluted) are based on profit (loss) attributable to owners of the parent.

(2) Financial Position

	(Millions of yen)	
	March 31, 2019	December 31, 2019
Total assets	2,725,132	2,873,346
Total equity	1,018,988	1,032,105
Equity attributable to owners of the parent	932,577	943,678
Equity attributable to owners of the parent ratio (%)	34.2	32.8

2. Dividend Information

	Year ended March 31, 2019 (Actual)	Year ending March 31, 2020 (Forecast)
Cash dividends, applicable to the year (yen)	23.00	26.00
Interim (yen)	10.00	13.00
Year-end (yen)	13.00	13.00

Notes: Revision of expected dividends during this period: No

3. Forecast of Operating Results from April 1, 2019 to March 31, 2020

	(Millions of yen)
	Year ending March 31, 2020
Sales	2,010,000
(% change from the previous corresponding period)	(0.2)
Operating profit	100,000
(% change from the previous corresponding period)	15.2
Profit before income tax expenses	98,000
(% change from the previous corresponding period)	16.7
Profit attributable to owners of the parent	62,000
(% change from the previous corresponding period)	25.2
Earnings per share attributable to owners of the parent-basic (yen)	85.53

Notes: Revision of forecast of consolidated operating results during this period: No

4. Others

- (1) Changes in significant subsidiaries: No
- (2) Changes in accounting policies and accounting estimate
 - (i) Changes in accounting policies required by IFRS: Yes
 - (ii) Other changes: No
 - (iii) Changes in accounting estimate: No

* For details, please refer to "4. Condensed Consolidated Financial Statements (7) Changes in accounting policies" on page 16.
- (3) Number of common stock outstanding (including treasury stock):
 As of December 31, 2019: 744,912,078 shares; As of March 31, 2019: 744,912,078 shares
- (4) Number of treasury stock:
 As of December 31, 2019: 20,476,754 shares; As of March 31, 2019: 20,049,430 shares
- (5) Average number of common stock:
 Nine months ended December 31, 2019: 724,649,453 shares; Nine months ended December 31, 2018: 724,868,405 shares

Notes: The Company has established the Board Incentive Plan trust in which beneficiaries include Directors and Executive Officers. The shares owned by the trust account relating to this trust are accounted for as treasury shares. (421,500 shares as of December 31, 2019)

Qualitative Information on Consolidated Financial Results for the Quarter under Review

1. Qualitative Information on Consolidated Business Results

* Overview of the Third Quarter of Fiscal 2019 (April 1 – December 31, 2019)

In the fiscal year ending March 31, 2020, the final year of the 19th Mid-Term Management Plan and the second year of "RICOH Ignite", we continue striving to strengthen the profitability of core businesses while increasing earnings from growth areas.

In progressing toward "RICOH Take Off" starting in the fiscal year ending March 31, 2021, we continue to overhaul our business structure by implementing growth strategies, rolling out measures to enhance capital returns, and reforming corporate governance.

In the global economy outlook, the sense of uncertainty continues to grow due to expanding trade friction and growing geopolitical tension. While economic growth remained moderate in Japan and the United States, there were concerns about the impact of the consumption tax hike in Japan and there was a perception of economic deceleration mainly on the manufacturing industry in the United States. In Europe, future economy remains uncertain from such factors as Brexit and rising populism. In China, the economy continues to slow down due to the impact of China-American trade friction.

During this period, the average exchange rates of Japanese yen against U.S. dollar and Euro were ¥108.73 (down ¥2.46 from the previous corresponding period) and ¥121.11 (down ¥8.43 from the previous corresponding period) respectively.

Sales for the nine-month period increased by 0.3% as compared to the previous corresponding period, to ¥1,493.8 billion. This increase reflected gains in the Office Service and Industrial Printing, which offset decline of hardware and related consumables revenues, principally overseas' unprofitable sales and a decrease in MIF (machine in the field) by reconsidering contracts to emphasize profitability in the Office Printing. Consolidated sales would have risen by 3.5% after excluding the impact of the equity method adoption for consolidated logistics subsidiaries whose shares the Company transferred, consolidation removal of Ricoh India Limited, and foreign exchange impacts.

In Japan, sales were up by 8.4% from the previous corresponding period on steady growth, particularly in Office Service, reflecting expanded demand for IT equipment as companies overhauled work practices and due to higher revenues in such areas as industry solutions services.

Sales in the Americas decreased by 4.2% as compared to the previous corresponding period due to decline of sales in the Office Printing where Ricoh focuses on profitable business, although sales in the Industrial Printing were up (a decrease of 2.0% excluding foreign currency exchange fluctuations).

Sales in the Europe, the Middle East and Africa decreased by 5.5% as compared to the previous corresponding period due to decline of sales in the Office Printing where Ricoh focuses on profitable business same as in the Americas, although sales in the Office Service were up (an increase of 1.0% excluding foreign currency exchange fluctuations).

Sales in other regions decreased by 6.1% as compared to the previous corresponding period due to decline of sales in the Office Printing, although sales in the Industrial Printing were up (a decrease of 2.6% excluding foreign currency exchange fluctuations).

As a result, sales in the overseas market decreased by 5.0% as compared to the previous corresponding period. Excluding effects of foreign currency fluctuations, sales in overseas would have decreased by 1.0% as compared to the previous corresponding period.

Gross profit was down by 4.5% as compared to the previous corresponding period, to ¥549.3 billion mainly due to the impact of foreign currency exchange fluctuations (a decrease of 1.1% excluding foreign currency exchange fluctuations). Despite an improvement in Office Service, a prime factor was a decrease in Office Printing because of the impact of lower sales resulting from emphasizing more profitable business sales and lower consumables revenues. The adoption of equity-method accounting for the consolidated logistics subsidiaries and the removal from consolidation detracted from earnings in other areas.

Selling, general and administrative expenses fell by 6.1% as compared to the previous corresponding period, to ¥487.2 billion. This resulted from progress in controlling expenditure through structural and business process reforms.

Other income for the nine-month period included gain on sales of land, buildings and structures in Ricoh Industry Co., Ltd.'s former Saitama plant, while gain on sales of shares of Ricoh Logistics System was included in the previous corresponding period. Consequently, other income decreased significantly as compared to the previous corresponding period.

As a result, operating profit decreased by 12.3% as compared to the previous corresponding period, to ¥69.4 billion. After excluding the impact of the equity method adoption for consolidated logistics subsidiaries whose shares the Company transferred and consolidation removal of Ricoh India Limited, operating profit would have increased by 16.7% as compared to the previous corresponding period.

Finance income and costs improved as compared to the previous corresponding period due to increase in interest income and decrease in foreign exchange loss.

Profit before income tax expenses decreased by 11.0% as compared to the previous corresponding period, to ¥68.4 billion.

As a result, profit attributable to owners of the parent decreased by 18.1% as compared to the previous corresponding period, to ¥41.4 billion.

Comprehensive income decreased by 23.5%, as compared to the previous corresponding period, to ¥35.2 billion mainly due to a decrease in profit for the period.

* Review by Business Segment

Office Printing

Sales in the Office Printing segment decreased by 6.0%, as compared to the previous corresponding period, to ¥760.9 billion (a decrease of 3.2% excluding foreign currency exchange fluctuations). Sales and gross profit in the overseas market decreased mainly in hardware and related consumables revenues due to focusing on profitable business and decreasing in MIF (machine in the field) in accordance with 19th Mid-Term Management Plan. Selling, general and administrative expenses decreased due to the effect of structural reforms. As a result, operating profit in the Office Printing segment decreased by 12.5%, as compared to the previous corresponding period, to ¥78.9 billion.

Office Service

Sales in the Office Service segment increased by 17.1%, as compared to the previous corresponding period, to ¥408.6 billion (an increase of 19.2% excluding foreign currency exchange fluctuations). In Japan, sales of PCs, introduction and support solutions, reflecting the demand associated with shifts to Windows 10, and sales of industry solutions services packages, contributing companies overhauled work practices, were favorable. In Europe, Middle East and Africa, sales of IT services increased. As a result, operating profit in the Office Service segment increased by 101.1%, as compared to the previous corresponding period, to ¥18.9 billion.

Commercial Printing

Sales in the Commercial Printing segment decreased by 1.3%, as compared to the previous corresponding period, to ¥133.3 billion (an increase of 2.0% excluding foreign currency exchange fluctuations). While sales of color cut sheet printers grew mainly in the Americas, sales and gross profit of transactional printers related consumables decreased. As a result, operating profit in the Commercial Printing segment decreased by 10.8%, as compared to the previous corresponding period, to ¥18.0 billion.

Industrial Printing

Sales in the Industrial Printing segment increased by 14.0%, as compared to the previous corresponding period, to ¥17.7 billion (an increase of 15.8% excluding foreign currency exchange fluctuations). Despite of the expansion of sales in mainstay inkjet head and industrial printers, operating expenses also increased temporarily such as inventory allowances. As a result, we posted an operating loss of ¥2.5 billion. (Operating loss of the previous corresponding period was ¥2.9 billion.)

Thermal Media

Sales in the Thermal Media segment decreased by 5.4%, as compared to the previous corresponding period, to ¥47.8 billion (a decrease of 1.8% excluding foreign currency exchange fluctuations). Sales declined due to intensifying competition particularly in China and implementing cost-cutting measures by customers. Due to a reduced cost by cutting raw materials expenses and improving production processes, operating profit in the Thermal Media segment increased by 11.0%, as compared to the previous corresponding period, to ¥2.9 billion.

Other

Sales in the Other segment decreased by 3.7%, as compared to the previous corresponding period, to ¥125.1 billion (a decrease of 3.4% excluding foreign currency exchange fluctuations). Sales decreased in accordance with the adoption of equity method accounting for consolidated logistics subsidiaries. Gain on sales of shares of Ricoh Logistics System Co., Ltd was recognized in FY18. As a result, operating profit in the Other segment decreased by 82.4%, as compared to the previous corresponding period, to ¥2.9 billion.

2. Analysis of Consolidated Financial Position

*Assets, Liabilities and Equity

Total assets increased by ¥148.2 billion as compared to the end of the previous fiscal year, to ¥2,873.3 billion, mainly due to the increase in “Other financial assets” and “Right-of-use assets” following the adoption of IFRS 16 ‘Leases’.

Total liabilities increased by ¥135.0 billion as compared to the end of the previous fiscal year, to ¥1,841.2 billion, mainly due to the significant increase in “Lease liabilities” following the adoption of IFRS 16 ‘Leases’. In addition, bonds and borrowings increased due to the finance business expansion by affiliated companies.

Total Equity increased by ¥13.1 billion as compared to the end of the previous fiscal year, to ¥1,032.1 billion. While “Other components of equity” decreased due to the decrease in “Exchange differences on translation of foreign operations”, “Retained earnings” increased mainly due to the profit for the period.

Equity attributable to owners of the parent therefore increased by ¥11.1 billion, to ¥943.6 billion. The equity attributable to owners of the parent ratio was again stable, at 32.8%.

*Cash Flows (Nine months from April 1, 2019 to December 31, 2019)

Net cash provided by operating activities increased by ¥22.2 billion as compared to the previous corresponding period, to ¥58.8 billion, mainly due to the decrease in trade and other receivables. In addition, the increase amount in inventories for the period decreased as compared to the previous corresponding period.

Net cash used in investing activities increased by ¥119.3 billion as compared to the previous corresponding period, to ¥125.2 billion. Ricoh acquired all of the stocks of DocuWare GmbH, which provides cloud and on-premise CSP (Contents Service Platform) to support document management and workflow automation, in order to expand Digital business which is deemed as one of the growth fields.

In addition, this increase reflected the sale of shares in Coca-Cola Bottlers Japan Holdings Inc., and income from transfers of shares in subsidiary Ricoh Logistics System Co., Ltd. in the previous corresponding period.

Free cash flow (net cash provided by operating activities plus net cash used in investing activities) totaled negative ¥66.3 billion, down by ¥97.1 billion as compared to the previous corresponding period.

Net cash provided by financing activities increased by ¥47.6 billion as compared to the previous corresponding period, to ¥57.3 billion, mainly due to the increase in debt of affiliated companies with finance business expansion, which offset the impact of increase of dividends paid.

As a result, the balance of cash and cash equivalent at the end of period decreased by ¥10.8 billion as compared to the end of the previous fiscal year, to ¥229.2 billion.

3. Qualitative Information on Forecasted Consolidated Financial Results

In consideration of the business results and business environment during this period, we have revised the forecast of sales and gross profit from those previously announced in November, 2019.

Ricoh maintains the assumed exchange rates set forth in November, 2019 of ¥110 against the U.S. dollar and revises its rate of ¥120 against the euro from fourth quarter while the actual exchange rates during the third quarter have been incorporated into exchange rate assumptions for the full year.

Exchange Rate Assumptions for the full year ending March 31, 2020

US\$ 1 = ¥109.05 (¥110.95 in previous fiscal year)

EURO 1 = ¥120.84 (¥128.46 in previous fiscal year)

	(Billions of yen)				
	Year ending March 31, 2020 (Previous forecast) (A)	Year ending March 31, 2020 (Revised forecast) (B)	Change (B-A)	Year ended March 31, 2019 (Actual) (C)	Change (B-C)/C
Domestic sales	810.0	860.0	50.0	805.7	6.7%
Overseas sales	1,200.0	1,150.0	(50.0)	1,207.4	(4.8%)
Sales	2,010.0	2,010.0	-	2,013.2	(0.2%)
Gross profit	780.0	740.0	(40.0)	766.8	(3.5%)
Operating profit	100.0	100.0	-	86.8	15.2%
Profit before income tax expenses	98.0	98.0	-	83.9	16.7%
Profit attributable to owners of the parent	62.0	62.0	-	49.5	25.2%

* The result forecasts and forward-looking statements included in this document are based on information available to the Company as at the date of submission of this quarterly report and certain assumptions that the Company considers reasonable. The Company makes no guarantees with respect to the achievement of its result forecasts or forward-looking statements. Actual results might be significantly different from the forecasts in the document, depending on various factors. Factors which may affect the actual business results include but are not limited to the economic situation in the geographic areas where Ricoh conducts business, including Japan, the Americas, Europe, Middle East, Africa, China and Asia, market environment, and currency exchange rates.

4. Condensed Consolidated Financial Statements

(1) Condensed Consolidated Statement of Financial Position

Assets

	(Millions of yen)		
	March 31, 2019	December 31, 2019	Change
Current Assets			
Cash and cash equivalents	240,099	229,248	(10,851)
Time deposits	70	64	(6)
Trade and other receivables	604,804	584,298	(20,506)
Other financial assets	294,351	301,447	7,096
Inventories	207,748	238,885	31,137
Other current assets	40,107	43,746	3,639
Subtotal	1,387,179	1,397,688	10,509
Assets classified as held for sale	2,583	-	(2,583)
Total Current Assets	1,389,762	1,397,688	7,926
Non-current assets			
Property, plant and equipment	250,287	259,519	9,232
Right-of-use assets	-	65,152	65,152
Goodwill and intangible assets	219,806	234,423	14,617
Other financial assets	708,295	743,969	35,674
Investments accounted for using the equity method	12,521	14,286	1,765
Other investments	22,443	35,893	13,450
Other non-current assets	38,006	36,220	(1,786)
Deferred tax assets	84,012	86,196	2,184
Total Non-current Assets	1,335,370	1,475,658	140,288
Total Assets	2,725,132	2,873,346	148,214

Liabilities and Equity

	(Millions of yen)		
	March 31, 2019	December 31, 2019	Change
Current Liabilities			
Bonds and borrowings	266,957	260,183	(6,774)
Trade and other payables	306,189	291,426	(14,763)
Lease liabilities	-	31,142	31,142
Other financial liabilities	521	858	337
Income tax payables	15,455	15,374	(81)
Provisions	12,277	7,984	(4,293)
Other current liabilities	242,799	236,463	(6,336)
Total Current Liabilities	844,198	843,430	(768)
Non-current Liabilities			
Bonds and borrowings	666,462	773,899	107,437
Lease liabilities	-	39,742	39,742
Other financial liabilities	3,420	90	(3,330)
Accrued pension and retirement benefits	105,288	103,356	(1,932)
Provisions	6,610	6,480	(130)
Other non-current liabilities	77,619	71,432	(6,187)
Deferred tax liabilities	2,547	2,812	265
Total Non-current Liabilities	861,946	997,811	135,865
Total Liabilities	1,706,144	1,841,241	135,097
Equity			
Common stock	135,364	135,364	-
Additional paid-in capital	186,086	186,155	69
Treasury stock	(37,394)	(37,793)	(399)
Other components of equity	73,645	64,300	(9,345)
Retained earnings	574,876	595,652	20,776
Equity attributable to owners of the parent	932,577	943,678	11,101
Non-controlling interests	86,411	88,427	2,016
Total Equity	1,018,988	1,032,105	13,117
Total Liabilities and Equity	2,725,132	2,873,346	148,214

(2) Condensed Consolidated Statement of Profit or Loss and Condensed Consolidated Statement of Comprehensive Income

Condensed Consolidated Statement of Profit or Loss

Nine months ended December 31, 2018 and 2019

(Millions of yen)

	Nine months ended December 31, 2018	Nine months ended December 31, 2019	Change	%
Sales	1,489,451	1,493,882	4,431	0.3
Cost of sales	914,382	944,534	30,152	3.3
Percentage of sales (%)	61.4	63.2		
Gross profit	575,069	549,348	(25,721)	(4.5)
Percentage of sales (%)	38.6	36.8		
Selling, general and administrative expenses	518,954	487,259	(31,695)	(6.1)
Percentage of sales (%)	34.8	32.6		
Other Income	23,064	7,326	(15,738)	(68.2)
Percentage of sales (%)	1.5	0.5		
Operating profit (loss)	79,179	69,415	(9,764)	(12.3)
Percentage of sales (%)	5.3	4.6		
Finance income	2,346	4,361	2,015	85.9
Percentage of sales (%)	0.2	0.3		
Finance costs	5,135	5,551	416	8.1
Percentage of sales (%)	0.3	0.4		
Share of profit (loss) of investments accounted for using the equity method	507	243	(264)	(52.1)
Percentage of sales (%)	0.0	0.0		
Profit (loss) before income tax expenses	76,897	68,468	(8,429)	(11.0)
Percentage of sales (%)	5.2	4.6		
Income tax expenses	21,889	22,375	486	2.2
Percentage of sales (%)	1.5	1.5		
Profit (loss) for the period	55,008	46,093	(8,915)	(16.2)
Percentage of sales (%)	3.7	3.1		
Profit (loss) attributable to:				
Owners of the parent	50,633	41,469	(9,164)	(18.1)
Percentage of sales (%)	3.4	2.8		
Non-controlling interests	4,375	4,624	249	5.7
Percentage of sales (%)	0.3	0.3		

	Nine months ended December 31, 2018	Nine months ended December 31, 2019	Change
Earnings per share attributable to owners of the parent-basic (yen)	69.85	57.23	(12.62)
Earnings per share attributable to owners of the parent-diluted (yen)	-	57.23	-

* Gain on sales of property, plant and equipment was included in "other income." As for the nine months ended December 31, 2018, gain on sales of shares of Ricoh Logistics System Co., Ltd was included in "other income."

Three months ended December 31, 2018 and 2019

(Millions of yen)

	Three months ended December 31, 2018	Three months ended December 31, 2019	Change	%
Sales	501,195	499,103	(2,092)	(0.4)
Cost of sales	310,019	317,128	7,109	2.3
Percentage of sales (%)	61.9	63.5		
Gross profit	191,176	181,975	(9,201)	(4.8)
Percentage of sales (%)	38.1	36.5		
Selling, general and administrative expenses	164,669	163,555	(1,114)	(0.7)
Percentage of sales (%)	32.9	32.8		
Other Income	664	2,347	1,683	253.5
Percentage of sales (%)	0.1	0.5		
Operating profit (loss)	27,171	20,767	(6,404)	(23.6)
Percentage of sales (%)	5.4	4.2		
Finance income	365	1,461	1,096	300.3
Percentage of sales (%)	0.1	0.3		
Finance costs	993	747	(246)	(24.8)
Percentage of sales (%)	0.2	0.1		
Share of profit (loss) of investments accounted for using the equity method	277	141	(136)	(49.1)
Percentage of sales (%)	0.1	0.0		
Profit (loss) before income tax expenses	26,820	21,622	(5,198)	(19.4)
Percentage of sales (%)	5.4	4.3		
Income tax expenses	10,592	7,741	(2,851)	(26.9)
Percentage of sales (%)	2.1	1.6		
Profit (loss) for the period	16,228	13,881	(2,347)	(14.5)
Percentage of sales (%)	3.2	2.8		
Profit (loss) attributable to:				
Owners of the parent	14,588	12,211	(2,377)	(16.3)
Percentage of sales (%)	2.9	2.4		
Non-controlling interests	1,640	1,670	30	1.8
Percentage of sales (%)	0.3	0.3		

	Three months ended December 31, 2018	Three months ended December 31, 2019	Change
Earnings per share attributable to owners of the parent-basic (yen)	20.13	16.86	(3.27)
Earnings per share attributable to owners of the parent-diluted (yen)	-	16.86	-

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

Condensed Consolidated Statement of Comprehensive Income

Nine months ended December 31, 2018 and 2019

	(Millions of yen)		
	Nine months ended December 31, 2018	Nine months ended December 31, 2019	Change
Profit (loss) for the period	55,008	46,093	(8,915)
Other comprehensive income (loss):			
Components that will not be reclassified subsequently to profit or loss:			
Remeasurement of defined benefit plan	-	(1,910)	(1,910)
Net changes in fair value of financial assets measured through other comprehensive income	(3,067)	1,348	4,415
Total components that will not be reclassified subsequently to profit or loss	(3,067)	(562)	2,505
Components that will be reclassified subsequently to profit or loss:			
Net gain (loss) on fair value of cash flow hedges	52	(455)	(507)
Exchange differences on translation of foreign operations	(5,979)	(9,858)	(3,879)
Total components that will be reclassified subsequently to profit or loss	(5,927)	(10,313)	(4,386)
Total other comprehensive income (loss)	(8,994)	(10,875)	(1,881)
Comprehensive income (loss)	46,014	35,218	(10,796)
Comprehensive income (loss) attributable to:			
Owners of the parent	41,704	30,272	(11,432)
Non-controlling interests	4,310	4,946	636

Three months ended December 31, 2018 and 2019

	(Millions of yen)		
	Three months ended December 31, 2018	Three months ended December 31, 2019	Change
Profit (loss) for the period	16,228	13,881	(2,347)
Other comprehensive income (loss):			
Components that will not be reclassified subsequently to profit or loss:			
Remeasurement of defined benefit plan	-	(1,910)	(1,910)
Net changes in fair value of financial assets measured through other comprehensive income	(3,121)	1,155	4,276
Total components that will not be reclassified subsequently to profit or loss	(3,121)	(755)	2,366
Components that will be reclassified subsequently to profit or loss:			
Net gain (loss) on fair value of cash flow hedges	(215)	(693)	(478)
Exchange differences on translation of foreign operations	(22,426)	18,773	41,199
Total components that will be reclassified subsequently to profit or loss	(22,641)	18,080	40,721
Total other comprehensive income (loss)	(25,762)	17,325	43,087
Comprehensive income (loss)	(9,534)	31,206	40,740
Comprehensive income (loss) attributable to:			
Owners of the parent	(11,021)	29,168	40,189
Non-controlling interests	1,487	2,038	551

Consolidated Sales by Product Category

Nine months ended December 31, 2018 and 2019

(Millions of yen)				
	Nine months ended December 31, 2018	Nine months ended December 31, 2019	Change	%
<Office Printing>	809,213	760,966	(48,247)	(6.0)
Percentage of sales (%)	54.3	50.9		
<Office Service>	348,835	408,653	59,818	17.1
Percentage of sales (%)	23.4	27.4		
<Commercial Printing>	135,147	133,375	(1,772)	(1.3)
Percentage of sales (%)	9.1	8.9		
<Industrial Printing>	15,614	17,794	2,180	14.0
Percentage of sales (%)	1.1	1.2		
<Thermal Media>	50,608	47,896	(2,712)	(5.4)
Percentage of sales (%)	3.4	3.2		
<Other>	130,034	125,198	(4,836)	(3.7)
Percentage of sales (%)	8.7	8.4		
Grand Total	1,489,451	1,493,882	4,431	0.3
Percentage of sales (%)	100.0	100.0		

Three months ended December 31, 2018 and 2019

(Millions of yen)				
	Three months ended December 31, 2018	Three months ended December 31, 2019	Change	%
<Office Printing>	270,636	251,493	(19,143)	(7.1)
Percentage of sales (%)	54.0	50.4		
<Office Service>	117,468	138,128	20,660	17.6
Percentage of sales (%)	23.4	27.7		
<Commercial Printing>	48,634	45,838	(2,796)	(5.7)
Percentage of sales (%)	9.7	9.2		
<Industrial Printing>	5,828	6,068	240	4.1
Percentage of sales (%)	1.2	1.2		
<Thermal Media>	17,538	16,198	(1,340)	(7.6)
Percentage of sales (%)	3.5	3.2		
<Other>	41,091	41,378	287	0.7
Percentage of sales (%)	8.2	8.3		
Grand Total	501,195	499,103	(2,092)	(0.4)
Percentage of sales (%)	100	100		

* Each category includes the following product line:

Office Printing	MFPs (multifunctional printers), copiers, laser printers, digital duplicators, wide format printers, facsimile machine, scanners, related parts & supplies, services, support and software
Office Service	Personal computers, servers, network equipment, related services, support, software and service & solutions related to documents
Commercial Printing	Cut sheet printers, continuous feed printer, related parts & supplies, services, support and software
Industrial printing	Inkjet heads, imaging systems and industrial printers
Thermal Media	Thermal paper and thermal media
Other	Industrial optical component/module, electronic components, precision mechanical component, digital cameras, 3D printing, ECO, healthcare and financial services

Consolidated Sales by Geographic Area

Nine months ended December 31, 2018 and 2019

	(Millions of yen)			
	Nine months ended December 31, 2018	Nine months ended December 31, 2019	Change	%
<Domestic>	587,705	637,113	49,408	8.4
Percentage of sales (%)	39.5	42.6		
<Overseas>	901,746	856,769	(44,977)	(5.0)
Percentage of sales (%)	60.5	57.4		
The Americas	420,364	402,810	(17,554)	(4.2)
Percentage of sales (%)	28.2	27.0		
Europe, Middle East and Africa	340,727	321,835	(18,892)	(5.5)
Percentage of sales (%)	22.9	21.6		
Other	140,655	132,124	(8,531)	(6.1)
Percentage of sales (%)	9.4	8.8		
Grand Total	1,489,451	1,493,882	4,431	0.3
Percentage of sales (%)	100.0	100.0		

Three months ended December 31, 2018 and 2019

	(Millions of yen)			
	Three months ended December 31, 2018	Three months ended December 31, 2019	Change	%
<Domestic>	192,610	207,522	14,912	7.7
Percentage of sales (%)	38.4	41.6		
<Overseas>	308,585	291,581	(17,004)	(5.5)
Percentage of sales (%)	61.6	58.4		
The Americas	141,879	133,762	(8,117)	(5.7)
Percentage of sales (%)	28.3	26.8		
Europe, Middle East and Africa	117,374	113,335	(4,039)	(3.4)
Percentage of sales (%)	23.4	22.7		
Other	49,332	44,484	(4,848)	(9.8)
Percentage of sales (%)	9.9	8.9		
Grand Total	501,195	499,103	(2,092)	(0.4)
Percentage of sales (%)	100.0	100.0		

(3) Condensed Consolidated Statement of Changes in Equity

(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 gain (loss) on fair value of cash flow hedges
Balance as of April 1, 2018	135,364	186,463	(37,329)	-	51,581	(13,261)
Cumulative effects of changes in accounting policy					(41,149)	13,293
Opening Balance reflecting changes in accounting policy	135,364	186,463	(37,329)	-	10,432	32
Profit (loss) for the period						
Other comprehensive income (loss)				-	(2,969)	29
Comprehensive income (loss)	-	-	-	-	(2,969)	29
Net change in treasury stock			(7)			
Dividends declared and approved to owners						
Transfer from other components of equity to retained earnings					(616)	
Equity transactions with non-controlling shareholders		(341)				
Other			(55)			
Total transactions with owners	-	(341)	(62)	-	(616)	-
Balance as of December 31, 2018	135,364	186,122	(37,391)	-	6,847	61

	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, 2018	76,634	114,954	510,113	909,565	79,190	988,755
Cumulative effects of changes in accounting policy		(27,856)	33,691	5,835		5,835
Opening Balance reflecting changes in accounting policy	76,634	87,098	543,804	915,400	79,190	994,590
Profit (loss) for the period			50,633	50,633	4,375	55,008
Other comprehensive income (loss)	(5,989)	(8,929)		(8,929)	(65)	(8,994)
Comprehensive income (loss)	(5,989)	(8,929)	50,633	41,704	4,310	46,014
Net change in treasury stock				(7)		(7)
Dividends declared and approved to owners			(12,685)	(12,685)	(1,101)	(13,786)
Transfer from other components of equity to retained earnings		(616)	616	-		-
Equity transactions with non-controlling shareholders				(341)	2,490	2,149
Other				(55)		(55)
Total transactions with owners	-	(616)	(12,069)	(13,088)	1,389	(11,699)
Balance as of December 31, 2018	70,645	77,553	582,368	944,016	84,889	1,028,905

(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 gain (loss) on fair value of cash flow hedges
Balance as of April 1, 2019	135,364	186,086	(37,394)	-	7,815	59
Profit (loss) for the period						
Other comprehensive income (loss)				(1,910)	1,035	(413)
Comprehensive income (loss)	-	-	-	(1,910)	1,035	(413)
Net change in treasury stock			(399)			
Dividends declared and approved to owners						
Share-based payment transactions						
Share-based payment transactions of subsidiaries		25				
Transfer from other components of equity to retained earnings				1,910	(58)	
Equity transactions with non-controlling shareholders		44				
Total transactions with owners	-	69	(399)	1,910	(58)	-
Balance as of December 31, 2019	135,364	186,155	(37,793)	-	8,792	(354)

	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, 2019	65,771	73,645	574,876	932,577	86,411	1,018,988
Profit (loss) for the period			41,469	41,469	4,624	46,093
Other comprehensive income (loss)	(9,909)	(11,197)		(11,197)	322	(10,875)
Comprehensive income (loss)	(9,909)	(11,197)	41,469	30,272	4,946	35,218
Net change in treasury stock				(399)		(399)
Dividends declared and approved to owners			(18,841)	(18,841)	(1,227)	(20,068)
Share-based payment transactions				25		25
Share-based payment transactions of subsidiaries				-	21	21
Transfer from other components of equity to retained earnings		1,852	(1,852)	-		-
Equity transactions with non-controlling shareholders				44	(1,724)	(1,680)
Total transactions with owners	-	1,852	(20,693)	(19,171)	(2,930)	(22,101)
Balance as of December 31, 2019	55,862	64,300	595,652	943,678	88,427	1,032,105

(4) Condensed Consolidated Statement of Cash Flows

	(Millions of yen)	
	Nine months ended December 31, 2018	Nine months ended December 31, 2019
I. Cash Flows from Operating Activities:		
Profit (loss) for the period	55,008	46,093
Adjustments to reconcile profit for the period to net cash provided by operating activities—		
Depreciation and amortization	71,333	91,516
Other income	(23,064)	(5,313)
Share of profit (loss) of investments accounted for using the equity method	(507)	(243)
Finance income and costs	2,789	1,190
Income tax expenses	21,889	22,375
(Increase) decrease in trade and other receivables	15,136	20,576
(Increase) decrease in inventories	(40,744)	(31,309)
(Increase) decrease in lease receivables	(1,665)	(23,785)
Increase (decrease) in trade and other payables	(12,908)	(16,115)
Increase (decrease) in accrued pension and retirement benefits	(4,691)	(3,985)
Other, net	(18,634)	(15,195)
Interest and dividends received	1,957	3,928
Interest paid	(3,698)	(3,655)
Income taxes paid	(25,567)	(27,208)
Net cash provided by (used in) operating activities	36,634	58,870
II. Cash Flows from Investing Activities:		
Proceeds from sales of property, plant and equipment	9,329	7,272
Expenditures for property, plant and equipment	(50,472)	(61,009)
Proceeds from sales of intangible assets	919	134
Expenditures for intangible assets	(19,736)	(19,898)
Payments for purchases of investment securities	(7,914)	(13,870)
Proceeds from sales of investment securities	63,154	1,006
Net increase (decrease) of time deposits	448	4
Purchase of business, net of cash acquired	(5,080)	(16,118)
Net increase (decrease) due to loss of control of subsidiaries	10,223	-
Other, net	(6,686)	(22,723)
Net cash provided by (used in) investing activities	(5,815)	(125,202)
III. Cash Flows from Financing Activities:		
Net increase (decrease) of short-term debt	(12,112)	(11,090)
Proceeds from long-term debt	62,627	227,845
Repayments of long-term debt	(59,254)	(154,673)
Proceeds from issuance of bonds	40,000	72,119
Repayments of bonds	(10,000)	(32,148)
Repayments of lease liabilities	-	(22,605)
Dividends paid	(12,685)	(18,841)
Payments for purchase of treasury stock	(7)	(399)
Proceeds from sales of shares of subsidiaries which does not involve changes in the scope of consolidation	3,006	-
Other, net	(1,958)	(2,907)
Net cash provided by (used in) financing activities	9,617	57,301
IV. Effect of Exchange Rate Changes on Cash and Cash Equivalents	286	(1,820)
V. Net Increase (decrease) in Cash and Cash Equivalents	40,722	(10,851)
VI. Cash and Cash Equivalents at Beginning of Year	160,568	240,099
VII. Cash and Cash Equivalents at End of Period	201,290	229,248

(5) Notes on premise going concern
Not applicable

(6) Changes in significant subsidiaries
Not applicable

(7) Changes in accounting policies

Significant accounting policies which apply in the condensed consolidated statement of financial position are same as previous fiscal year excepting the table below.

IFRSs	Title	Summaries of new IFRSs/amendments
IFRS 16	Leases	Changes in accounting for leases

Adoption of IFRS 16 'Leases'

Ricoh implemented IFRS 16 'Leases' as of April 1, 2019. Ricoh applied this standard retrospectively with the cumulative effect of initially applying this standard recognized at the date of initial application. In applying IFRS 16, Ricoh uses a practical expedient, in which an entity is not required to reassess whether a contract is or contains a lease at date of initial application, and Ricoh also uses practical expedients to the contracts that were previously identified as operating leases stipulated in the previous accounting standard.

For leases that Ricoh as lessee previously classified as operating leases applying IAS 17, right-of-use assets and lease liabilities were recognized at the date of initial application. Lease liabilities have been measured at the present value of outstanding lease payments discounted using the lessee's incremental borrowing rate at the date of initial application. The weighted average of the lessee's incremental borrowing rate is 1.6%. Right-of-use assets are initially measured at the initial measurement amount of the lease liability adjusted for the prepaid lease payments and other factors. Ricoh has elected the exemptions that allow a lessee not to apply the requirements of IFRS 16 to short-term leases (with a lease term of 12 months or less) and leases for low-value assets.

For leases that Ricoh as lessee previously classified as finance leases applying IAS 17, the carrying amounts of right-of-use assets and lease liabilities at the date of initial application were the carrying amounts of lease assets and lease liabilities, respectively, immediately before the date measured applying IAS 17.

The following is a reconciliation of non-cancellable operating lease contracts applying IAS 17 as of March 31, 2019 and lease liabilities recognized in the Condensed Consolidated Statement of Financial Position at the date of initial application.

	(Millions of Yen)
Non-cancellable operating lease contracts as of March 31, 2019	49,522
Finance lease liabilities as of March 31, 2019	3,397
Cancellable operating lease contracts, etc.	30,359
Lease liabilities as of April 1, 2019	83,278

Right-of-use assets recognized at the beginning of the current fiscal year was ¥79,807 million. There was no material impact on profit and loss of the third quarter of the current fiscal year from the changes.

(8) Segment Information

Operating Segment Information

Nine months ended December 31, 2018 and 2019

	(Millions of yen)			
	Nine months ended December 31, 2018	Nine months ended December 31, 2019	Change	%
Office Printing:				
Sales:				
Unaffiliated customers	809,213	760,966	(48,247)	(6.0)
Intersegment	-	-	-	-
Total	809,213	760,966	(48,247)	(6.0)
Operating expenses	718,965	681,995	(36,970)	(5.1)
Operating profit (loss)	90,248	78,971	(11,277)	(12.5)
Operating profit on sales in Office Printing (%)	11.2	10.4		
Office Service:				
Sales:				
Unaffiliated customers	348,835	408,653	59,818	17.1
Intersegment	-	-	-	-
Total	348,835	408,653	59,818	17.1
Operating expenses	339,423	389,726	50,303	14.8
Operating profit (loss)	9,412	18,927	9,515	101.1
Operating profit on sales in Office Service (%)	2.7	4.6		
Commercial Printing:				
Sales:				
Unaffiliated customers	135,147	133,375	(1,772)	(1.3)
Intersegment	-	-	-	-
Total	135,147	133,375	(1,772)	(1.3)
Operating expenses	114,911	115,320	409	0.4
Operating profit (loss)	20,236	18,055	(2,181)	(10.8)
Operating profit on sales in Commercial Printing (%)	15.0	13.5		
Industrial Printing:				
Sales:				
Unaffiliated customers	15,614	17,794	2,180	14.0
Intersegment	-	-	-	-
Total	15,614	17,794	2,180	14.0
Operating expenses	18,613	20,354	1,741	9.4
Operating profit (loss)	(2,999)	(2,560)	439	-
Operating loss on sales in Industrial Printing (%)	(19.2)	(14.4)		
Thermal Media:				
Sales:				
Unaffiliated customers	50,608	47,896	(2,712)	(5.4)
Intersegment	-	-	-	-
Total	50,608	47,896	(2,712)	(5.4)
Operating expenses	47,970	44,967	(3,003)	(6.3)
Operating profit (loss)	2,638	2,929	291	11.0
Operating profit on sales in Thermal Media (%)	5.2	6.1		
Other:				
Sales:				
Unaffiliated customers	130,034	125,198	(4,836)	(3.7)
Intersegment	35,136	19,616	(15,520)	(44.2)
Total	165,170	144,814	(20,356)	(12.3)
Operating expenses	148,107	141,815	(6,292)	(4.2)
Operating profit (loss)	17,063	2,999	(14,064)	(82.4)
Operating profit on sales in Other (%)	10.3	2.1		
Eliminations and Corporate:				
Sales:				
Intersegment	(35,136)	(19,616)	15,520	
Total	(35,136)	(19,616)	15,520	-
Operating expenses:				
Intersegment	(35,136)	(19,616)	15,520	
Corporate	57,419	49,906	(7,513)	
Total	22,283	30,290	8,007	-
Operating profit (loss)	(57,419)	(49,906)	7,513	-
Consolidated:				
Sales:				
Unaffiliated customers	1,489,451	1,493,882	4,431	0.3
Intersegment	-	-	-	-
Total	1,489,451	1,493,882	4,431	0.3
Operating expenses	1,410,272	1,424,467	14,195	1.0
Operating profit (loss)	79,179	69,415	(9,764)	(12.3)
Operating profit on consolidated sales (%)	5.3	4.6		

(Supplemental information)

Finance business included in the above is as follows:

	(Millions of yen)			
	Nine months ended December 31, 2018	Nine months ended December 31, 2019	Change	%
Sales	115,402	124,579	9,177	8.0
Operating expenses	91,335	98,575	7,240	7.9
Operating profit (loss)	24,067	26,004	1,937	8.0
Operating profit on sales in Finance Business (%)	20.9	20.9		

Three months ended December 31, 2018 and 2019

(Millions of yen)

	Three months ended December 31, 2018	Three months ended December 31, 2019	Change	%
Office Printing:				
Sales:				
Unaffiliated customers	270,636	251,493	(19,143)	(7.1)
Intersegment	-	-	-	-
Total	270,636	251,493	(19,143)	(7.1)
Operating expenses	237,627	227,894	(9,733)	(4.1)
Operating profit (loss)	33,009	23,599	(9,410)	(28.5)
Operating profit on sales in Office Printing (%)	12.2	9.4		
Office Service:				
Sales:				
Unaffiliated customers	117,468	138,128	20,660	17.6
Intersegment	-	-	-	-
Total	117,468	138,128	20,660	17.6
Operating expenses	114,279	132,606	18,327	16.0
Operating profit (loss)	3,189	5,522	2,333	73.2
Operating profit on sales in Office Service (%)	2.7	4.0		
Commercial Printing:				
Sales:				
Unaffiliated customers	48,634	45,838	(2,796)	(5.7)
Intersegment	-	-	-	-
Total	48,634	45,838	(2,796)	(5.7)
Operating expenses	39,588	39,425	(163)	(0.4)
Operating profit (loss)	9,046	6,413	(2,633)	(29.1)
Operating profit on sales in Commercial Printing (%)	18.6	14.0		
Industrial Printing:				
Sales:				
Unaffiliated customers	5,828	6,068	240	4.1
Intersegment	-	-	-	-
Total	5,828	6,068	240	4.1
Operating expenses	6,807	6,579	(228)	(3.3)
Operating profit (loss)	(979)	(511)	468	-
Operating loss on sales in Industrial Printing (%)	(16.8)	(8.4)		
Thermal Media:				
Sales:				
Unaffiliated customers	17,538	16,198	(1,340)	(7.6)
Intersegment	-	-	-	-
Total	17,538	16,198	(1,340)	(7.6)
Operating expenses	16,653	14,849	(1,804)	(10.8)
Operating profit (loss)	885	1,349	464	52.4
Operating profit on sales in Thermal Media (%)	5.0	8.3		
Other:				
Sales:				
Unaffiliated customers	41,091	41,378	287	0.7
Intersegment	6,994	6,592	(402)	(5.7)
Total	48,085	47,970	(115)	(0.2)
Operating expenses	46,817	47,570	753	1.6
Operating profit (loss)	1,268	400	(868)	(68.5)
Operating profit on sales in Other (%)	2.6	0.8		
Eliminations and Corporate:				
Sales:				
Intersegment	(6,994)	(6,592)	402	
Total	(6,994)	(6,592)	402	-
Operating expenses:				
Intersegment	(6,994)	(6,592)	402	
Corporate	19,247	16,005	(3,242)	
Total	12,253	9,413	(2,840)	-
Operating profit (loss)	(19,247)	(16,005)	3,242	-
Consolidated:				
Sales:				
Unaffiliated customers	501,195	499,103	(2,092)	(0.4)
Intersegment	-	-	-	-
Total	501,195	499,103	(2,092)	(0.4)
Operating expenses	474,024	478,336	4,312	0.9
Operating profit (loss)	27,171	20,767	(6,404)	(23.6)
Operating profit on consolidated sales (%)	5.4	4.2		

(Supplemental information)

Finance business included in the above is as follows:

	(Millions of yen)			
	Three months ended December 31, 2018	Three months ended December 31, 2019	Change	%
Sales	37,533	40,620	3,087	8.2
Operating expenses	28,879	31,391	2,512	8.7
Operating profit (loss)	8,654	9,229	575	6.6
Operating profit on sales in Finance Business (%)	23.1	22.7		

-APPENDIX- (Nine months ended December 31, 2019)

1. Consolidated Sales by Product Category

Nine months ended December 31, 2018 and 2019

	(Millions of yen)					
	Nine months ended December 31, 2018	Nine months ended December 31, 2019	Change	%	Change excluding exchange impact	%
<Office Printing>						
Office Printing	809,213	760,966	(48,247)	(6.0)	(26,187)	(3.2)
Percentage of sales (%)	54.3	50.9				
Domestic	255,679	254,187	(1,492)	(0.6)	(1,492)	(0.6)
Overseas	553,534	506,779	(46,755)	(8.4)	(24,695)	(4.5)
The Americas	245,167	231,243	(13,924)	(5.7)	(8,716)	(3.6)
Europe, Middle East and Africa	222,956	196,470	(26,486)	(11.9)	(12,818)	(5.7)
Other	85,411	79,066	(6,345)	(7.4)	(3,161)	(3.7)
<Office Service>						
Office Service	348,835	408,653	59,818	17.1	67,011	19.2
Percentage of sales (%)	23.4	27.4				
Domestic	192,076	245,592	53,516	27.9	53,516	27.9
Overseas	156,759	163,061	6,302	4.0	13,495	8.6
The Americas	83,655	80,526	(3,129)	(3.7)	(1,313)	(1.6)
Europe, Middle East and Africa	59,465	70,130	10,665	17.9	15,544	26.1
Other	13,639	12,405	(1,234)	(9.0)	(736)	(5.4)
<Commercial Printing>						
Commercial Printing	135,147	133,375	(1,772)	(1.3)	2,757	2.0
Percentage of sales (%)	9.1	8.9				
Domestic	19,462	18,823	(639)	(3.3)	(639)	(3.3)
Overseas	115,685	114,552	(1,133)	(1.0)	3,396	2.9
The Americas	70,052	69,411	(641)	(0.9)	929	1.3
Europe, Middle East and Africa	36,627	35,928	(699)	(1.9)	1,799	4.9
Other	9,006	9,213	207	2.3	668	7.4
<Industrial Printing>						
Industrial Printing	15,614	17,794	2,180	14.0	2,468	15.8
Percentage of sales (%)	1.1	1.2				
Domestic	2,023	3,116	1,093	54.0	1,093	54.0
Overseas	13,591	14,678	1,087	8.0	1,375	10.1
The Americas	4,539	4,902	363	8.0	488	10.8
Europe, Middle East and Africa	4,014	3,446	(568)	(14.2)	(412)	(10.3)
Other	5,038	6,330	1,292	25.6	1,299	25.8
<Thermal Media>						
Thermal Media	50,608	47,896	(2,712)	(5.4)	(890)	(1.8)
Percentage of sales (%)	3.4	3.2				
Domestic	10,492	10,017	(475)	(4.5)	(475)	(4.5)
Overseas	40,116	37,879	(2,237)	(5.6)	(415)	(1.0)
The Americas	14,713	14,510	(203)	(1.4)	124	0.8
Europe, Middle East and Africa	13,296	11,990	(1,306)	(9.8)	(471)	(3.5)
Other	12,107	11,379	(728)	(6.0)	(68)	(0.6)
<Other>						
Other	130,034	125,198	(4,836)	(3.7)	(4,421)	(3.4)
Percentage of sales (%)	8.7	8.4				
Domestic	107,973	105,378	(2,595)	(2.4)	(2,595)	(2.4)
Overseas	22,061	19,820	(2,241)	(10.2)	(1,826)	(8.3)
The Americas	2,238	2,218	(20)	(0.9)	31	1.4
Europe, Middle East and Africa	4,369	3,871	(498)	(11.4)	(249)	(5.7)
Other	15,454	13,731	(1,723)	(11.1)	(1,608)	(10.4)
Grand Total	1,489,451	1,493,882	4,431	0.3	40,738	2.7
Percentage of sales (%)	100.0	100.0				
Domestic	587,705	637,113	49,408	8.4	49,408	8.4
Percentage of sales (%)	39.5	42.6				
Overseas	901,746	856,769	(44,977)	(5.0)	(8,670)	(1.0)
Percentage of sales (%)	60.5	57.4				
The Americas	420,364	402,810	(17,554)	(4.2)	(8,457)	(2.0)
Percentage of sales (%)	28.2	27.0				
Europe, Middle East and Africa	340,727	321,835	(18,892)	(5.5)	3,393	1.0
Percentage of sales (%)	22.9	21.6				
Other	140,655	132,124	(8,531)	(6.1)	(3,606)	(2.6)
Percentage of sales (%)	9.4	8.8				

2. Consolidated Sales by Product Category

Three months ended December 31, 2018 and 2019

	(Millions of yen)					
	Three months ended December 31, 2018	Three months ended December 31, 2019	Change	%	Change excluding exchange impact	%
<Office Printing>						
Office Printing	270,636	251,493	(19,143)	(7.1)	(10,416)	(3.8)
Percentage of sales (%)	54.0	50.4				
Domestic	85,605	81,100	(4,505)	(5.3)	(4,505)	(5.3)
Overseas	185,031	170,393	(14,638)	(7.9)	(5,911)	(3.2)
The Americas	80,730	76,032	(4,698)	(5.8)	(1,796)	(2.2)
Europe, Middle East and Africa	75,677	67,371	(8,306)	(11.0)	(3,568)	(4.7)
Other	28,624	26,990	(1,634)	(5.7)	(547)	(1.9)
<Office Service>						
Office Service	117,468	138,128	20,660	17.6	23,734	20.2
Percentage of sales (%)	23.4	27.7				
Domestic	62,497	79,836	17,339	27.7	17,339	27.7
Overseas	54,971	58,292	3,321	6.0	6,395	11.6
The Americas	28,303	26,782	(1,521)	(5.4)	(504)	(1.8)
Europe, Middle East and Africa	21,555	27,043	5,488	25.5	7,378	34.2
Other	5,113	4,467	(646)	(12.6)	(479)	(9.4)
<Commercial Printing>						
Commercial Printing	48,634	45,838	(2,796)	(5.7)	(870)	(1.8)
Percentage of sales (%)	9.7	9.2				
Domestic	6,644	6,424	(220)	(3.3)	(220)	(3.3)
Overseas	41,990	39,414	(2,576)	(6.1)	(650)	(1.5)
The Americas	25,571	23,766	(1,805)	(7.1)	(920)	(3.6)
Europe, Middle East and Africa	12,957	12,598	(359)	(2.8)	521	4.0
Other	3,462	3,050	(412)	(11.9)	(251)	(7.3)
<Industrial Printing>						
Industrial Printing	5,828	6,068	240	4.1	368	6.3
Percentage of sales (%)	1.2	1.2				
Domestic	452	1,229	777	171.9	777	171.9
Overseas	5,376	4,839	(537)	(10.0)	(409)	(7.6)
The Americas	1,652	1,511	(141)	(8.5)	(75)	(4.5)
Europe, Middle East and Africa	1,279	1,177	(102)	(8.0)	(44)	(3.4)
Other	2,445	2,151	(294)	(12.0)	(290)	(11.9)
<Thermal Media>						
Thermal Media	17,538	16,198	(1,340)	(7.6)	(685)	(3.9)
Percentage of sales (%)	3.5	3.2				
Domestic	3,814	3,507	(307)	(8.0)	(307)	(8.0)
Overseas	13,724	12,691	(1,033)	(7.5)	(378)	(2.8)
The Americas	4,933	4,938	5	0.1	189	3.8
Europe, Middle East and Africa	4,434	3,741	(693)	(15.6)	(430)	(9.7)
Other	4,357	4,012	(345)	(7.9)	(137)	(3.1)
<Other>						
Other	41,091	41,378	287	0.7	434	1.1
Percentage of sales (%)	8.2	8.3				
Domestic	33,598	35,426	1,828	5.4	1,828	5.4
Overseas	7,493	5,952	(1,541)	(20.6)	(1,394)	(18.6)
The Americas	690	733	43	6.2	69	10.0
Europe, Middle East and Africa	1,472	1,405	(67)	(4.6)	24	1.6
Other	5,331	3,814	(1,517)	(28.5)	(1,487)	(27.9)
Grand Total	501,195	499,103	(2,092)	(0.4)	12,565	2.5
Percentage of sales (%)	100.0	100.0				
Domestic	192,610	207,522	14,912	7.7	14,912	7.7
Percentage of sales (%)	38.4	41.6				
Overseas	308,585	291,581	(17,004)	(5.5)	(2,347)	(0.8)
Percentage of sales (%)	61.6	58.4				
The Americas	141,879	133,762	(8,117)	(5.7)	(3,037)	(2.1)
Percentage of sales (%)	28.3	26.8				
Europe, Middle East and Africa	117,374	113,335	(4,039)	(3.4)	3,881	3.3
Percentage of sales (%)	23.4	22.7				
Other	49,332	44,484	(4,848)	(9.8)	(3,191)	(6.5)
Percentage of sales (%)	9.9	8.9				

* Each category includes the following product line:

Office Printing	MFPs (multifunctional printers), copiers, laser printers, digital duplicators, wide format printers, facsimile machine, scanners, related parts & supplies, services, support and software
Office Service	Personal computers, servers, network equipment, related services, support, software and service & solutions related to documents
Commercial Printing	Cut sheet printers, continuous feed printer, related parts & supplies, services, support and software
Industrial printing	Inkjet heads, imaging systems and industrial printers
Thermal Media	Thermal paper and thermal media
Other	Industrial optical component/module, electronic components, precision mechanical component, digital cameras, 3D printing, ECO, Healthcare and financial services

3. Forecast of Consolidated Performance

(Billions of yen)

	Nine months ended		Three months ending		Year ending	
	December 31, 2019	Change %	March 31, 2020 Forecast	Change %	March 31, 2020 Forecast	Change %
Sales	1,493.8	0.3	516.1	(1.5)	2,010.0	(0.2)
Gross profit	549.3	(4.5)	190.6	(0.6)	740.0	(3.5)
Operating profit (loss)	69.4	(12.3)	30.5	299.3	100.0	15.2
Profit (loss) before income tax expenses	68.4	(11.0)	29.5	317.9	98.0	16.7
Profit (loss) attributable to owners of the parent	41.4	(18.1)	20.5	-	62.0	25.2
Earnings per share attributable to owners of the parent-basic (yen)	57.23	-	28.30	-	85.53	-
Earnings per share attributable to owners of the parent- diluted (yen)	57.23	-	28.30	-	85.53	-
Capital expenditures*	61.0		12.9		74.0	
Depreciation*	48.5		18.4		67.0	
R&D expenditures	75.6		36.3		112.0	
Exchange rate (Yen/US\$)	108.73		110.00		109.05	
Exchange rate (Yen/EURO)	121.11		120.00		120.84	

*The amounts presented in capital expenditures and depreciation are for property, plant and equipment.

4. Forecast of Consolidated Sales by Product Category

(Billions of yen)

	Year ended	Three months ending		Year ending March 31, 2020			
	March 31, 2019	Forecast	Forecast excluding exchange impact	Forecast	Change %	Forecast excluding exchange impact	Change %
<Office Printing>	1,086.4	265.4	274.0	1,026.4	(5.5)	1,057.0	(2.7)
Domestic	346.0	90.4	90.4	344.6	(0.4)	344.6	(0.4)
Overseas	740.3	175.0	183.6	681.8	(7.9)	712.4	(3.8)
The Americas	331.0	82.5	85.6	313.8	(5.2)	322.1	(2.7)
Europe, Middle East and Africa	299.8	68.0	72.6	264.5	(11.8)	282.7	(5.7)
Other	109.5	24.4	25.3	103.5	(5.5)	107.5	(1.8)
<Office Service>	481.3	137.4	140.1	546.1	13.4	555.9	15.5
Domestic	272.6	84.3	84.3	329.9	21.0	329.9	21.0
Overseas	208.7	53.1	55.8	216.2	3.6	226.0	8.3
The Americas	111.2	27.0	28.1	107.6	(3.3)	110.4	(0.7)
Europe, Middle East and Africa	80.2	22.6	24.1	92.8	15.6	99.2	23.6
Other	17.2	3.3	3.5	15.8	(8.6)	16.4	(4.9)
<Commercial Printing>	185.2	48.9	50.9	182.3	(1.6)	188.8	1.9
Domestic	25.8	6.3	6.3	25.2	(2.7)	25.2	(2.7)
Overseas	159.3	42.5	44.5	157.1	(1.4)	163.6	2.6
The Americas	96.7	25.8	26.8	95.3	(1.5)	97.8	1.2
Europe, Middle East and Africa	50.1	13.2	14.1	49.2	(1.9)	52.5	4.8
Other	12.4	3.3	3.4	12.6	1.1	13.1	5.5
<Industrial Printing>	20.6	5.5	5.7	23.3	12.6	23.8	15.4
Domestic	2.8	1.2	1.2	4.4	56.1	4.4	56.1
Overseas	17.8	4.2	4.5	18.9	5.7	19.4	8.9
The Americas	6.1	1.6	1.7	6.6	7.7	6.7	10.7
Europe, Middle East and Africa	5.1	0.9	1.0	4.4	(14.3)	4.6	(9.5)
Other	6.6	1.5	1.7	7.9	19.5	8.0	21.7
<Thermal Media>	66.3	15.5	16.0	63.4	(4.5)	65.7	(0.9)
Domestic	13.6	3.1	3.1	13.2	(3.4)	13.2	(3.4)
Overseas	52.7	12.3	12.8	50.2	(4.8)	52.5	(0.3)
The Americas	19.4	4.7	4.9	19.3	(0.8)	19.8	1.8
Europe, Middle East and Africa	17.8	4.1	4.3	16.1	(9.6)	17.2	(3.3)
Other	15.4	3.4	3.4	14.8	(4.2)	15.5	0.6
<Other>	173.0	43.3	43.6	168.5	(2.6)	169.2	(2.2)
Domestic	144.7	37.3	37.3	142.7	(1.4)	142.7	(1.4)
Overseas	28.3	5.9	6.3	25.8	(8.9)	26.5	(6.1)
The Americas	2.8	0.6	0.7	2.9	1.1	2.9	3.9
Europe, Middle East and Africa	5.6	0.7	0.7	4.6	(18.7)	4.9	(13.3)
Other	19.7	4.5	4.8	18.3	(7.5)	18.7	(5.4)
Grand Total	2,013.2	516.1	530.5	2,010.0	(0.2)	2,060.7	2.4
Domestic	805.7	222.8	222.8	860.0	6.7	860.0	6.7
Overseas	1,207.4	293.2	307.6	1,150.0	(4.8)	1,200.7	(0.6)
The Americas	567.4	142.6	148.1	545.5	(3.9)	560.0	(1.3)
Europe, Middle East and Africa	458.8	109.7	117.1	431.6	(5.9)	461.3	0.5
Other	181.1	40.7	42.3	172.9	(4.5)	179.4	(0.9)