

QUARTERLY REPORT

Third Quarter ended December 31, 2022

(Results for the Period from April 1, 2022 to December 31, 2022)

Performance Outline (Consolidated)

(1) Nine months ended December 31, 2021 and 2022 (Actual result) and Year ending March 31, 2023 (Forecast)

	Nine months ended December 31, 2021 Results	Nine months ended December 31, 2022 Results	Change	(Billions of yen)	
				Year ending March 31, 2023 Forecast	Change
Domestic sales	502.1	551.2	9.8%	795.0	12.7%
Overseas sales	774.0	977.3	26.3%	1,305.0	23.9%
Sales	1,276.1	1,528.6	19.8%	2,100.0	19.4%
Gross profit	461.8	538.8	16.7%	727.0	16.8%
Operating profit (loss)	25.7	39.6	54.1%	85.0	112.2%
Profit (loss) before income tax expenses	30.7	42.3	37.8%	87.7	97.6%
Profit (loss) attributable to owners of the parent	23.1	27.4	18.3%	57.0	87.7%
Exchange rate (Yen/US\$)	111.10	136.49	25.39	133.62	21.26
Exchange rate (Yen/EURO)	130.59	140.55	9.96	139.16	8.61
Earnings per share attributable to owners of the parent-basic (yen)	34.07	44.29	10.22	92.40	47.05
Earnings per share attributable to owners of the parent-diluted (yen)	34.06	44.28	10.22	92.37	47.03
Cash flows from operating activities	38.6	6.4	(32.1)	—	—
Cash flows from investing activities	(33.9)	(104.1)	(70.1)	—	—
Cash flows from financing activities	(123.5)	38.4	162.0	—	—
Cash and cash equivalents at end of period *1	214.4	180.6	(33.8)	—	—
Capital expenditures *2	22.6	28.5	5.8	41.0	3.6
Depreciation *2	30.2	31.0	0.7	42.0	2.1
R&D expenditures	71.0	77.3	6.2	102.0	5.2
	March 31, 2022	December 31, 2022	Change		
Total assets	1,853.2	2,039.5	186.3		
Equity attributable to owners of the parent	902.0	884.7	(17.3)		
Interest-bearing debt *3	235.4	356.7	121.3		
Equity attributable to owners of the parent ratio (%)	48.7	43.4	(5.3)		
Equity per share attributable to owners of the parent (yen)	1,416.08	1,452.61	36.53		

*1 The amounts shown as "Cash and cash equivalents at end of the period" are shown on the condensed consolidated statement of cash flows.

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

*3 The amounts are shown bonds and borrowings.

(2) Three months ended December 31, 2021 and 2022

(Billions of yen)

	Three months ended December 31, 2021	Three months ended December 31, 2022	Change
	Results	Results	
Domestic sales	165.9	199.6	20.3%
Overseas sales	266.7	355.4	33.2%
Sales	432.7	555.0	28.3%
Gross profit	156.9	192.5	22.7%
Operating profit (loss)	12.6	16.1	28.2%
Profit (loss) before income tax expenses	14.7	17.7	20.3%
Profit (loss) attributable to owners of the parent	12.0	12.5	4.1%
Exchange rate (Yen/US\$)	113.70	141.62	27.92
Exchange rate (Yen/EURO)	130.07	144.25	14.18
Earnings per share attributable to owners of the parent-basic (yen)	18.43	20.56	2.13
Earnings per share attributable to owners of the parent-diluted (yen)	18.43	20.56	2.13
Capital expenditures *1	7.4	10.0	2.5
Depreciation *1	9.5	10.5	1.0
R&D expenditures	23.1	27.5	4.3

*1 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 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 its Consolidated Subsidiaries

Financial Highlights for the Nine months ended December 31, 2022

[Prepared on the basis of International Financial Reporting Standards]

1. Results for the Period from April 1, 2022 to December 31, 2022

(1) Operating Results

	(Millions of yen)	
	Nine months ended December 31, 2021	Nine months ended December 31, 2022
Sales	1,276,195	1,528,608
(% change from the previous corresponding period)	7.0	19.8
Operating profit (loss)	25,709	39,608
(% change from the previous corresponding period)	—	54.1
Profit (loss) before income tax expenses	30,703	42,321
(% change from the previous corresponding period)	—	37.8
Profit (loss) for the period	23,329	28,254
(% change from the previous corresponding period)	—	21.1
Profit (loss) attributable to owners of the parent	23,186	27,438
(% change from the previous corresponding period)	—	18.3
Comprehensive income (loss)	39,021	54,360
(% change from the previous corresponding period)	—	39.3
Earnings per share attributable to owners of the parent-basic (yen)	34.07	44.29
Earnings per share attributable to owners of the parent-diluted (yen)	34.06	44.28

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, 2022	December 31, 2022
Total assets	1,853,254	2,039,598
Total equity	905,825	903,710
Equity attributable to owners of the parent	902,042	884,736
Equity attributable to owners of the parent ratio (%)	48.7	43.4

2. Dividend Information

	Year ended March 31, 2022 (Actual)	Year ending March 31, 2023 (Forecast)
Cash dividends, applicable to the year (yen)	26.00	34.00
Interim (yen)	13.00	17.00
Year-end (yen)	13.00	17.00

Notes: Revision of expected dividends during this period: No

3. Forecast of Operating Results from April 1, 2022 to March 31, 2023

	(Millions of yen)
	Year ending March 31, 2023
Sales	2,100,000
(% change from the previous corresponding period)	19.4
Operating profit (loss)	85,000
(% change from the previous corresponding period)	112.2
Profit (loss) before income tax expenses	87,700
(% change from the previous corresponding period)	97.6
Profit (loss) for the period	57,800
(% change from the previous corresponding period)	88.7
Profit (loss) attributable to owners of the parent	57,000
(% change from the previous corresponding period)	87.7
Earnings per share attributable to owners of the parent-basic (yen)	92.40

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

4. Others

- (1) Changes in significant subsidiaries: Yes
New: 1 (Company name: PFU Limited)
Exclusion: — (Company name: —)
- (2) Changes in accounting policies and accounting estimate
(i) Changes in accounting policies required by IFRS: No
(ii) Other changes: No
(iii) Changes in accounting estimate: No
- (3) Number of common stock outstanding (including treasury stock):
As of December 31, 2022: 609,521,978 shares; As of March 31, 2022: 637,468,178 shares
- (4) Number of treasury stock:
As of December 31, 2022: 453,664 shares; As of March 31, 2022: 468,700 shares
- (5) Average number of common stock:
Nine months ended December 31, 2022: 619,533,305 shares; Nine months ended December 31, 2021: 680,598,195 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. (As of December 31, 2022: 378,800 shares; As of March 31, 2022: 398,600 shares)

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 2022 (April 1 – December 31, 2022)

The Ricoh's goal under the two years of its 20th Mid-Term Management Plan is to become a digital services company that is a work productivity innovator.

In this last year of 20th Mid-Term Management Plan, under the business unit structure that we adopted in April 2021, each business unit is operating autonomously and accelerating efforts to reinforce its structure while swiftly tackling market changes. We will cultivate human resources to support our drive to become a digital services company and overhaul enterprise systems to unite our entire organization in transitioning to drive digital services growth.

The world economy resumed its economic activities compared to the previous corresponding period, when had been greatly affected by the expansion of COVID-19 infection. On the other hand, prices have been rising and inflation is accelerating due to ongoing shortage of materials and the prolonged Russia/Ukraine situation, and growth slowed as a result of tight monetary policy. During this period, the number of people infected with COVID-19 reached a record high in Japan. Although the number of people infected with COVID-19 has been decreasing and increasing repeatedly since then, economic activities are resuming due to the relaxation of restrictions. On the other hand, prices have been rising due to higher raw material prices and the depreciation of the yen. In the U.S., prices and wages have risen, and the monetary authorities have tightened policies to calm inflation, and GDP was negative temporarily, but the economy has since returned to a recovery trend. In Europe, due to the prolonged Russia/Ukraine situation and the deterioration of relations with Russia, price increases have spread to a wide range of items due to the soaring energy and food prices, and the impact on the economy is becoming apparent. In other regions, China's lockdown caused by the zero-COVID policy has brought a halt to economic activity, and the subsequent rapid expansion of COVID-19 due to the lifting of the zero-COVID policy has affected the economy and society.

During this period, the average exchange rates of Japanese yen against the U.S. dollar and Euro were ¥136.49 (up ¥25.39 from the previous corresponding period) and ¥140.55 (up ¥9.96 from the previous corresponding period) respectively.

Sales in the nine months of this fiscal year were ¥1,528.6 billion. In the office printing business, although production recovered compared to the previous corresponding period due to the implementation of measures against external factors, the supply of products was delayed due to some material shortages and a decrease in the operation rate of plants in China. In addition, a slowdown in the recovery of non-hardware led the modest recovery in total sales. In the office services business, sales increased due to the expansion of services that do not rely on ICT-based products, and the effects of acquisitions in Europe and the Americas. In addition, sales increased due to the contribution of PFU Limited (hereinafter, PFU), which became a consolidated subsidiary in September 2022 and the impact of the depreciation of the yen. As a result, sales increased by 19.8% as compared to the previous corresponding period. (an increase of 10.1% excluding foreign currency exchange fluctuations)

In Japan, sales increased by 9.8% as compared to the previous corresponding period. In the office services business, services for small and medium-sized companies that do not rely on ICT-based products performed well. Also the supply of our products and ICT-based products which had been affected by delays due to a shortage of parts and materials, has improved. The acquisition of PFU contributed to sales increase as well.

Overseas, sales in the Americas increased by 36.7% (an increase of 11.9% excluding foreign currency exchange fluctuations) as compared to the previous corresponding period. Sales of edge devices in the office printing business increased compared to the previous corresponding period due to an increase in unit sales of A3 MFPs, although some products such as A4 MFPs continued to be undersupplied. In the office services business, we enhanced new solution services to existing managed service customers, and completed the acquisition of Cenero, LLC. (hereinafter, Cenero) in the communications services field. Sales in the commercial printing business also recovered, particularly in hardware and non-hardware. In addition, the depreciation of the yen contributed sales increase as well.

Sales in Europe, Middle East, and Africa increased by 20.0% (an increase of 11.6% excluding foreign currency exchange fluctuations) as compared to the previous corresponding period. Unit sales of edge devices decreased in the office printing business due to a shortage of products, but sales of non-hardware increased. The effects of acquisitions and sales of package led steady performance of the office services business. Sales in other regions increased by 15.3% (an increase of 1.9% excluding foreign currency exchange fluctuations) as compared to the previous corresponding period. Sales increased mainly due to the depreciation of the yen, although sales stagnated due to the impact of strict activity restrictions accompanying China's zero-COVID policy and the subsequent rapid expansion of COVID-19 caused by the policy changes.

As a result, sales in the overseas market increased by 26.3% as compared to the previous corresponding period. Excluding effects of foreign currency fluctuations, sales in overseas would have increased by 10.2% as compared to the previous corresponding period.

Gross profit increased by 16.7% as compared to the previous corresponding period, to ¥538.8 billion. In addition to increasing profit due to increased sales, controlling price by individual business units such as the price pass-through ensured the profit in response to rising procurement costs caused by shortages of materials as well as commodity prices, energy costs and gross profit also improved by continuous effort of the structural reinforcement in development and manufacturing activities, as well as the depreciation of the yen.

Selling, general and administrative expenses increased by 11.9% as compared to the previous corresponding period, to ¥504.5 billion mainly due to the acquisition of PFU and the depreciation of the yen.

Other income decreased compared to the previous corresponding period primarily due to gain on the sale of U.S. subsidiary land in the previous corresponding period.

Operating profit increased by ¥13.8 billion compared to the previous corresponding period, to ¥39.6 billion.

Net financial expenses were greater than in the previous corresponding period, reflecting higher interest expense and foreign exchange losses. The share of profit of investments accounted for using the equity method was higher, reflecting better performances among equity-method affiliates.

Profit before income tax expenses increased by ¥11.6 billion as compared to the previous corresponding period, to ¥42.3 billion.

Income tax expenses increased by ¥6.6 billion as compared to the previous corresponding period mainly due to an increase in profit before income tax expenses.

As a result, profit attributable to owners of the parent increased by ¥4.2 billion as compared to the previous corresponding period, to ¥27.4 billion.

Comprehensive income increased to ¥54.3 billion, owing largely to an increase in profit attributable to owners of the parent and translation adjustments for foreign operations.

* Review by Business Segment

Digital Services

Digital Services sales were ¥1,186.9 billion and increased by 14.5% (an increase of 5.5% excluding foreign currency exchange fluctuations) as compared to the previous corresponding period. The office services business continued to grow despite the impact of a shortage of materials, which affected sales of ICT-related products and services.

In Japan, we introduced full-scale solutions that do not depend on ICT-based products, such as new services to comply with revisions to the Electronic Record Retention Law and invoicing system, and strengthened our ability to propose products through training. As a result, sales of Scram series remained steady due to mainly the good performances of the operation management after system installation, virtualization consolidation, and security-related services. In October 2022, we launched the Ricoh kintone plus solution, the cloud-based business improvement platform jointly developed with Cybozu, Inc., based on a strategic alliance. In the Americas, sales of security-related services continue to be robust, and we have completed the acquisition of Cenero (U.S.), which provides communications services, in an effort to strengthen our ability to propose the office services businesses. In Europe, mainly sales of package and increased sales due to synergy creation from acquired IT service companies continued to contribute to higher sales. In the IT service area, the acquisition of Corelia SAS (France) was completed in December 2022.

In the office printing business, delays in delivery at the time of bulk sales due to shortages of A4 MFPs and tight local logistics affected the resolution of order backlogs. Sales of non-hardware continued to recover moderately.

In response to rising costs mainly due to ocean freight, we secured profits by implementing pricing controls, such as the price pass-through and selling value-added products. At the same time, we implemented profit improvement measures such as structural reform of service activity.

As a result, Digital Services operating profit was ¥17.8 billion and increased by ¥9.0 billion as compared to the previous corresponding period.

Digital Products

Digital Products sales were ¥23.5 billion and increased by 28.0% (an increase of 17.9% excluding foreign currency exchange fluctuations) as compared to the previous corresponding period. Sales including intersegment sales were ¥337.2 billion and increased by 19.6%. Although production activities were affected by a shortage of materials, China's zero-COVID policy and the expansion of COVID-19 later, sales increased due to increased production of A3 MFPs and parts & supplies compared to the previous corresponding period. While procurement costs rose due to the sharp rise in material prices, production of relatively high value-added products increased, and flexible production measures were made including cost reduction activities through structural reforms of manufacturing.

As a result, Digital Products operating profit was ¥26.9 billion. Although it decreased by ¥5.4 billion as compared to the previous corresponding period, it increased excluding transient profit such as sale of land at the U.S. subsidiaries which posted at the previous corresponding period.

Graphic Communications

Graphic Communications sales were ¥169.5 billion and increased by 25.1% (an increase of 9.8% excluding foreign currency exchange fluctuations) as compared to the previous corresponding period. In the commercial printing business, sales increased as economic activities recovered in Europe and the Americas. Despite the impact of material shortages, sales of production printers increased as we worked to secure production volumes, including procuring alternative components from the market. Sales of non-hardware continued to recover, and it almost backed to the level before the spread of COVID-19 infection. In the industrial printing business, sales increased despite the impact of lockdown in the mainstay Chinese market. In the commercial printing business, although profits were squeezed due to increased costs by procuring alternative components from the market, improvements in development, production, and service activities and the depreciation of the yen contributed to generate profit.

As a result, Graphic Communications operating profit was ¥10.0 billion and increased by ¥8.1 billion as compared to the previous corresponding period.

Industrial Solutions

Industrial Solutions sales were ¥83.7 billion and increased by 19.6% (an increase of 9.2% excluding foreign currency exchange fluctuations) as compared to the previous corresponding period. In the thermal media business, we implemented flexible pricing controls, including price pass-through, in response to cost increases for energy prices, raw materials, transportation costs, etc. In addition, increased sales of release paper-free labels and expanded demand in the U.S. logistics industry led to higher sales. In the industrial products business, while the impact of production reduction by automobile-related customers continued due to lockdown in China, demand for products for industrial robots was strong and sales maintained firm. Although we worked to secure profits through pricing controls and other measures, we were unable to offset the cost increases resulting from the recent rise in materials, energy and transportation costs.

As a result, Industrial Solutions operating profit (loss) was ¥0.5 billion (loss), got worse by ¥0.2 billion as compared to the previous corresponding period.

The electronics business in Industrial Solutions has been reclassified into Digital Products from this third quarter. Prior year comparative figures have also been reclassified to conform to the current year's presentation.

Other

Other segment sales were ¥64.7 billion and increased by 329.6% (an increase of 322.2% excluding foreign currency exchange fluctuations) as compared to the previous corresponding period mainly due to contribution of increased sales from the acquisition of PFU that has the largest market share globally for document scanners and is a company that develops services, such as cloud services and managed security services in Japan. We also have steadily advanced our Social Infrastructure's inspection services to expand our business. In addition, we are promoting the creation of new businesses, including additional investments in Elixirgen Scientific Inc. to strengthen of our drug discovery support business.

As a result of up-front investments to create new businesses, including these activities, Other segment operating profit (loss) was ¥4.3 billion (loss), improved by ¥6.7 billion from the previous corresponding period partly due to the contribution from the acquisition of PFU and maintain profitability in the camera business.

* Digital services as a business segment are mainly limited to the office services business and the office printing sales business. This segment does not include all digital services, which Ricoh aims to transform into "a digital services company" that connects workplaces and support worker's creativity. "Digital Services" provided as "a digital services company" is included in all the business segments as well as Digital Services business segment.

2. Analysis of Consolidated Financial Position

*Assets, Liabilities and Equity

Total assets increased by ¥186.3 billion as compared to the end of the previous fiscal year, to ¥2,039.5 billion. The acquisition of PFU and other companies and the yen depreciation from the end of the previous fiscal year, which resulted in exchange difference of foreign assets, led an increase in assets. After excluding the foreign exchange impact, total assets increased by ¥134.4 billion. The exchange rates for major currencies for the yen at end of the nine months of this fiscal year were ¥132.70 against the U.S. dollar (up ¥10.31 from the previous fiscal year) and ¥141.47 against the euro (up ¥4.77).

“Inventories” increased by ¥96.2 billion from the end of the previous fiscal year, mainly due to increases in sales inventories, securement of safe inventories, acquisitions and the depreciation of the yen. In addition, “Goodwill and intangible assets” increased by ¥76.6 billion mainly due to the acquisition of PFU and service companies in Europe and the Americas, as well as the depreciation of the yen.

Total liabilities increased by ¥188.4 billion as compared to the end of previous year, to ¥1,135.8 billion. “Bonds and borrowings” increased by ¥121.3 billion, combining current liabilities with non-current liabilities, as a result of financing mainly through syndicated loans.

Total equity decreased by ¥2.1 billion as compared to the end of previous fiscal year, to ¥903.7 billion. The company repurchased treasury stock (¥30.0 billion) mainly to increase shareholder returns and retired the treasury stock. This resulted in a decrease in equity, but on the other hand, exchange differences on translation of foreign operations increased by ¥27.2 billion due to the depreciation of the yen.

Equity attributable to owners of the parent therefore decreased by ¥17.3 billion, to ¥884.7 billion. The equity attributable to owners of the parent ratio remained stable, at 43.4%, although it was down by 5.3 point from the end of the previous fiscal year due to capital policies such as share repurchase and due to new borrowings.

* Cash Flows (Nine months from April 1, 2022 to December 31, 2022)

Net cash provided by operating activities was ¥6.4 billion, down by ¥32.1 billion as compared to the previous corresponding period. Cash increased due to improvements in profit for the period, but declined mainly due to increases in inventories.

Net cash used in investing activities increased by ¥70.1 billion as compared to the previous corresponding period, to ¥104.1 billion. Cash expenditures increased due to the acquisition of PFU and other companies in the nine months of this fiscal year.

Free cash flow (net cash provided by operating activities plus net cash used in investing activities) totaled ¥97.6 billion in expenditures, increased by ¥102.2 billion in expenditures.

Net cash provided by financing activities was ¥38.4 billion, up by ¥162.0 billion as compared to the previous corresponding period. In the nine months of this fiscal year, cash expenditures increased due to the share repurchase amounted to ¥30.0 billion. However, the proceeds increased due to financing of borrowings and other funds.

As a result, the balance of cash and cash equivalent at the end of period decreased by ¥53.3 billion as compared to the end of previous fiscal year, to ¥180.6 billion.

3. Qualitative Information on Forecasted Consolidated Financial Results

Since the business results and the business environment including foreign currency fluctuations in the nine months of the fiscal year were within expectation, there is no change on the forecast of sales, gross profit, operating profit, profit before income tax expenses and profit attributable to owners of the parent from those previously announced in Nov 2022.

Ricoh maintains the assumed exchange rates set forth in Nov 2022 of ¥125 against the U.S. dollar and of ¥135 against the euro in the fourth quarter while the actual exchange rates during this period have been incorporated into exchange rate assumptions for the full year.

Exchange Rate Assumptions for the full year ending March 31, 2023

US\$ 1 = ¥133.62 (¥112.36 in previous fiscal year)

EURO 1 = ¥139.16 (¥130.55 in previous fiscal year)

	(Billions of yen)		
	Year ended March 31, 2022	Year ending March 31, 2023 (Forecast)	Change
Domestic sales	705.2	795.0	12.7%
Overseas sales	1,053.3	1,305.0	23.9%
Sales	1,758.5	2,100.0	19.4%
Gross profit	622.6	727.0	16.8%
Operating profit (loss)	40.0	85.0	112.2%
Profit (loss) before income tax expenses	44.3	87.7	97.6%
Profit (loss) attributable to owners of the parent	30.3	57.0	87.7%

* 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, 2022	December 31, 2022	Change
Current Assets			
Cash and cash equivalents	240,308	193,324	(46,984)
Time deposits	81	122	41
Trade and other receivables	397,148	433,495	36,347
Other financial assets	92,293	90,742	(1,551)
Inventories	232,558	328,837	96,279
Other current assets	50,034	66,818	16,784
Total Current Assets	1,012,422	1,113,338	100,916
Non-current assets			
Property, plant and equipment	188,439	193,119	4,680
Right-of-use assets	57,730	56,550	(1,180)
Goodwill and intangible assets	259,482	336,133	76,651
Other financial assets	128,321	126,661	(1,660)
Investments accounted for using the equity method	81,396	83,355	1,959
Other investments	12,329	12,476	147
Other non-current assets	31,942	35,164	3,222
Deferred tax assets	81,193	82,802	1,609
Total Non-current Assets	840,832	926,260	85,428
Total Assets	1,853,254	2,039,598	186,344

Liabilities and Equity

	(Millions of yen)		
	March 31, 2022	December 31, 2022	Change
Current Liabilities			
Bonds and borrowings	114,395	172,338	57,943
Trade and other payables	268,534	282,071	13,537
Lease liabilities	22,665	22,545	(120)
Other financial liabilities	2,079	1,785	(294)
Income tax payables	11,143	11,103	(40)
Provisions	9,941	11,787	1,846
Other current liabilities	264,691	294,737	30,046
Total Current Liabilities	693,448	796,366	102,918
Non-current Liabilities			
Bonds and borrowings	121,042	184,406	63,364
Lease liabilities	44,444	42,370	(2,074)
Other financial liabilities	—	28,342	28,342
Accrued pension and retirement benefits	45,728	44,246	(1,482)
Provisions	9,607	9,297	(310)
Other non-current liabilities	29,029	25,362	(3,667)
Deferred tax liabilities	4,131	5,499	1,368
Total Non-current Liabilities	253,981	339,522	85,541
Total Liabilities	947,429	1,135,888	188,459
Equity			
Common stock	135,364	135,364	—
Additional paid-in capital	180,942	158,529	(22,413)
Treasury stock	(460)	(433)	27
Other components of equity	126,341	153,180	26,839
Retained earnings	459,855	438,096	(21,759)
Equity attributable to owners of the parent	902,042	884,736	(17,306)
Non-controlling interests	3,783	18,974	15,191
Total Equity	905,825	903,710	(2,115)
Total Liabilities and Equity	1,853,254	2,039,598	186,344

(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, 2021 and 2022

	(Millions of yen)			
	Nine months ended December 31, 2021	Nine months ended December 31, 2022	Change	%
Sales	1,276,195	1,528,608	252,413	19.8
Cost of sales	814,336	989,744	175,408	21.5
Percentage of sales (%)	63.8	64.7		
Gross profit	461,859	538,864	77,005	16.7
Percentage of sales (%)	36.2	35.3		
Selling, general and administrative expenses	450,722	504,551	53,829	11.9
Percentage of sales (%)	35.3	33.0		
Other income	14,572	5,295	(9,277)	(63.7)
Percentage of sales (%)	1.1	0.3		
Operating profit (loss)	25,709	39,608	13,899	54.1
Percentage of sales (%)	2.0	2.6		
Finance income	2,318	2,807	489	21.1
Percentage of sales (%)	0.2	0.2		
Finance costs	2,798	5,780	2,982	106.6
Percentage of sales (%)	0.2	0.4		
Share of profit (loss) of investments accounted for using the equity method	5,474	5,686	212	3.9
Percentage of sales (%)	0.4	0.4		
Profit (loss) before income tax expenses	30,703	42,321	11,618	37.8
Percentage of sales (%)	2.4	2.8		
Income tax expenses	7,374	14,067	6,693	90.8
Percentage of sales (%)	0.6	0.9		
Profit (loss) for the period	23,329	28,254	4,925	21.1
Percentage of sales (%)	1.8	1.8		
Profit (loss) attributable to:				
Owners of the parent	23,186	27,438	4,252	18.3
Percentage of sales (%)	1.8	1.8		
Non-controlling interests	143	816	673	470.6
Percentage of sales (%)	0.0	0.1		

	Nine months ended December 31, 2021	Nine months ended December 31, 2022	Change
Earnings per share attributable to owners of the parent-basic (yen)	34.07	44.29	10.22
Earnings per share attributable to owners of the parent-diluted (yen)	34.06	44.28	10.22

* Gain on sales of property, plant and equipment and others were included in "Other income".

Three months ended December 31, 2021 and 2022

(Millions of yen)

	Three months ended December 31, 2021	Three months ended December 31, 2022	Change	%
Sales	432,732	555,072	122,340	28.3
Cost of sales	275,831	362,494	86,663	31.4
Percentage of sales (%)	63.7	65.3		
Gross profit	156,901	192,578	35,677	22.7
Percentage of sales (%)	36.3	34.7		
Selling, general and administrative expenses	153,698	178,031	24,333	15.8
Percentage of sales (%)	35.5	32.1		
Other income	9,406	1,613	(7,793)	(82.9)
Percentage of sales (%)	2.2	0.3		
Operating profit (loss)	12,609	16,160	3,551	28.2
Percentage of sales (%)	2.9	2.9		
Finance income	1,335	1,460	125	9.4
Percentage of sales (%)	0.3	0.3		
Finance costs	960	1,698	738	76.9
Percentage of sales (%)	0.2	0.3		
Share of profit (loss) of investments accounted for using the equity method	1,745	1,795	50	2.9
Percentage of sales (%)	0.4	0.3		
Profit (loss) before income tax expenses	14,729	17,717	2,988	20.3
Percentage of sales (%)	3.4	3.2		
Income tax expenses	2,662	4,805	2,143	80.5
Percentage of sales (%)	0.6	0.9		
Profit (loss) for the period	12,067	12,912	845	7.0
Percentage of sales (%)	2.8	2.3		
Profit (loss) attributable to:				
Owners of the parent	12,029	12,524	495	4.1
Percentage of sales (%)	2.8	2.3		
Non-controlling interests	38	388	350	921.1
Percentage of sales (%)	0.0	0.1		

	Three months ended December 31, 2021	Three months ended December 31, 2022	Change
Earnings per share attributable to owners of the parent-basic (yen)	18.43	20.56	2.13
Earnings per share attributable to owners of the parent-diluted (yen)	18.43	20.56	2.13

* Gain on sales of property, plant and equipment and others were included in "Other income".

Condensed Consolidated Statement of Comprehensive Income

Nine months ended December 31, 2021 and 2022

	(Millions of yen)		
	Nine months ended December 31, 2021	Nine months ended December 31, 2022	Change
Profit (loss) for the period	23,329	28,254	4,925
Other comprehensive income (loss):			
Components that will not be reclassified subsequently to profit or loss:			
Remeasurements of defined benefit plans	2,612	(581)	(3,193)
Net changes in fair value of financial assets measured through other comprehensive income	(102)	(120)	(18)
Share of other comprehensive income of investments accounted for using equity method	2,324	(439)	(2,763)
Total components that will not be reclassified subsequently to profit or loss	4,834	(1,140)	(5,974)
Components that will be reclassified subsequently to profit or loss:			
Net changes in fair value of cash flow hedges	409	(77)	(486)
Exchange differences on translation of foreign operations	10,431	27,060	16,629
Share of other comprehensive income of investments accounted for using equity method	18	263	245
Total components that will be reclassified subsequently to profit or loss	10,858	27,246	16,388
Total other comprehensive income (loss)	15,692	26,106	10,414
Comprehensive income (loss)	39,021	54,360	15,339
Comprehensive income (loss) attributable to:			
Owners of the parent	38,940	53,750	14,810
Non-controlling interests	81	610	529

Three months ended December 31, 2021 and 2022

	(Millions of yen)		
	Three months ended December 31, 2021	Three months ended December 31, 2022	Change
Profit (loss) for the period	12,067	12,912	845
Other comprehensive income (loss):			
Components that will not be reclassified subsequently to profit or loss:			
Remeasurements of defined benefit plans	31	(11)	(42)
Net changes in fair value of financial assets measured through other comprehensive income	(13)	23	36
Share of other comprehensive income of investments accounted for using equity method	2,174	329	(1,845)
Total components that will not be reclassified subsequently to profit or loss	2,192	341	(1,851)
Components that will be reclassified subsequently to profit or loss:			
Net changes in fair value of cash flow hedges	4	70	66
Exchange differences on translation of foreign operations	8,531	(32,876)	(41,407)
Share of other comprehensive income of investments accounted for using equity method	33	197	164
Total components that will be reclassified subsequently to profit or loss	8,568	(32,609)	(41,177)
Total other comprehensive income (loss)	10,760	(32,268)	(43,028)
Comprehensive income (loss)	22,827	(19,356)	(42,183)
Comprehensive income (loss) attributable to:			
Owners of the parent	22,854	(19,330)	(42,184)
Non-controlling interests	(27)	(26)	1

Consolidated Sales by Product Category

Nine months ended December 31, 2021 and 2022

(Millions of yen)				
	Nine months ended December 31, 2021	Nine months ended December 31, 2022	Change	%
<Digital Services>	1,037,069	1,186,964	149,895	14.5
Percentage of sales (%)	81.3	77.6		
<Digital Products>	18,432	23,592	5,160	28.0
Percentage of sales (%)	1.4	1.5		
<Graphic Communications>	135,548	169,558	34,010	25.1
Percentage of sales (%)	10.6	11.1		
<Industrial Solutions>	70,085	83,793	13,708	19.6
Percentage of sales (%)	5.5	5.5		
<Other>	15,061	64,701	49,640	329.6
Percentage of sales (%)	1.2	4.2		
Grand Total	1,276,195	1,528,608	252,413	19.8
Percentage of sales (%)	100.0	100.0		

Three months ended December 31, 2021 and 2022

(Millions of yen)				
	Three months ended December 31, 2021	Three months ended December 31, 2022	Change	%
<Digital Services>	348,599	418,724	70,125	20.1
Percentage of sales (%)	80.6	75.4		
<Digital Products>	6,277	8,462	2,185	34.8
Percentage of sales (%)	1.5	1.5		
<Graphic Communications>	48,518	60,676	12,158	25.1
Percentage of sales (%)	11.2	10.9		
<Industrial Solutions>	24,434	27,994	3,560	14.6
Percentage of sales (%)	5.6	5.0		
<Other>	4,904	39,216	34,312	699.7
Percentage of sales (%)	1.1	7.1		
Grand Total	432,732	555,072	122,340	28.3
Percentage of sales (%)	100.0	100.0		

* Sales of PFU are included in Other segment.

(Notes) 1. Digital services as a business segment is mainly limited to the office services business and the office printing sales business. This segment does not include all digital services, which Ricoh aims to transform into "a digital services company" that connects workplaces and support worker's creativity. "Digital Services" provided as "a digital services company" is included in all the business segments as well as Digital Services business segment.

For the product line of each category, please refer to "(7) Segment Information" on page 17.

2. The electronics business in Industrial Solutions has been reclassified into Digital Products from this third quarter. Prior year comparative figures have also been reclassified to conform to the current year's presentation.

Consolidated Sales by Geographic Area

Nine months ended December 31, 2021 and 2022

(Millions of yen)				
	Nine months ended December 31, 2021	Nine months ended December 31, 2022	Change	%
<Domestic>	502,110	551,232	49,122	9.8
Percentage of sales (%)	39.3	36.1		
<Overseas>	774,085	977,376	203,291	26.3
Percentage of sales (%)	60.7	63.9		
The Americas	323,231	441,934	118,703	36.7
Percentage of sales (%)	25.3	28.9		
Europe, Middle East and Africa	328,977	394,892	65,915	20.0
Percentage of sales (%)	25.8	25.8		
Other	121,877	140,550	18,673	15.3
Percentage of sales (%)	9.6	9.2		
Grand Total	1,276,195	1,528,608	252,413	19.8
Percentage of sales (%)	100.0	100.0		

Three months ended December 31, 2021 and 2022

(Millions of yen)				
	Three months ended December 31, 2021	Three months ended December 31, 2022	Change	%
<Domestic>	165,954	199,646	33,692	20.3
Percentage of sales (%)	38.4	36.0		
<Overseas>	266,778	355,426	88,648	33.2
Percentage of sales (%)	61.6	64.0		
The Americas	108,559	158,260	49,701	45.8
Percentage of sales (%)	25.1	28.5		
Europe, Middle East and Africa	116,655	146,548	29,893	25.6
Percentage of sales (%)	27.0	26.4		
Other	41,564	50,618	9,054	21.8
Percentage of sales (%)	9.6	9.1		
Grand Total	432,732	555,072	122,340	28.3
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		
				Remeasurements of defined benefit plans	Net changes in fair value of financial assets measured through other comprehensive income	Net changes in fair value of cash flow hedges
Balance as of April 1, 2021	135,364	186,231	(45,024)	—	7,807	(430)
Profit (loss) for the period						
Other comprehensive income (loss)				2,612	2,222	419
Comprehensive income (loss)	—	—	—	2,612	2,222	419
Net change in treasury stock		(139)	(92,716)			
Dividends declared and approved to owners						
Share-based payment transactions		25	16			
Transfer from other components of equity to retained earnings				(2,612)	(386)	
Other						
Total transactions with owners	—	(114)	(92,700)	(2,612)	(386)	—
Balance as of December 31, 2021	135,364	186,117	(137,724)	—	9,643	(11)

	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, 2021	74,720	82,097	561,578	920,246	3,606	923,852
Profit (loss) for the period			23,186	23,186	143	23,329
Other comprehensive income (loss)	10,501	15,754		15,754	(62)	15,692
Comprehensive income (loss)	10,501	15,754	23,186	38,940	81	39,021
Net change in treasury stock				(92,855)		(92,855)
Dividends declared and approved to owners			(14,058)	(14,058)	(30)	(14,088)
Share-based payment transactions				41		41
Transfer from other components of equity to retained earnings		(2,998)	2,998	—		—
Other			(2,077)	(2,077)		(2,077)
Total transactions with owners	—	(2,998)	(13,137)	(108,949)	(30)	(108,979)
Balance as of December 31, 2021	85,221	94,853	571,627	850,237	3,657	853,894

(Millions of Yen)

	Common Stock	Additional paid-in capital	Treasury stock	Other components of equity		
				Remeasurements of defined benefit plans	Net changes in fair value of financial assets measured through other comprehensive income	Net changes in fair value of cash flow hedges
Balance as of April 1, 2022	135,364	180,942	(460)	—	4,540	246
Profit (loss) for the period						
Other comprehensive income (loss)				(581)	(555)	197
Comprehensive income (loss)	—	—	—	(581)	(555)	197
Net change in treasury stock		(21)	(30,005)			
Retirement of treasury stock			30,014			
Dividends declared and approved to owners						
Share-based payment transactions		72	18			
Change in scope of consolidation						
Written put options over non-controlling interests		(22,485)				
Transfer from other components of equity to retained earnings				581	(54)	
Transfer from retained earnings to additional paid-in capital		21				
Total transactions with owners	—	(22,413)	27	581	(54)	—
Balance as of December 31, 2022	135,364	158,529	(433)	—	3,931	443

	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, 2022	121,555	126,341	459,855	902,042	3,783	905,825
Profit (loss) for the period			27,438	27,438	816	28,254
Other comprehensive income (loss)	27,251	26,312		26,312	(206)	26,106
Comprehensive income (loss)	27,251	26,312	27,438	53,750	610	54,360
Net change in treasury stock				(30,026)		(30,026)
Retirement of treasury stock			(30,014)	—		—
Dividends declared and approved to owners			(18,635)	(18,635)	(75)	(18,710)
Share-based payment transactions				90		90
Change in scope of consolidation				—	14,656	14,656
Written put options over non-controlling interests				(22,485)		(22,485)
Transfer from other components of equity to retained earnings		527	(527)	—		—
Transfer from retained earnings to additional paid-in capital			(21)	—		—
Total transactions with owners	—	527	(49,197)	(71,056)	14,581	(56,475)
Balance as of December 31, 2022	148,806	153,180	438,096	884,736	18,974	903,710

(4) Condensed Consolidated Statement of Cash Flows

	(Millions of yen)	
	Nine months ended December 31, 2021	Nine months ended December 31, 2022
I. Cash Flows from Operating Activities:		
Profit (loss) for the period	23,329	28,254
Adjustments to reconcile profit for the period to net cash provided by (used in) operating activities:		
Depreciation and amortization	67,997	68,470
Other income	(11,954)	(425)
Share of (profit) loss of investments accounted for using the equity method	(5,474)	(5,686)
Finance income and costs	480	2,973
Income tax expenses	7,374	14,067
(Increase) decrease in trade and other receivables	50,855	(4,341)
(Increase) decrease in inventories	(32,230)	(63,299)
(Increase) decrease in lease receivables	18,965	13,566
Increase (decrease) in trade and other payables	(57,771)	(11,869)
Increase (decrease) in accrued pension and retirement benefits	(7,596)	(6,087)
Other, net	(913)	(6,751)
Interest and dividends received	2,362	4,111
Interest paid	(1,740)	(3,823)
Income taxes paid	(15,081)	(22,692)
Net cash provided by (used in) operating activities	38,603	6,468
II. Cash Flows from Investing Activities:		
Proceeds from sales of property, plant and equipment	13,352	2,157
Expenditures for property, plant and equipment	(22,685)	(28,548)
Expenditures for intangible assets	(24,527)	(25,589)
Payments for purchases of investment securities	(440)	(389)
Proceeds from sales of investment securities	4,103	489
Net (increase) decrease in time deposits	40	(42)
Purchase of business, net of cash acquired	(3,837)	(52,233)
Net cash provided by (used in) investing activities	(33,994)	(104,155)
III. Cash Flows from Financing Activities:		
Net increase (decrease) of short-term debt	6,431	39,143
Proceeds from long-term debt	16,143	109,046
Repayments of long-term debt	(15,712)	(23,009)
Repayments of bonds	—	(13,725)
Repayments of lease liabilities	(23,382)	(24,226)
Dividends paid	(14,058)	(18,635)
Payments for purchase of treasury stock	(92,716)	(30,005)
Other, net	(230)	(105)
Net cash provided by (used in) financing activities	(123,524)	38,484
IV. Effect of Exchange Rate Changes on Cash and Cash Equivalents	3,070	5,814
V. Net Increase (decrease) in Cash and Cash Equivalents	(115,845)	(53,389)
VI. Cash and Cash Equivalents at Beginning of Year	330,344	234,020
VII. Cash and Cash Equivalents at End of Period	214,499	180,631

Notes: The difference in the amount of “cash and cash equivalents” between condensed consolidated statement of financial position and condensed consolidated statement of cash flows represents bank overdrafts.

(5) Notes on premise going concern

Not applicable

(6) Changes in accounting policies

Significant accounting policies which apply in the Condensed Consolidated Financial Statements are the same as those in the previous fiscal year.

(7) Segment Information

Operating Segment Information
Nine months ended December 31, 2021 and 2022

	(Millions of yen)			
	Nine months ended December 31, 2021	Nine months ended December 31, 2022	Change	%
Digital Services:				
Sales:				
Unaffiliated customers	1,037,069	1,186,964	149,895	14.5
Intersegment	—	—	—	—
Total	1,037,069	1,186,964	149,895	14.5
Operating expenses	1,028,287	1,169,083	140,796	13.7
Operating profit (loss)	8,782	17,881	9,099	103.6
Operating profit (loss) on sales in Digital Services (%)	<i>0.8</i>	<i>1.5</i>		
Digital Products:				
Sales:				
Unaffiliated customers	18,432	23,592	5,160	28.0
Intersegment	263,584	313,683	50,099	19.0
Total	282,016	337,275	55,259	19.6
Operating expenses	249,663	310,368	60,705	24.3
Operating profit (loss)	32,353	26,907	(5,446)	(16.8)
Operating profit (loss) on sales in Digital Products (%)	<i>11.5</i>	<i>8.0</i>		
Graphic Communications:				
Sales:				
Unaffiliated customers	135,548	169,558	34,010	25.1
Intersegment	—	—	—	—
Total	135,548	169,558	34,010	25.1
Operating expenses	133,658	159,545	25,887	19.4
Operating profit (loss)	1,890	10,013	8,123	429.8
Operating profit (loss) on sales in Graphic Communications (%)	<i>1.4</i>	<i>5.9</i>		
Industrial Solutions:				
Sales:				
Unaffiliated customers	70,085	83,793	13,708	19.6
Intersegment	1,488	1,819	331	22.2
Total	71,573	85,612	14,039	19.6
Operating expenses	71,878	86,121	14,243	19.8
Operating profit (loss)	(305)	(509)	(204)	—
Operating profit (loss) on sales in Industrial Solutions (%)	<i>(0.4)</i>	<i>(0.6)</i>		
Other:				
Sales:				
Unaffiliated customers	15,061	64,701	49,640	329.6
Intersegment	9,843	12,382	2,539	25.8
Total	24,904	77,083	52,179	209.5
Operating expenses	36,021	81,410	45,389	126.0
Operating profit (loss)	(11,117)	(4,327)	6,790	—
Operating profit (loss) on sales in Other (%)	<i>(44.6)</i>	<i>(5.6)</i>		
Eliminations and Corporate:				
Sales:				
Intersegment	(274,915)	(327,884)	(52,969)	
Total	(274,915)	(327,884)	(52,969)	—
Operating expenses:				
Intersegment	(274,915)	(327,884)	(52,969)	
Corporate	5,894	10,357	4,463	
Total	(269,021)	(317,527)	(48,506)	—
Operating profit (loss)	(5,894)	(10,357)	(4,463)	—
Consolidated:				
Sales:				
Unaffiliated customers	1,276,195	1,528,608	252,413	19.8
Intersegment	—	—	—	—
Total	1,276,195	1,528,608	252,413	19.8
Operating expenses	1,250,486	1,489,000	238,514	19.1
Operating profit (loss)	25,709	39,608	13,899	54.1
Operating profit (loss) on consolidated sales (%)	<i>2.0</i>	<i>2.6</i>		

	Three months ended December 31, 2021	Three months ended December 31, 2022	Change	%
Digital Services:				
Sales:				
Unaffiliated customers	348,599	418,724	70,125	20.1
Intersegment	—	—	—	—
Total	348,599	418,724	70,125	20.1
Operating expenses	344,655	410,735	66,080	19.2
Operating profit (loss)	3,944	7,989	4,045	102.6
Operating profit (loss) on sales in Digital Services (%)	1.1	1.9		
Digital Products:				
Sales:				
Unaffiliated customers	6,277	8,462	2,185	34.8
Intersegment	90,442	109,520	19,078	21.1
Total	96,719	117,982	21,263	22.0
Operating expenses	80,972	113,120	32,148	39.7
Operating profit (loss)	15,747	4,862	(10,885)	(69.1)
Operating profit (loss) on sales in Digital Products (%)	16.3	4.1		
Graphic Communications:				
Sales:				
Unaffiliated customers	48,518	60,676	12,158	25.1
Intersegment	—	—	—	—
Total	48,518	60,676	12,158	25.1
Operating expenses	46,959	54,527	7,568	16.1
Operating profit (loss)	1,559	6,149	4,590	294.4
Operating profit (loss) on sales in Graphic Communications (%)	3.2	10.1		
Industrial Solutions:				
Sales:				
Unaffiliated customers	24,434	27,994	3,560	14.6
Intersegment	439	652	213	48.5
Total	24,873	28,646	3,773	15.2
Operating expenses	24,926	28,743	3,817	15.3
Operating profit (loss)	(53)	(97)	(44)	—
Operating profit (loss) on sales in Industrial Solutions (%)	(0.2)	(0.3)		
Other:				
Sales:				
Unaffiliated customers	4,904	39,216	34,312	699.7
Intersegment	3,299	4,149	850	25.8
Total	8,203	43,365	35,162	428.6
Operating expenses	11,903	43,681	31,778	267.0
Operating profit (loss)	(3,700)	(316)	3,384	—
Operating profit (loss) on sales in Other (%)	(45.1)	(0.7)		
Eliminations and Corporate:				
Sales:				
Intersegment	(94,180)	(114,321)	(20,141)	—
Total	(94,180)	(114,321)	(20,141)	—
Operating expenses:				
Intersegment	(94,180)	(114,321)	(20,141)	—
Corporate	4,888	2,427	(2,461)	—
Total	(89,292)	(111,894)	(22,602)	—
Operating profit (loss)	(4,888)	(2,427)	2,461	—
Consolidated:				
Sales:				
Unaffiliated customers	432,732	555,072	122,340	28.3
Intersegment	—	—	—	—
Total	432,732	555,072	122,340	28.3
Operating expenses	420,123	538,912	118,789	28.3
Operating profit (loss)	12,609	16,160	3,551	28.2
Operating profit (loss) on consolidated sales (%)	2.9	2.9		

Intersegment sales are primarily for Digital Services. Each category includes the following product line:

Digital Services	Sales of MFPs (multifunctional printers), laser printers, digital duplicators, wide format printers, facsimile machine, scanners, personal computers, servers, network equipment, related parts & supplies, services, support, software and service & solutions related to documents
Digital Products	Production and OEM of MFPs (multifunctional printers), laser printers, digital duplicators, wide format printers, facsimile machine, scanners, network equipment, and related parts & supplies, production and sales of electronic components
Graphic Communications	Production and sales of cut sheet printers, continuous feed printers, inkjet heads, imaging systems, industrial printers, related parts & supplies, services, support and software
Industrial Solutions	Production and sales of thermal paper and thermal media, industrial optical component/module and precision mechanical component
Other*	Digital cameras, 360°cameras, environment and healthcare

* Sales and profit and loss of PFU are included in Other segment.

(Notes) 1. Digital services as a business segment is mainly limited to the office services business and the office printing sales business. This segment does not include all digital services, which Ricoh aims to transform into "a digital services company" that connects workplaces and support worker's creativity. "Digital Services" provided as "a digital services company" is included in all the business segments as well as Digital Services business segment.

2. The electronics business in Industrial Solutions has been reclassified into Digital Products from this third quarter. Prior year comparative figures have also been reclassified to conform to the current year's presentation.

-APPENDIX- (Nine months ended December 31, 2022)

1. Consolidated Sales by Product Category

Nine months ended December 31, 2021 and 2022

	(Millions of yen)					
	Nine months ended December 31, 2021	Nine months ended December 31, 2022	Change	%	Change excluding exchange impact	%
<Digital Services>	1,037,069	1,186,964	149,895	14.5	56,783	5.5
Percentage of sales (%)	81.3	77.6				
Domestic	439,134	455,825	16,691	3.8	16,691	3.8
Overseas	597,935	731,139	133,204	22.3	40,092	6.7
The Americas	241,092	315,893	74,801	31.0	16,040	6.7
Europe, Middle East and Africa	278,125	327,033	48,908	17.6	25,678	9.2
Other	78,718	88,213	9,495	12.1	(1,626)	(2.1)
<Digital Products>	18,432	23,592	5,160	28.0	3,308	17.9
Percentage of sales (%)	1.4	1.5				
Domestic	12,389	15,987	3,598	29.0	3,598	29.0
Overseas	6,043	7,605	1,562	25.8	(290)	(4.8)
The Americas	554	734	180	32.5	50	9.0
Europe, Middle East and Africa	14	9	(5)	(35.7)	(6)	(42.9)
Other	5,475	6,862	1,387	25.3	(334)	(6.1)
<Graphic Communications>	135,548	169,558	34,010	25.1	13,236	9.8
Percentage of sales (%)	10.6	11.1				
Domestic	19,301	19,630	329	1.7	329	1.7
Overseas	116,247	149,928	33,681	29.0	12,907	11.1
The Americas	62,557	85,794	23,237	37.1	7,034	11.2
Europe, Middle East and Africa	35,297	43,122	7,825	22.2	4,869	13.8
Other	18,393	21,012	2,619	14.2	1,004	5.5
<Industrial Solutions>	70,085	83,793	13,708	19.6	6,416	9.2
Percentage of sales (%)	5.5	5.5				
Domestic	24,213	24,570	357	1.5	357	1.5
Overseas	45,872	59,223	13,351	29.1	6,059	13.2
The Americas	15,862	24,042	8,180	51.6	3,718	23.4
Europe, Middle East and Africa	12,825	17,301	4,476	34.9	3,260	25.4
Other	17,185	17,880	695	4.0	(919)	(5.3)
<Other>	15,061	64,701	49,640	329.6	48,522	322.2
Percentage of sales (%)	1.2	4.2				
Domestic	7,073	35,220	28,147	397.9	28,147	397.9
Overseas	7,988	29,481	21,493	269.1	20,375	255.1
The Americas	3,166	15,471	12,305	388.7	11,688	369.2
Europe, Middle East and Africa	2,716	7,427	4,711	173.5	4,515	166.2
Other	2,106	6,583	4,477	212.6	4,172	198.1
Total	1,276,195	1,528,608	252,413	19.8	128,265	10.1
Percentage of sales (%)	100.0	100.0				
Domestic	502,110	551,232	49,122	9.8	49,122	9.8
Percentage of sales (%)	39.3	36.1				
Overseas	774,085	977,376	203,291	26.3	79,143	10.2
Percentage of sales (%)	60.7	63.9				
The Americas	323,231	441,934	118,703	36.7	38,530	11.9
Percentage of sales (%)	25.3	28.9				
Europe, Middle East and Africa	328,977	394,892	65,915	20.0	38,316	11.6
Percentage of sales (%)	25.8	25.8				
Other	121,877	140,550	18,673	15.3	2,297	1.9
Percentage of sales (%)	9.6	9.2				

Intersegment sales are primarily for Digital Services. Each category includes the following product line:

Digital Services	Sales of MFPs (multifunctional printers), laser printers, digital duplicators, wide format printers, facsimile machine, scanners, personal computers, servers, network equipment, related parts & supplies, services, support, software and service & solutions related to documents
Digital Products	Production and OEM of MFPs (multifunctional printers), laser printers, digital duplicators, wide format printers, facsimile machine, scanners, network equipment, and related parts & supplies, production and sales of electronic components
Graphic Communications	Production and sales of cut sheet printers, continuous feed printers, inkjet heads, imaging systems, industrial printers, related parts & supplies, services, support and software
Industrial Solutions	Production and sales of thermal paper and thermal media, industrial optical component/module and precision mechanical component
Other*	Digital cameras, 360°cameras, environment and healthcare

* Sales of PFU are included in Other segment.

(Notes) 1. Digital services as a business segment is mainly limited to the office services business and the office printing sales business. This segment does not include all digital services, which Ricoh aims to transform into "a digital services company" that connects workplaces and support worker's creativity. "Digital Services" provided as "a digital services company" is included in all the business segments as well as Digital Services business segment.

2. The electronics business in Industrial Solutions has been reclassified into Digital Products from this third quarter. Prior year comparative figures have also been reclassified to conform to the current year's presentation.

2. Consolidated Sales by Product Category

Three months ended December 31, 2021 and 2022

	(Millions of yen)					
	Three months ended December 31, 2021	Three months ended December 31, 2022	Change	%	Change excluding exchange impact	%
<Digital Services>	348,599	418,724	70,125	20.1	32,990	9.5
Percentage of sales (%)	80.6	75.4				
Domestic	144,822	156,055	11,233	7.8	11,233	7.8
Overseas	203,777	262,669	58,892	28.9	21,757	10.7
The Americas	79,387	110,183	30,796	38.8	9,108	11.5
Europe, Middle East and Africa	98,068	121,020	22,952	23.4	11,433	11.7
Other	26,322	31,466	5,144	19.5	1,216	4.6
<Digital Products>	6,277	8,462	2,185	34.8	1,493	23.8
Percentage of sales (%)	1.5	1.5				
Domestic	4,500	5,873	1,373	30.5	1,373	30.5
Overseas	1,777	2,589	812	45.7	120	6.8
The Americas	235	170	(65)	(27.7)	(97)	(41.3)
Europe, Middle East and Africa	4	4	—	—	(1)	(25.0)
Other	1,538	2,415	877	57.0	218	14.2
<Graphic Communications>	48,518	60,676	12,158	25.1	3,930	8.1
Percentage of sales (%)	11.2	10.9				
Domestic	6,631	6,527	(104)	(1.6)	(104)	(1.6)
Overseas	41,887	54,149	12,262	29.3	4,034	9.6
The Americas	21,894	31,384	9,490	43.3	3,253	14.9
Europe, Middle East and Africa	13,218	15,620	2,402	18.2	949	7.2
Other	6,775	7,145	370	5.5	(168)	(2.5)
<Industrial Solutions>	24,434	27,994	3,560	14.6	913	3.7
Percentage of sales (%)	5.6	5.0				
Domestic	7,797	8,137	340	4.4	340	4.4
Overseas	16,637	19,857	3,220	19.4	573	3.4
The Americas	5,982	7,947	1,965	32.8	398	6.7
Europe, Middle East and Africa	4,451	5,756	1,305	29.3	737	16.6
Other	6,204	6,154	(50)	(0.8)	(562)	(9.1)
<Other>	4,904	39,216	34,312	699.7	33,892	691.1
Percentage of sales (%)	1.1	7.1				
Domestic	2,204	23,054	20,850	946.0	20,850	946.0
Overseas	2,700	16,162	13,462	498.6	13,042	483.0
The Americas	1,061	8,576	7,515	708.3	7,292	687.3
Europe, Middle East and Africa	914	4,148	3,234	353.8	3,137	343.2
Other	725	3,438	2,713	374.2	2,613	360.4
Total	432,732	555,072	122,340	28.3	73,218	16.9
Percentage of sales (%)	100.0	100.0				
Domestic	165,954	199,646	33,692	20.3	33,692	20.3
Percentage of sales (%)	38.4	36.0				
Overseas	266,778	355,426	88,648	33.2	39,526	14.8
Percentage of sales (%)	61.6	64.0				
The Americas	108,559	158,260	49,701	45.8	19,954	18.4
Percentage of sales (%)	25.1	28.5				
Europe, Middle East and Africa	116,655	146,548	29,893	25.6	16,255	13.9
Percentage of sales (%)	27.0	26.4				
Other	41,564	50,618	9,054	21.8	3,317	8.0
Percentage of sales (%)	9.6	9.1				

Intersegment sales are primarily for Digital Services. Each category includes the following product line:

Digital Services	Sales of MFPs (multifunctional printers), laser printers, digital duplicators, wide format printers, facsimile machine, scanners, personal computers, servers, network equipment, related parts & supplies, services, support, software and service & solutions related to documents
Digital Products	Production and OEM of MFPs (multifunctional printers), laser printers, digital duplicators, wide format printers, facsimile machine, scanners, network equipment, and related parts & supplies, production and sales of electronic components
Graphic Communications	Production and sales of cut sheet printers, continuous feed printers, inkjet heads, imaging systems, industrial printers, related parts & supplies, services, support and software
Industrial Solutions	Production and sales of thermal paper and thermal media, industrial optical component/module and precision mechanical component
Other*	Digital cameras, 360°cameras, environment and healthcare

* Sales of PFU are included in Other segment.

(Notes) 1. Digital services as a business segment is mainly limited to the office services business and the office printing sales business. This segment does not include all digital services, which Ricoh aims to transform into "a digital services company" that connects workplaces and support worker's creativity. "Digital Services" provided as "a digital services company" is included in all the business segments as well as Digital Services business segment.

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3. Forecast of Consolidated Performance

(Billions of yen)

	Nine months ended		Three months ending		Year ending	
	December 31, 2022	Change %	March 31, 2023	Change %	March 31, 2023	Change %
	Results		Forecast		Forecast	
Sales	1,528.6	19.8	571.3	18.4	2,100.0	19.4
Gross profit	538.8	16.7	188.1	17.0	727.0	16.8
Operating profit	39.6	54.1	45.3	216.5	85.0	112.2
Profit before income tax expenses	42.3	37.8	45.3	231.6	87.7	97.6
Profit attributable to owners of the parent	27.4	18.3	29.5	311.4	57.0	87.7
Earnings per share attributable to owners of the parent-basic (yen)	44.29	10.22	48.11	36.83	92.40	47.05
Earnings per share attributable to owners of the parent- diluted (yen)	44.28	10.22	48.09	36.81	92.37	47.03
Capital expenditures	28.5		12.4		41.0	
Depreciation	31.0		10.9		42.0	
R&D expenditures	77.3		24.6		102.0	
Exchange rate (Yen/US\$)	136.49		125.00		133.62	
Exchange rate (Yen/EURO)	140.55		135.00		139.16	

* 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 March 31, 2022	Three months ending March 31, 2023		Year ending March 31, 2023			
	Results	Forecast	Forecast excluding exchange impact	Forecast	Change %	Forecast excluding exchange impact	Change %
<Digital Services>	1,428.1	413.0	400.0	1,600.0	12.0	1,493.9	4.6
Domestic	615.8	195.2	195.2	651.1	5.7	651.1	5.7
Overseas	812.3	217.7	204.8	948.9	16.8	842.8	3.7
The Americas	329.9	86.4	81.0	402.3	21.9	338.1	2.5
Europe, Middle East and Africa	380.3	106.9	103.1	434.0	14.1	406.9	7.0
Other	102.0	24.3	20.6	112.6	10.3	97.7	(4.2)
<Digital Products>	24.4	5.4	5.5	29.0	18.5	27.3	11.6
Domestic	16.7	4.1	4.1	20.1	20.0	20.1	20.0
Overseas	7.7	1.2	1.4	8.8	15.3	7.2	(6.6)
The Americas	0.6	0.1	0.1	0.8	27.4	0.7	6.8
Europe, Middle East and Africa	0.0	0.0	0.0	0.0	(30.6)	0.0	(34.6)
Other	6.9	1.1	1.3	8.0	14.5	6.4	(7.7)
<Graphic Communications>	187.0	70.4	65.2	240.0	28.3	214.0	14.4
Domestic	26.3	10.0	10.0	29.7	12.6	29.7	12.6
Overseas	160.7	60.3	55.2	210.3	30.9	184.3	14.7
The Americas	86.8	32.9	30.2	118.7	36.7	99.8	15.0
Europe, Middle East and Africa	48.5	18.2	17.4	61.4	26.5	57.6	18.8
Other	25.3	9.1	7.4	30.2	19.1	26.8	6.0
<Industrial Solutions>	99.4	32.2	30.3	116.0	16.6	106.8	7.4
Domestic	37.6	13.3	13.3	37.8	0.7	37.8	0.7
Overseas	61.8	18.8	16.9	78.1	26.2	68.9	11.4
The Americas	22.1	7.7	7.1	31.7	43.6	26.6	20.7
Europe, Middle East and Africa	17.6	5.5	5.3	22.8	29.8	21.4	21.8
Other	22.1	5.6	4.5	23.4	6.1	20.7	(6.2)
<Other>	19.3	50.2	45.2	115.0	494.3	108.8	462.5
Domestic	8.6	20.9	20.9	56.2	548.1	56.2	548.1
Overseas	10.6	29.3	24.2	58.8	450.6	52.6	393.0
The Americas	4.0	14.7	11.7	30.2	639.8	26.5	551.6
Europe, Middle East and Africa	3.6	7.3	6.6	14.8	310.2	13.9	286.0
Other	2.9	7.2	5.8	13.8	361.7	12.1	305.7
Total	1,758.5	571.3	546.5	2,100.0	19.4	1,950.9	10.9
Domestic	705.2	243.7	243.7	795.0	12.7	795.0	12.7
Overseas	1,053.3	327.6	302.7	1,305.0	23.9	1,155.9	9.7
The Americas	443.6	141.8	130.2	583.8	31.6	492.0	10.9
Europe, Middle East and Africa	450.1	138.2	132.7	533.1	18.4	499.9	11.1
Other	159.5	47.5	39.7	188.1	17.9	163.9	2.8

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