

QUARTERLY REPORT

First Quarter ended June 30, 2023

(Results for the Period from April 1, 2023 to June 30, 2023)

Performance Outline (Consolidated)

	Three months ended June 30, 2022 Results	Three months ended June 30, 2023 Results	Change	(Billions of yen)	
				Year ending March 31, 2024 Forecast	Change
Domestic sales	163.7	191.9	17.2%	864.0	7.5%
Overseas sales	295.5	342.6	15.9%	1,386.0	4.2%
Sales	459.3	534.6	16.4%	2,250.0	5.4%
Gross profit	168.0	190.1	13.2%	790.0	6.0%
Operating profit (loss)	9.6	10.1	5.7%	70.0	(11.1%)
Profit (loss) before income tax expenses	11.2	13.3	19.0%	74.2	(8.7%)
Profit (loss) attributable to owners of the parent	7.5	8.7	15.9%	50.0	(8.0%)
Exchange rate (Yen/US\$)	129.51	137.30	7.79	128.08	(7.41)
Exchange rate (Yen/EURO)	138.02	149.50	11.48	138.63	(2.28)
Earnings per share attributable to owners of the parent-basic (yen)	11.98	14.44	2.46	82.09	(6.04)
Earnings per share attributable to owners of the parent-diluted (yen)	11.98	14.43	2.45	82.07	(6.03)
Cash flows from operating activities	19.8	34.4	14.6	—	—
Cash flows from investing activities	(14.5)	(31.0)	(16.5)	—	—
Cash flows from financing activities	(7.0)	(42.4)	(35.3)	—	—
Cash and cash equivalents at end of period *1	243.4	180.4	(62.9)	—	—
Capital expenditures *2	8.2	10.5	2.3	48.0	2.5
Depreciation *2	10.1	10.7	0.5	43.0	1.0
R&D expenditures	23.1	26.0	2.9	108.0	0.2
	March 31, 2023	June 30, 2023	Change		
Total assets	2,149.9	2,213.7	63.8		
Equity attributable to owners of the parent	931.5	985.3	53.7		
Interest-bearing debt *3	362.9	348.7	(14.2)		
Equity attributable to owners of the parent ratio (%)	43.3	44.5	1.2		
Equity per share attributable to owners of the parent (yen)	1,529.46	1,617.70	88.24		

*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.

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 5.

Ricoh Company, Ltd. and its Consolidated Subsidiaries

Financial Highlights for the First Quarter Ended June 30, 2023

[Prepared on the basis of International Financial Reporting Standards]

1. Results for the Period from April 1, 2023 to June 30, 2023

(1) Operating Results

	(Millions of yen)	
	Three months ended June 30, 2022	Three months ended June 30, 2023
Sales	459,341	534,601
(% change from the previous corresponding period)	8.1	16.4
Operating profit (loss)	9,626	10,171
(% change from the previous corresponding period)	69.9	5.7
Profit (loss) before income tax expenses	11,201	13,334
(% change from the previous corresponding period)	45.8	19.0
Profit (loss) for the period	7,622	8,579
(% change from the previous corresponding period)	57.6	12.6
Profit (loss) attributable to owners of the parent	7,591	8,795
(% change from the previous corresponding period)	58.6	15.9
Comprehensive income (loss)	51,552	64,547
(% change from the previous corresponding period)	428.6	25.2
Earnings per share attributable to owners of the parent-basic (yen)	11.98	14.44
Earnings per share attributable to owners of the parent-diluted (yen)	11.98	14.43

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, 2023	June 30, 2023
Total assets	2,149,956	2,213,776
Total equity	958,082	1,011,130
Equity attributable to owners of the parent	931,556	985,322
Equity attributable to owners of the parent ratio (%)	43.3	44.5

2. Dividend Information

	Year ended March 31, 2023 (Actual)	Year ending March 31, 2024 (Forecast)
Cash dividends, applicable to the year (yen)	34.00	36.00
Interim (yen)	17.00	18.00
Year-end (yen)	17.00	18.00

Notes: Revision of expected dividends during this period: No

3. Forecast of Operating Results from April 1, 2023 to March 31, 2024

	(Millions of yen)
	Year ending March 31, 2024
Sales	2,250,000
(% change from the previous corresponding period)	5.4
Operating profit (loss)	70,000
(% change from the previous corresponding period)	(11.1)
Profit (loss) before income tax expenses	74,200
(% change from the previous corresponding period)	(8.7)
Profit (loss) for the period	51,700
(% change from the previous corresponding period)	(7.1)
Profit (loss) attributable to owners of the parent	50,000
(% change from the previous corresponding period)	(8.0)
Earnings per share attributable to owners of the parent-basic (yen)	82.09

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

4. Others

- (1) Changes in significant subsidiaries: No
New: — (Company name: —)
Exclusion: — (Company name: —)
- (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
- (3) Number of common stock outstanding (including treasury stock):
As of June 30, 2023: 609,521,978 shares; As of March 31, 2023: 609,521,978 shares
- (4) Number of treasury stock:
As of June 30, 2023: 434,163 shares; As of March 31, 2023: 447,171 shares
- (5) Average number of common stock:
Three months ended June 30, 2023: 609,081,481 shares; Three months ended June 30, 2022: 633,526,180 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 June 30, 2023: 356,300 shares; As of March 31, 2023: 371,400 shares)

Qualitative Information on Consolidated Financial Results for the Quarter under Review

1. Qualitative Information on Consolidated Business Results

* Overview of the First Quarter of Fiscal 2023 (April 1 – June 30, 2023)

Ricoh started the 21st Mid-Term Management Strategy from April 2023.

As our medium- to long-term goal, we aim to become a digital services company that supports worker's creativity and transforms the workplace, in order to achieve our Mission & Vision of "Fulfillment through Work." We expand the range of workplaces where we provide digital services from offices, centered on the sale of MFPs, to services on frontlines and throughout society. At the same time, we will expand the customer value we provide to each workplace (office/frontline/social setting) and progressively transform into a digital services company.

During this fiscal year, we will accelerate our transformation from an earnings structure focused on the office printing business and work to enhance profitability, with the aim of increasing profitability through business expansion and structural reforms centered on the office services business. We will also build flexible production and supply systems, raise our capacity to tackle changes in business environment and establish a new pillar of earnings in frontline digital services domains.

Although concerns about the spread of COVID-19 and shortages of parts due to disruptions in global supply chains have improved, the global economy slowed down gradually due to the prolonged global inflation and the rise in policy interest rates. During the first quarter of this fiscal year, Japan's social and economic activities were normalized as a result of the category shift of COVID-19 to Class 5 infectious diseases, and increased demand for inbound. On the other hand, the future uncertainty continued due to soaring raw material and energy prices and yen depreciation. In the U.S., despite continued inflation, the economy remained firm against a backdrop of a favorable employment environment. Europe is experiencing a slowdown in its economic recovery due to the prolonged Russia/Ukraine situation, ongoing inflation and other factors. In other regions, economic recovery continued due to the normalization of economic activity, including the lifting of the zero-covid policies in China.

During this period, the average exchange rates of Japanese yen against U.S. dollar and Euro were ¥137.30 (up ¥7.79 from the previous corresponding period) and ¥149.50 (up ¥11.48 from the previous corresponding period) respectively.

Sales for the first quarter increased by 16.4% as compared to the previous corresponding period, to ¥534.6 billion. Sales increased mainly in the office service business due to the relaxation of restrictions on supplying our products and merchandise experienced the first quarter of the previous fiscal year, the acquisitions in Europe and the Americas, and other factors. In addition, sales increased due to the consolidation of PFU Limited (hereinafter, PFU), which became a consolidated subsidiary in September 2022, and yen depreciation.

In Japan, sales increased by 17.2% as compared to the previous corresponding period. Sales improved mainly in the office service business. Especially, the figures increased dramatically in Scrum series, which was expected to grow by the sales expansion targeting customers interests and needs such as back-office DX*. In addition, sales increased due to the consolidation of PFU.

Sales in the Americas increased by 15.1% (an increase of 8.8% excluding foreign currency exchange fluctuations) as compared to the previous corresponding period. Sales of edge devices in the office printing business increased due to the resolution of supply shortages, particularly for A4 MFPs. In the office services business, sales increased because of the growth in the communication services field where Cenero, LLC. (hereafter, Cenero) was acquired in September 2022 and the robust performance in document solutions. In addition, due in part to yen depreciation, sales increased. Sales in the Europe, the Middle East, and Africa increased by 19.4% (an increase of 10.4% excluding foreign currency exchange fluctuations) as compared to the previous corresponding period. Sales of edge devices increased in the office printing business as the shortage of A4 MFPs and other products was resolved. In the office services business, communications and application services grew as a result of acquisitions and sales of packages. Sales in other regions increased by 8.6% (an increase of 6.6% excluding foreign currency exchange fluctuations) as compared to the previous corresponding period. Sales grew due to yen depreciation as well as an improvement in sales due to the normalization of economic activities following the lifting of the zero-covid policies in China. As a result, sales in the overseas market increased by 15.9% as compared to the previous corresponding period. Excluding effects of foreign currency fluctuations, sales in overseas would have increased by 9.2% as compared to the previous corresponding period.

* DX (digital transformation): Measures taken by companies in response to dramatic changes in the business environment to establish competitive advantage by transforming their products, services, and business models, as well as the operations themselves, organizations, processes, and corporate cultures, through utilization of data and digital technologies, based on the needs of customers and society.

Gross profit increased by 13.2% as compared to the previous corresponding period, to ¥190.1 billion. Profit increased due to yen depreciation as well as the expansion of the office services business and increased sales of edge devices in the office printing business due to the relaxation of supply shortages.

Selling, general and administrative expenses increased by 14.0% as compared to the previous corresponding period, to ¥182.0 billion mainly due to the PFU and yen depreciation, in addition to increases in personnel expenses due to business growth and inflation.

Operating profit increased by ¥0.5 billion compared to the previous corresponding period, to ¥10.1 billion.

Net financial income increased as compared to the previous corresponding period, reflecting higher foreign exchange gains. The share of profit of investments accounted for using the equity method was lower, reflecting worse performances among equity-method affiliates.

Profit before income tax expenses increased by ¥2.1 billion as compared to the previous corresponding period, to ¥13.3 billion.

Income tax expenses increased by ¥1.1 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 ¥1.2 billion as compared to the previous corresponding period, to ¥8.7 billion.

Comprehensive income increased to ¥64.5 billion, owing largely to an increase in profit for the period and translation adjustments for foreign operations.

* Review by Business Segment

Digital Services

Digital Services sales were ¥427.3 billion and increased by 15.9% as compared to the previous corresponding period. In the office services business, sales of the Scrum series in Japan continued to grow due to the expansion of back-office DX sales and progress was made in acquiring projects in the manufacturing and other industries through Scrum Asset, which offers proposals by industry mainly to mid-sized companies. In addition, the number of subscribers to RICOH kintone plus, a cloud-based business improvement platform developed jointly with Cybozu, Inc., also grew steadily.

In the Americas, sales increased due to growth in the area of communication services through the acquisition of Cenero, as well as strong sales of document solutions accompanying the rebound in office printing. In Europe, sales continued to increase due to sales of packages and synergies with acquired companies. In June, we completed the acquisition of PFH Technology Group (hereinafter "PFH"), the leading provider of IT infrastructure, cloud and managed workplace services in Ireland, and are working to strengthen our IT services. In the office printing business, sales of edge devices increased from the previous corresponding period due to the progress in the delivery of bulk sales, including A3 MFPs, mainly due to the resolution of the supply shortage of A4 MFPs.

As a result of increased office services sales and continued implementation of pricing controls, including cost pass-through and value-added sales, in addition to recovering office printing, Digital Services operating profit was ¥8.9 billion and increased by ¥6.0 billion as compared to the previous corresponding period.

Digital Products

Digital Products sales were ¥21.3 billion and increased by 198.3% (Sales including intersegment sales were ¥116.7 billion and increased by 13.4%) as compared to the previous corresponding period. Revenue increased due to the recovery in production of A4 MFPs and the acquisition of PFU.

Despite increased sales and efforts to improve profits by continuing structural reforms in production and development, Digital Products operating profit was ¥0.9 billion and decreased by ¥11.0 billion as compared to the previous corresponding period, mainly due to a decline in sales caused by production adjustments for relatively high-value-added A3 MFPs.

Graphic Communications

Graphic Communications sales were ¥56.6 billion and increased by 9.1% as compared to the previous corresponding period. In the commercial printing business, sales of production printers continued to grow in Europe and the Americas. Non-hardware sales were also robust, exceeding the level before the spread of the COVID-19. In the industrial printing business, sales increased as sales of inkjet head increased against the background of increased demand.

Despite a temporary increase in expenses due to structural reforms, Graphic Communications operating profit was ¥2.7 billion and increased by ¥0.2 billion as compared to the previous corresponding period.

Industrial Solutions

Industrial Solutions sales were ¥23.1 billion and decreased by 14.3% as compared to the previous corresponding period. In the thermal media business, sales declined in Europe and the Americas due to inventory adjustments by customers. In the industrial products business, sales of optical products declined due to the end of special demand for projectors.

Despite efforts to secure profits through pricing controls and cost reductions, Industrial Solutions operating profit (loss) was ¥1.2 billion (loss). (Operating profit (loss) was ¥0.5 billion (loss) in the previous corresponding period.)

Other

Other segment sales were ¥6.2 billion and increased by 30.9% as compared to the previous corresponding period. In addition to the steady performance of the camera business, the drug discovery support business steadily grows in contract manufacturing services for investigational products.

As a result of up-front investments to create new businesses, including these activities, Other segment operating profit (loss) was ¥2.5 billion (loss), improved by ¥0.5 billion from the previous corresponding period.

- (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 PFU business in Other segment has been reclassified into Digital Services and Digital Products from the first quarter.
3. The electronics business in Industrial Solutions has been reclassified into Digital Products from the previous third quarter. Prior year comparative figures have also been reclassified to conform to the current year's presentation.

2. Analysis of Consolidated Financial Position

*Assets, Liabilities and Equity

Total assets increased by ¥63.8 billion as compared to the end of the previous fiscal year, to ¥2,213.7 billion. Assets increased due to translation adjustments of foreign assets resulting from a significant yen depreciation, compared to the end of the previous fiscal year. After excluding the foreign exchange impact, total assets decreased by ¥30.5 billion.

The exchange rates for major currencies for the yen at end of the first quarter were ¥144.99 against the U.S. dollar (up ¥11.46 from the previous fiscal year) and ¥157.60 against the euro (up ¥11.88).

"Cash and cash equivalents" decreased by ¥29.4 billion, while "Trade and other receivables" decreased by ¥19.1 billion mainly due to the collection of receivables recorded at the end of the previous fiscal year. On the other hand, "Inventories" increased by ¥28.0 billion due to inventory for sales, acquisitions, yen depreciation and others. "Goodwill and intangible assets" increased by ¥34.7 billion due to acquisitions in Europe and yen depreciation.

Total liabilities increased by ¥10.7 billion as compared to the end of previous year, to ¥1,202.6 billion. "Trade and other payables" decreased by ¥28.1 billion mainly due to the payment of liabilities recorded at the end of the previous fiscal year, and "Bonds and borrowings" decreased by ¥14.2 billion due to the repayment of borrowings and other factors. On the other hand, "Other current liabilities" increased by ¥40.9 billion due to an increase in accrued expenses, acquisitions and yen depreciation.

Total equity increased by ¥53.0 billion as compared to the end of previous fiscal year, to ¥1,011.1 billion. Yen depreciation resulted in an increase in exchange differences on translation of foreign operations.

Equity attributable to owners of the parent therefore increased by ¥53.7 billion, to ¥985.3 billion. The equity attributable to owners of the parent ratio remained safe, at 44.5%.

* Cash Flows (Three months from April 1, 2023 to June 30, 2023)

Net cash provided by operating activities increased by ¥14.6 billion as compared to the previous corresponding period, to ¥34.4 billion. Cash proceeds increased mainly due to a decrease in trade and other receivables compared to the previous corresponding period. Net cash used in investing activities increased by ¥16.5 billion as compared to the previous corresponding period, to ¥31.0 billion. Cash expenditures increased mainly due to the acquisition of PFH during the first quarter of the current consolidated fiscal year. Free cash flow (net cash provided by operating activities plus net cash used in investing activities) totaled ¥3.4 billion, down by ¥1.8 billion. Net cash used in financing activities increased by ¥35.3 billion as compared to the previous corresponding period, to ¥42.4 billion. During the first quarter of this fiscal year, cash expenditures related to the acquisition of treasury stock decreased compared to the previous corresponding period. However, cash expenditures increased mainly due to the repayment of debt. As a result, the balance of cash and cash equivalent at the end of period decreased by ¥30.4 billion as compared to the end of previous fiscal year, to ¥180.4 billion.

3. Qualitative Information on Forecasted Consolidated Financial Results

Since the business results and the business environment including foreign currency fluctuations in the first quarter were within expectation, there was 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 May this year.

Ricoh maintains the assumed exchange rates set forth in May of ¥125 against the U.S. dollar and of ¥135 against the euro in and after the second quarter while the actual exchange rates during the first quarter have been incorporated into exchange rate assumptions for the full year.

Exchange Rate Assumptions for the full year ending March 31, 2024

US\$ 1 = ¥128.08 (¥135.49 in previous fiscal year)

EURO 1 = ¥138.63 (¥140.91 in previous fiscal year)

	Year ended March 31, 2023	Year ending March 31, 2024 (Forecast)	(Billions of yen) Change
Domestic sales	803.9	864.0	7.5%
Overseas sales	1,330.2	1,386.0	4.2%
Sales	2,134.1	2,250.0	5.4%
Gross profit	745.4	790.0	6.0%
Operating profit (loss)	78.7	70.0	(11.1%)
Profit (loss) before income tax expenses	81.3	74.2	(8.7%)
Profit (loss) attributable to owners of the parent	54.3	50.0	(8.0%)

* 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, 2023	June 30, 2023	Change
Current Assets			
Cash and cash equivalents	221,890	192,464	(29,426)
Time deposits	207	238	31
Trade and other receivables	476,429	457,273	(19,156)
Other financial assets	93,906	104,019	10,113
Inventories	314,368	342,434	28,066
Other current assets	68,499	83,539	15,040
Total Current Assets	1,175,299	1,179,967	4,668
Non-current assets			
Property, plant and equipment	196,512	200,647	4,135
Right-of-use assets	57,003	58,111	1,108
Goodwill and intangible assets	366,394	401,135	34,741
Other financial assets	135,158	147,269	12,111
Investments accounted for using the equity method	83,529	84,352	823
Other investments	19,359	19,672	313
Other non-current assets	44,540	49,382	4,842
Deferred tax assets	72,162	73,241	1,079
Total Non-current Assets	974,657	1,033,809	59,152
Total Assets	2,149,956	2,213,776	63,820

Liabilities and Equity

	(Millions of yen)		
	March 31, 2023	June 30, 2023	Change
Current Liabilities			
Bonds and borrowings	157,828	171,280	13,452
Trade and other payables	312,429	284,242	(28,187)
Lease liabilities	26,185	26,654	469
Other financial liabilities	2,582	3,687	1,105
Income tax payables	11,864	12,573	709
Provisions	10,968	11,459	491
Other current liabilities	307,258	348,227	40,969
Total Current Liabilities	829,114	858,122	29,008
Non-current Liabilities			
Bonds and borrowings	205,110	177,451	(27,659)
Lease liabilities	38,147	40,758	2,611
Other financial liabilities	27,566	31,143	3,577
Accrued pension and retirement benefits	41,058	41,439	381
Provisions	8,347	8,421	74
Other non-current liabilities	24,742	26,654	1,912
Deferred tax liabilities	17,790	18,658	868
Total Non-current Liabilities	362,760	344,524	(18,236)
Total Liabilities	1,191,874	1,202,646	10,772
Equity			
Common stock	135,364	135,364	—
Additional paid-in capital	158,529	158,592	63
Treasury stock	(427)	(415)	12
Other components of equity	167,368	223,505	56,137
Retained earnings	470,722	468,276	(2,446)
Equity attributable to owners of the parent	931,556	985,322	53,766
Non-controlling interests	26,526	25,808	(718)
Total Equity	958,082	1,011,130	53,048
Total Liabilities and Equity	2,149,956	2,213,776	63,820

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

Condensed Consolidated Statement of Profit or Loss

	(Millions of yen)			
	Three months ended June 30, 2022	Three months ended June 30, 2023	Change	%
Sales	459,341	534,601	75,260	16.4
Cost of sales	291,336	344,403	53,067	18.2
Percentage of sales (%)	63.4	64.4		
Gross profit	168,005	190,198	22,193	13.2
Percentage of sales (%)	36.6	35.6		
Selling, general and administrative expenses	159,678	182,009	22,331	14.0
Percentage of sales (%)	34.8	34.0		
Other income	1,299	1,982	683	52.6
Percentage of sales (%)	0.3	0.4		
Operating profit (loss)	9,626	10,171	545	5.7
Percentage of sales (%)	2.1	1.9		
Finance income	603	3,302	2,699	447.6
Percentage of sales (%)	0.1	0.6		
Finance costs	1,091	1,793	702	64.3
Percentage of sales (%)	0.2	0.3		
Share of profit (loss) of investments accounted for using the equity method	2,063	1,654	(409)	(19.8)
Percentage of sales (%)	0.4	0.3		
Profit (loss) before income tax expenses	11,201	13,334	2,133	19.0
Percentage of sales (%)	2.4	2.5		
Income tax expenses	3,579	4,755	1,176	32.9
Percentage of sales (%)	0.8	0.9		
Profit (loss) for the period	7,622	8,579	957	12.6
Percentage of sales (%)	1.7	1.6		
Profit (loss) attributable to:				
Owners of the parent	7,591	8,795	1,204	15.9
Percentage of sales (%)	1.7	1.6		
Non-controlling interests	31	(216)	(247)	—
Percentage of sales (%)	0.0	(0.0)		

	Three months ended June 30, 2022	Three months ended June 30, 2023	Change
Earnings per share attributable to owners of the parent-basic (yen)	11.98	14.44	2.46
Earnings per share attributable to owners of the parent-diluted (yen)	11.98	14.43	2.45

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

Condensed Consolidated Statement of Comprehensive Income

	(Millions of yen)		
	Three months ended June 30, 2022	Three months ended June 30, 2023	Change
Profit (loss) for the period	7,622	8,579	957
Other comprehensive income (loss):			
Components that will not be reclassified subsequently to profit or loss:			
Remeasurements of defined benefit plan	—	—	—
Net changes in fair value of financial assets measured through other comprehensive income	(226)	243	469
Share of other comprehensive income of investments accounted for using equity method	(667)	(125)	542
Total components that will not be reclassified subsequently to profit or loss	(893)	118	1,011
Components that will be reclassified subsequently to profit or loss:			
Net changes in fair value of cash flow hedges	(77)	—	77
Exchange differences on translation of foreign operations	44,964	55,741	10,777
Share of other comprehensive income of investments accounted for using equity method	(64)	109	173
Total components that will be reclassified subsequently to profit or loss	44,823	55,850	11,027
Total other comprehensive income (loss)	43,930	55,968	12,038
Comprehensive income (loss)	51,552	64,547	12,995
Comprehensive income (loss) attributable to:			
Owners of the parent	51,488	64,045	12,557
Non-controlling interests	64	502	438

Consolidated Sales by Product Category

	(Millions of yen)			
	Three months ended June 30, 2022	Three months ended June 30, 2023	Change	%
<Digital Services>	368,579	427,348	58,769	15.9
Percentage of sales (%)	80.2	79.9		
<Digital Products>	7,151	21,334	14,183	198.3
Percentage of sales (%)	1.6	4.0		
<Graphic Communications>	51,899	56,603	4,704	9.1
Percentage of sales (%)	11.3	10.6		
<Industrial Solutions>	26,965	23,103	(3,862)	(14.3)
Percentage of sales (%)	5.9	4.3		
<Other>	4,747	6,213	1,466	30.9
Percentage of sales (%)	1.0	1.2		
Grand Total	459,341	534,601	75,260	16.4
Percentage of sales (%)	100.0	100.0		

(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 13.

2. The PFU business in Other segment has been reclassified into Digital Services and Digital Products from the first quarter.

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

Consolidated Sales by Geographic Area

	(Millions of yen)			
	Three months ended June 30, 2022	Three months ended June 30, 2023	Change	%
<Domestic>	163,764	191,909	28,145	17.2
Percentage of sales (%)	35.7	35.9		
<Overseas>	295,577	342,692	47,115	15.9
Percentage of sales (%)	64.3	64.1		
The Americas	132,591	152,562	19,971	15.1
Percentage of sales (%)	28.9	28.5		
Europe, Middle East and Africa	121,064	144,604	23,540	19.4
Percentage of sales (%)	26.4	27.0		
Other	41,922	45,526	3,604	8.6
Percentage of sales (%)	9.1	8.5		
Grand Total	459,341	534,601	75,260	16.4
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		
				Remeasurements of defined benefit plan	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)					(893)	(150)
Comprehensive income (loss)	—	—	—	—	(893)	(150)
Net change in treasury stock			(11,812)			
Dividends declared and approved to owners						
Share-based payment transactions		23	9			
Transfer from other components of equity to retained earnings					9	
Total transactions with owners	—	23	(11,803)	—	9	—
Balance as of June 30, 2022	135,364	180,965	(12,263)	—	3,656	96

	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			7,591	7,591	31	7,622
Other comprehensive income (loss)	44,940	43,897		43,897	33	43,930
Comprehensive income (loss)	44,940	43,897	7,591	51,488	64	51,552
Net change in treasury stock				(11,812)		(11,812)
Dividends declared and approved to owners			(8,281)	(8,281)	(59)	(8,340)
Share-based payment transactions				32		32
Transfer from other components of equity to retained earnings		9	(9)	—		—
Total transactions with owners	—	9	(8,290)	(20,061)	(59)	(20,120)
Balance as of June 30, 2022	166,495	170,247	459,156	933,469	3,788	937,257

(Millions of Yen)

	Common Stock	Additional paid-in capital	Treasury stock	Other components of equity		
				Remeasurements of defined benefit plan	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, 2023	135,364	158,529	(427)	—	4,847	240
Profit (loss) for the period						
Other comprehensive income (loss)					107	107
Comprehensive income (loss)	—	—	—	—	107	107
Net change in treasury stock			(2)			
Dividends declared and approved to owners						
Share-based payment transactions		63	14			
Transfer from other components of equity to retained earnings					887	
Equity transactions with non-controlling shareholders						
Total transactions with owners	—	63	12	—	887	—
Balance as of June 30, 2023	135,364	158,592	(415)	—	5,841	347

	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, 2023	162,281	167,368	470,722	931,556	26,526	958,082
Profit (loss) for the period			8,795	8,795	(216)	8,579
Other comprehensive income (loss)	55,036	55,250		55,250	718	55,968
Comprehensive income (loss)	55,036	55,250	8,795	64,045	502	64,547
Net change in treasury stock				(2)		(2)
Dividends declared and approved to owners			(10,354)	(10,354)	(1,372)	(11,726)
Share-based payment transactions				77		77
Transfer from other components of equity to retained earnings		887	(887)	—		—
Equity transactions with non-controlling shareholders				—	152	152
Total transactions with owners	—	887	(11,241)	(10,279)	(1,220)	(11,499)
Balance as of June 30, 2023	217,317	223,505	468,276	985,322	25,808	1,011,130

(4) Condensed Consolidated Statement of Cash Flows

	(Millions of yen)	
	Three months ended June 30, 2022	Three months ended June 30, 2023
I. Cash Flows from Operating Activities:		
Profit (loss) for the period	7,622	8,579
Adjustments to reconcile profit for the period to net cash provided by (used in) operating activities—		
Depreciation and amortization	22,631	25,783
Other income	(20)	(13)
Share of (profit) loss of investments accounted for using the equity method	(2,063)	(1,654)
Finance income and costs	488	(1,509)
Income tax expenses	3,579	4,755
(Increase) decrease in trade and other receivables	28,725	44,108
(Increase) decrease in inventories	(20,383)	(10,789)
(Increase) decrease in lease receivables	7,702	(3,801)
Increase (decrease) in trade and other payables	(7,922)	(36,185)
Increase (decrease) in accrued pension and retirement benefits	(2,556)	(901)
Other, net	(14,527)	12,502
Interest and dividends received	1,212	2,729
Interest paid	(1,177)	(1,557)
Income taxes paid	(3,464)	(7,569)
Net cash provided by (used in) operating activities	19,847	34,478
II. Cash Flows from Investing Activities:		
Proceeds from sales of property, plant and equipment	1,658	241
Expenditures for property, plant and equipment	(8,282)	(10,590)
Expenditures for intangible assets	(6,921)	(7,575)
Payments for purchases of investment securities	(251)	(9)
Proceeds from sales of investment securities	40	26
Net (increase) decrease of time deposits	(4)	(12)
Purchase of business, net of cash acquired	(750)	(13,111)
Net cash provided by (used in) investing activities	(14,510)	(31,030)
III. Cash Flows from Financing Activities:		
Net increase (decrease) of short-term debt	(8,874)	(23,259)
Proceeds from long-term debt	50,928	10,953
Repayments of long-term debt	(20,991)	(11,048)
Repayments of lease liabilities	(7,950)	(7,492)
Dividends paid	(8,281)	(10,354)
Payments for purchase of treasury stock	(11,812)	(2)
Other, net	(59)	(1,220)
Net cash provided by (used in) financing activities	(7,039)	(42,422)
IV. Effect of Exchange Rate Changes on Cash and Cash Equivalents	11,103	8,543
V. Net Increase (decrease) in Cash and Cash Equivalents	9,401	(30,431)
VI. Cash and Cash Equivalents at Beginning of Year	234,020	210,884
VII. Cash and Cash Equivalents at End of Period	243,421	180,453

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 material accounting policies

Material accounting policies which apply in the condensed consolidated financial statements are same as previous fiscal year excepting the table below.

IFRSs	Title	Summaries of new IFRSs/amendments
IAS 12	Income Taxes	Clarify accounting for deferred tax related to assets and liabilities arising from a single transaction.

The effect of adoption of above standards is minor.

(7) Segment Information

Operating Segment Information

(Millions of yen)

	Three months ended June 30, 2022	Three months ended June 30, 2023	Change	%
Digital Services:				
Sales:				
Unaffiliated customers	368,579	427,348	58,769	15.9
Intersegment	—	—	—	—
Total	368,579	427,348	58,769	15.9
Operating expenses	365,649	418,407	52,758	14.4
Operating profit (loss)	2,930	8,941	6,011	205.2
Operating profit (loss) on sales in Digital Services (%)	0.8	2.1		
Digital Products:				
Sales:				
Unaffiliated customers	7,151	21,334	14,183	198.3
Intersegment	95,765	95,411	(354)	(0.4)
Total	102,916	116,745	13,829	13.4
Operating expenses	90,849	115,749	24,900	27.4
Operating profit (loss)	12,067	996	(11,071)	(91.7)
Operating profit (loss) on sales in Digital Products (%)	11.7	0.9		
Graphic Communications:				
Sales:				
Unaffiliated customers	51,899	56,603	4,704	9.1
Intersegment	—	—	—	—
Total	51,899	56,603	4,704	9.1
Operating expenses	49,449	53,891	4,442	9.0
Operating profit (loss)	2,450	2,712	262	10.7
Operating profit (loss) on sales in Graphic Communications (%)	4.7	4.8		
Industrial Solutions:				
Sales:				
Unaffiliated customers	26,965	23,103	(3,862)	(14.3)
Intersegment	464	321	(143)	(30.8)
Total	27,429	23,424	(4,005)	(14.6)
Operating expenses	28,006	24,654	(3,352)	(12.0)
Operating profit (loss)	(577)	(1,230)	(653)	—
Operating profit (loss) on sales in Industrial Solutions (%)	(2.1)	(5.3)		
Other:				
Sales:				
Unaffiliated customers	4,747	6,213	1,466	30.9
Intersegment	3,665	3,502	(163)	(4.4)
Total	8,412	9,715	1,303	15.5
Operating expenses	11,434	12,223	789	6.9
Operating profit (loss)	(3,022)	(2,508)	514	—
Operating profit (loss) on sales in Other (%)	(35.9)	(25.8)		
Eliminations and Corporate:				
Sales:				
Intersegment	(99,894)	(99,234)	660	—
Total	(99,894)	(99,234)	660	—
Operating expenses:				
Intersegment	(99,894)	(99,234)	660	—
Corporate	4,222	(1,260)	(5,482)	—
Total	(95,672)	(100,494)	(4,822)	—
Operating profit (loss)	(4,222)	1,260	5,482	—
Consolidated:				
Sales:				
Unaffiliated customers	459,341	534,601	75,260	16.4
Intersegment	—	—	—	—
Total	459,341	534,601	75,260	16.4
Operating expenses	449,715	524,430	74,715	16.6
Operating profit (loss)	9,626	10,171	545	5.7
Operating profit (loss) on consolidated sales (%)	2.1	1.9		

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, network equipment, and related parts & supplies, production and sales of scanners, related parts & supplies and 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

(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 PFU business in Other segment has been reclassified into Digital Services and Digital Products from this first quarter.

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

-APPENDIX- (Three months ended June 30, 2023)

1. Consolidated Sales by Product Category

	(Millions of yen)					
	Three months ended June 30, 2022	Three months ended June 30, 2023	Change	%	Change excluding exchange impact	%
<Digital Services>	368,579	427,348	58,769	15.9	42,449	11.5
Percentage of sales (%)	80.2	79.9				
Domestic	142,861	165,054	22,193	15.5	22,193	15.5
Overseas	225,718	262,294	36,576	16.2	20,256	9.0
The Americas	97,730	110,470	12,738	13.0	6,477	6.6
Europe, Middle East and Africa	101,544	122,323	20,779	20.5	11,364	11.2
Other	26,444	29,501	3,057	11.6	2,415	9.1
<Digital Products>	7,151	21,334	14,183	198.3	14,095	197.1
Percentage of sales (%)	1.6	4.0				
Domestic	4,984	10,527	5,543	111.2	5,543	111.2
Overseas	2,167	10,807	8,640	398.7	8,552	394.6
The Americas	272	6,802	6,530	—	6,522	—
Europe, Middle East and Africa	2	2,132	2,130	—	2,129	—
Other	1,893	1,873	(20)	(1.1)	(99)	(5.2)
<Graphic Communications>	51,899	56,603	4,704	9.1	1,941	3.7
Percentage of sales (%)	11.3	10.6				
Domestic	6,578	6,201	(377)	(5.7)	(377)	(5.7)
Overseas	45,321	50,402	5,081	11.2	2,318	5.1
The Americas	25,116	27,448	2,332	9.3	739	2.9
Europe, Middle East and Africa	13,138	14,899	1,761	13.4	661	5.0
Other	7,067	8,055	988	14.0	918	13.0
<Industrial Solutions>	26,965	23,103	(3,862)	(14.3)	(4,599)	(17.1)
Percentage of sales (%)	5.9	4.3				
Domestic	7,590	7,773	183	2.4	183	2.4
Overseas	19,375	15,330	(4,045)	(20.9)	(4,782)	(24.7)
The Americas	8,317	6,602	(1,715)	(20.6)	(2,089)	(25.1)
Europe, Middle East and Africa	5,490	4,207	(1,283)	(23.4)	(1,604)	(29.2)
Other	5,568	4,521	(1,047)	(18.8)	(1,089)	(19.6)
<Other>	4,747	6,213	1,466	30.9	1,322	27.8
Percentage of sales (%)	1.0	1.2				
Domestic	1,751	2,354	603	34.4	603	34.4
Overseas	2,996	3,859	863	28.8	719	24.0
The Americas	1,156	1,240	84	7.3	26	2.2
Europe, Middle East and Africa	890	1,043	153	17.2	73	8.2
Other	950	1,576	626	65.9	620	65.3
Total	459,341	534,601	75,260	16.4	55,208	12.0
Percentage of sales (%)	100.0	100.0				
Domestic	163,764	191,909	28,145	17.2	28,145	17.2
Percentage of sales (%)	35.7	35.9				
Overseas	295,577	342,692	47,115	15.9	27,063	9.2
Percentage of sales (%)	64.3	64.1				
The Americas	132,591	152,562	19,971	15.1	11,675	8.8
Percentage of sales (%)	28.9	28.5				
Europe, Middle East and Africa	121,064	144,604	23,540	19.4	12,623	10.4
Percentage of sales (%)	26.4	27.0				
Other	41,922	45,526	3,604	8.6	2,765	6.6
Percentage of sales (%)	9.1	8.5				

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, network equipment, and related parts & supplies, production and sales of scanners, related parts & supplies and 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

(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 PFU business in Other segment has been reclassified into Digital Services and Digital Products from the first quarter.

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

2. Forecast of Consolidated Performance

	(Billions of yen)				
	Three months ended June 30, 2023	Change	Year ending March 31, 2024	Change	
	Results	%	Forecast	%	
Sales	534.6	16.4	2,250.0	5.4	
Gross profit	190.1	13.2	790.0	6.0	
Operating profit	10.1	5.7	70.0	(11.1)	
Profit before income tax expenses	13.3	19.0	74.2	(8.7)	
Profit attributable to owners of the parent	8.7	15.9	50.0	(8.0)	
Earnings per share attributable to owners of the parent-basic (yen)	14.44	2.46	82.09	(6.04)	
Earnings per share attributable to owners of the parent- diluted (yen)	14.43	2.45	82.07	(6.03)	
Capital expenditures	10.5		48.0		
Depreciation	10.7		43.0		
R&D expenditures	26.0		108.0		
Exchange rate (Yen/US\$)	137.30		128.08		
Exchange rate (Yen/EURO)	149.50		138.63		

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

3. Forecast of Consolidated Sales by Product Category

(Billions of yen)

	Year ended March 31, 2023		Year ending March 31, 2024		
	Results	Forecast	Change %	Forecast excluding exchange impact	Change %
<Digital Services>	1,684.3	1,750.3	3.9	1,793.3	6.5
Domestic	689.2	731.7	6.2	731.7	6.2
Overseas	995.1	1,018.5	2.4	1,061.5	6.7
The Americas	426.6	440.1	3.2	466.8	9.4
Europe, Middle East and Africa	451.9	457.9	1.3	466.9	3.3
Other	116.5	120.4	3.3	127.7	9.6
<Digital Products>	79.6	99.5	25.1	102.0	28.2
Domestic	41.4	53.1	28.2	53.1	28.1
Overseas	38.1	46.4	21.7	48.9	28.2
The Americas	19.7	21.8	10.4	23.2	17.6
Europe, Middle East and Africa	8.7	13.9	59.7	14.2	63.8
Other	9.6	10.6	10.6	11.3	17.8
<Graphic Communications>	234.8	253.0	7.7	263.9	12.4
Domestic	27.1	30.3	11.8	30.3	11.8
Overseas	207.6	222.6	7.2	233.5	12.5
The Americas	118.0	126.2	7.0	134.0	13.5
Europe, Middle East and Africa	60.2	63.2	4.9	64.4	7.0
Other	29.3	33.1	12.6	35.1	19.5
<Industrial Solutions>	113.5	127.0	11.8	131.2	15.6
Domestic	36.9	39.1	6.0	39.1	5.9
Overseas	76.6	87.8	14.6	92.1	20.3
The Americas	31.8	36.7	15.5	39.0	22.7
Europe, Middle East and Africa	21.9	28.1	28.1	28.7	31.0
Other	22.8	22.9	0.5	24.3	6.5
<Other>	21.7	20.0	(7.6)	20.8	(4.4)
Domestic	9.1	9.5	4.9	9.5	4.9
Overseas	12.6	10.5	(16.6)	11.2	(11.1)
The Americas	4.5	3.0	(33.0)	3.3	(28.1)
Europe, Middle East and Africa	3.6	2.3	(35.1)	2.4	(32.5)
Other	4.4	5.1	15.8	5.4	24.4
Total	2,134.1	2,250.0	5.4	2,311.4	8.3
Domestic	803.9	864.0	7.5	864.0	7.5
Overseas	1,330.2	1,386.0	4.2	1,447.4	8.8
The Americas	600.8	628.0	4.5	666.4	10.9
Europe, Middle East and Africa	546.4	565.6	3.5	576.9	5.6
Other	182.9	192.3	5.1	204.1	11.6

(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 PFU business in Other segment has been reclassified into Digital Services and Digital Products from the first quarter. Prior year comparative figures have also been reclassified to conform to the current year's presentation.