

**Ricoh Company, Ltd.**

Condensed Consolidated Financial Statements  
for the Half Year Ended September 30, 2018

This is an English translation of the Quarterly Securities Report (Shihanki Hokokusho) for the half year ended September 30, 2018 pursuant to the Japanese Financial Instrument and Exchange Law.

# Condensed Consolidated Statement of Financial Position

Ricoh Company, Ltd. and Consolidated Subsidiaries

ASSETS	Millions of Yen	
	As of March 31, 2018	As of September 30, 2018
Current assets:		
Cash and cash equivalents	160,568	203,010
Time deposits	68	92
Trade and other receivables	589,741	588,094
Other financial assets	291,144	296,607
Inventories	180,484	207,196
Other Investment	55,921	-
Other current assets	50,052	58,941
Total current assets	1,327,978	1,353,940
Non-current assets:		
Property, plant and equipment	250,005	245,928
Goodwill and intangible assets	217,130	217,594
Other financial assets	689,629	697,386
Investments accounted for using the equity method	3,703	12,349
Other investments	26,985	28,457
Other non-current assets	36,806	47,608
Deferred tax assets	88,794	96,365
Total non-current assets	1,313,052	1,345,687
Total assets	2,641,030	2,699,627

<b>LIABILITIES AND EQUITY</b>	Millions of Yen	
	As of March 31, 2018	As of September 30, 2018
Current liabilities:		
Bonds and borrowings (Note 6)	223,194	270,008
Trade and other payables	300,724	291,932
Other financial liabilities	453	562
Income tax payables	17,871	15,428
Provisions	12,235	16,238
Other current liabilities	234,045	239,872
Total current liabilities	788,522	834,040
Non-current liabilities:		
Bonds and borrowings (Note 6)	658,707	619,331
Other financial liabilities	3,788	2,982
Accrued pension and retirement benefits	104,998	100,612
Provisions	12,709	7,047
Other non-current liabilities	80,174	83,247
Deferred tax liabilities	3,377	5,180
Total non-current liabilities	863,753	818,399
Total liabilities	1,652,275	1,652,439
Equity:		
Common stock	135,364	135,364
Additional paid-in capital	186,463	186,463
Treasury stock	(37,329)	(37,334)
Other components of equity	114,954	103,306
Retained earnings	510,113	574,884
Equity attributable to owners of the parent	909,565	962,683
Non-controlling interests	79,190	84,505
Total equity	988,755	1,047,188
Total liabilities and equity	2,641,030	2,699,627

*The accompanying notes are an integral part of these condensed consolidated financial statements.*

# Condensed Consolidated Statement of Profit or Loss

Ricoh Company, Ltd. and Consolidated Subsidiaries

Half year ended September 30, 2017 and 2018

	Millions of Yen	
	Half year ended September 30, 2017	Half year ended September 30, 2018
Sales (Note 4,5)	998,837	988,256
Cost of sales	(608,409)	(604,363)
Gross profit	390,428	383,893
Selling, general and administrative expenses (Note 9)	(376,759)	(354,285)
Other income	8,346	22,400
Operating profit	22,015	52,008
Finance income	1,903	1,981
Finance costs	(6,180)	(4,142)
Share of profit of investments accounted for using the equity method	34	230
Profit before income tax expenses	17,772	50,077
Income tax expenses	(10,396)	(11,297)
Profit for the period	7,376	38,780
Profit attributable to:		
Owners of the parent	4,527	36,045
Non-controlling interests	2,849	2,735

	Yen	
	Half year ended September 30, 2017	Half year ended September 30, 2018
Earnings per share attributable to owners of the parent: (Note 11)		
Basic	6.25	49.73
Diluted	-	-

\* Gain on sales of noncurrent assets and shares of Ricoh Logistics System Co., Ltd were included in "other income."

Three months ended September 30, 2017 and 2018

	Millions of Yen	
	Three months ended September 30, 2017	Three months ended September 30, 2018
Sales (Note 4,5)	506,297	497,316
Cost of sales	(315,865)	(307,863)
Gross profit	190,432	189,453
Selling, general and administrative expenses (Note 9)	(188,557)	(178,490)
Other income	1,210	21,333
Operating profit	3,085	32,296
Finance income	1,101	715
Finance costs	(3,238)	(920)
Share of profit of investments accounted for using the equity method	10	60
Profit before income tax expenses	958	32,151
Income tax expenses	(5,800)	(4,308)
Profit(loss) for the period	(4,842)	27,843
Profit(loss) attributable to:		
Owners of the parent	(6,269)	26,763
Non-controlling interests	1,427	1,080

	Yen	
	Three months ended September 30, 2017	Three months ended September 30, 2018
Earnings per share attributable to owners of the parent: (Note 11)		
Basic	(8.65)	36.92
Diluted	-	-

*The accompanying notes are an integral part of these condensed consolidated financial statements.*  
*\* Gain on sales of noncurrent assets and shares of Ricoh Logistics System Co., Ltd were included in "other income."*

# Condensed Consolidated Statement of Comprehensive Income

Ricoh Company, Ltd. and Consolidated Subsidiaries

Half year ended September 30, 2017 and 2018

	Millions of Yen	
	Half year ended September 30, 2017	Half year ended September 30, 2018
Profit for the period	7,376	38,780
Other comprehensive income (loss):		
Components that will not be reclassified subsequently to profit or loss:		
Remeasurement of defined benefit plan	-	-
Net changes in fair value of financial assets measured through other comprehensive income	2,456	54
Total components that will not be reclassified subsequently to profit or loss	2,456	54
Components that will be reclassified subsequently to profit or loss:		
Net changes in fair value of cash flow hedges	136	267
Exchange differences on translation of foreign operations	33,102	16,447
Total components that will be reclassified subsequently to profit or loss	33,238	16,714
Total other comprehensive income	35,694	16,768
Comprehensive income	43,070	55,548
Comprehensive income attributable to:		
Owners of the parent	40,215	52,725
Non-controlling interests	2,855	2,823

*The accompanying notes are an integral part of these condensed consolidated financial statements.*

*Three months ended September 30, 2017 and 2018*

	Millions of Yen	
	Three months ended September 30, 2017	Three months ended September 30, 2018
Profit (loss) for the period	(4,842)	27,843
Other comprehensive income:		
Components that will not be reclassified subsequently to profit or loss:		
Remeasurement of defined benefit plan	-	-
Net changes in fair value of financial assets measured through other comprehensive income	5,698	499
Total components that will not be reclassified subsequently to profit or loss	5,698	499
Components that will be reclassified subsequently to profit or loss:		
Net changes in fair value of cash flow hedges	83	(193)
Exchange differences on translation of foreign operations	15,309	19,531
Total components that will be reclassified subsequently to profit or loss	15,392	19,338
Total other comprehensive income	21,090	19,837
Comprehensive income	16,248	47,680
Comprehensive income attributable to:		
Owners of the parent	14,824	46,642
Non-controlling interests	1,424	1,038

*The accompanying notes are an integral part of these condensed consolidated financial statements.*

# Condensed Consolidated Statement of Changes in Equity

Ricoh Company, Ltd. and Consolidated Subsidiaries

(Millions of Yen)

	Common Stock	Additional paid-in capital	Treasury stock	Other components of equity		
				Remeasurement of defined benefit plan	Net change in fair value of financial assets measured through other comprehensive income	Net change in fair value of cash flow hedges
Balance as of April 1, 2017	135,364	186,423	(37,318)	-	34,330	73
Profit for the period						
Other comprehensive income				-	2,425	63
Comprehensive income	-	-	-	-	2,425	63
Net change in treasury stock			(4)		-	
Dividends declared and approved to owners (Note 7)						
Transfer from other components of equity to retained earnings				-		
Acquisition of noncontrolling interests						
Total transactions with owners	-	-	(4)	-	-	-
Balance as of September 30, 2017	135,364	186,423	(37,322)	-	36,755	136



(Millions of Yen)

	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, 2017	65,791	100,194	657,443	1,042,106	74,771	1,116,877
Profit for the period			4,527	4,527	2,849	7,376
Other comprehensive income	33,200	35,688		35,688	6	35,694
Comprehensive income	33,200	35,688	4,527	40,215	2,855	43,070
Net change in treasury stock				(4)		(4)
Dividends declared and approved to owners (Note 7)			(9,061)	(9,061)	(440)	(9,501)
Transfer from other components of equity to retained earnings		-	-	-		-
Acquisition of noncontrolling interests				-		-
Total transactions with owners	-	-	(9,061)	(9,065)	(440)	(9,505)
Balance as of September 30, 2017	98,991	135,882	652,909	1,073,256	77,186	1,150,442

(Millions of Yen)

	Common Stock	Additional paid-in capital	Treasury stock	Other components of equity		
				Remeasurement of defined benefit plan	Net change in fair value of financial assets measured through other comprehensive income	Net change in fair value of cash flow hedges
Balance as of April 1, 2018	135,364	186,463	(37,329)	-	51,581	(13,261)
Cumulative effects of changes in accounting policy (Note 3)					(41,149)	13,293
Opening Balance reflecting changes in accounting policy	135,364	186,463	(37,329)	-	10,432	32
Profit for the period						
Other comprehensive income				-	45	164
Comprehensive income	-	-	-	-	45	164
Net change in treasury stock			(5)			
Dividends declared and approved to owners (Note 7)						
Transfer from other components of equity to retained earnings					(472)	
Acquisition of noncontrolling interests						
Total transactions with owners	-	-	(5)	-	(472)	-
Balance as of September 30, 2018	135,364	186,463	(37,334)	-	10,005	196

(Millions of Yen)

	Other components of equity		Retained earnings	Equity attributable to owners of the parent	Non-controlling interests	Total equity
	Exchange differences on translation of foreign operations	Total other components of equity				
Balance as of April 1, 2018	76,634	114,954	510,113	909,565	79,190	988,755
Cumulative effects of changes in accounting policy (Note 3)		(27,856)	33,691	5,835		5,835
Opening Balance reflecting changes in accounting policy	76,634	87,098	543,804	915,400	79,190	994,590
Profit for the period			36,045	36,045	2,735	38,780
Other comprehensive income	16,471	16,680		16,680	88	16,768
Comprehensive income	16,471	16,680	36,045	52,725	2,823	55,548
Net change in treasury stock				(5)		(5)
Dividends declared and approved to owners (Note 7)			(5,437)	(5,437)	(514)	(5,951)
Transfer from other components of equity to retained earnings		(472)	472	-		-
Acquisition of noncontrolling interests				-	3,006	3,006
Total transactions with owners	-	(472)	(4,965)	(5,442)	2,492	(2,950)
Balance as of September 30, 2018	93,105	103,306	574,884	962,683	84,505	1,047,188

*The accompanying notes are an integral part of these condensed consolidated financial statements.*

# Condensed Consolidated Statement of Cash Flows

Ricoh Company, Ltd. and Consolidated Subsidiaries

	Millions of Yen	
	Half year ended September 30, 2017	Half year ended September 30, 2018
<b>I. CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Profit for the period	7,376	38,780
Adjustments to reconcile profit for the period to net cash provided by operating activities -		
Depreciation and amortization	55,095	48,304
Other income	(8,346)	(22,400)
Share of profit of investments accounted for using the equity method	(34)	(230)
Finance income and costs	4,277	2,161
Income tax expenses	10,396	11,297
Decrease (increase) in trade and other receivables	14,723	(7,900)
Increase in inventories	(6,276)	(25,879)
Increase in lease receivables	(13,400)	(1,273)
Decrease in trade and other payables	(27,867)	(1,746)
Decrease in accrued pension and retirement benefits	(5,355)	(4,287)
Other, net	14,836	2,939
Interest and dividends received	1,841	1,474
Interest paid	(3,301)	(1,837)
Income taxes paid	(35,127)	(11,856)
Net cash provided by operating activities	8,838	27,547
<b>II. CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Proceeds from sales of property, plant and equipment	12,181	9,315
Expenditures for property, plant and equipment	(28,388)	(35,575)
Proceeds from sales of intangible assets	3,745	771
Expenditures for intangible assets	(14,290)	(14,692)
Payments for purchases of available-for-sale securities	(239)	(7,910)
Proceeds from sales of available-for-sale securities	32	56,130
Net proceeds of time deposits	8,527	379
Purchase of business, net of cash acquired	(459)	-
Net proceeds due to loss of control of subsidiaries (Note 10)	-	10,223
Other, net	(1,181)	(9,747)
Net cash provided by (used in) investing activities	(20,072)	8,894
<b>III. CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Net proceeds of short-term debt	14,106	(2,691)
Proceeds from long-term debt	59,769	44,056
Repayments of long-term debt	(38,293)	(45,686)
Proceeds from issuance of bonds (Note 6)	43,285	20,000
Repayments of bonds (Note 6)	(30,000)	(10,000)
Dividends paid (Note 7)	(9,061)	(5,437)
Payments for purchase of treasury stock	(4)	(5)
Proceeds from sales of shares of subsidiaries which does not involve changes in the scope of consolidation (Note 10)	-	3,006
Other, net	(440)	(513)
Net cash provided by financing activities	39,362	2,730
<b>IV. EFFECT OF EXCHANGE RATE CHANGE ON CASH AND CASH EQUIVALENTS</b>	2,150	3,271
<b>V. NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	30,278	42,442
<b>VI. CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	126,429	160,568
<b>VII. CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	156,707	203,010

The accompanying notes are an integral part of these condensed consolidated financial statements.

# Notes to Condensed Consolidated Financial Statements

*Ricoh Company, Ltd. and Consolidated Subsidiaries*

## 1. REPORTING ENTITY

Ricoh Co., Ltd. (the “Company”) is a company domiciled in Japan. The condensed consolidated financial statements of the Company as of and for the period ended September 30, 2018 comprise of the Company and its subsidiaries (the “Ricoh” as a consolidated group) and Ricoh's interest in associates. Ricoh's operating segments are composed of Office Printing, including MFPs & copiers, related parts & supplies, and services & solutions, Office Services, including personal computers, servers, and network related services, Commercial Printing, including cut sheet printers, Industrial Printing, including inkjet heads, Thermal Media, including thermal media and Other, including digital cameras (see Note 4 “Operating Segments”).

## 2. BASIS OF PREPARATION

### (1) Statements of Compliance

The condensed consolidated financial statements meets the requirements set out under Article 1-2, Paragraph 1, Item 2 of the Rules on Terminology, Formats and Compilation Methods of Quarterly Consolidated Financial Statements (Cabinet Office Ordinance No. 64 of 2007; hereinafter referred to as the “Rules on Quarterly Consolidated Financial Statements”) under which the Company is qualified as a “specified company” and duly prepares such summary in accordance with IAS 34 “Interim Financial Reporting”, under the provisions of Article 93 of the Rules on Quarterly Consolidated Financial Statements. As the condensed consolidated financial statements do not contain all the information required in annual consolidated financial statements, it should be read in combination with the consolidated financial statements for the fiscal year ended March 31, 2018, prepared in accordance with International Financial Reporting Standards (“IFRSs”).

The condensed consolidated financial statements are presented in Japanese yen, which is also the Company's functional currency. All amounts presented in Japanese yen have been rounded to the nearest million.

### (2) Use of Estimates and Judgments

The preparation of condensed consolidated financial statements in accordance with IFRSs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in future periods in which the revision affects.

Estimates and judgments that have significant impact on the amounts in the condensed consolidated financial statements for the three months ended September 30, 2018 remain the same as those that had significant impact on the amounts in the consolidated financial statements for the previous fiscal year.

### 3. SIGNIFICANT ACCOUNTING POLICIES

Ricoh did not change the significant accounting policies from the previous fiscal year, with the exception of the following new IFRSs.

IFRSs	Title	Summaries of new IFRSs/amendments
IFRS 9	Financial instruments	Classification of financial instruments, revisions concerning the measurement and recognition and adoption of provisions with regard to impairment loss based on the expected credit loss model.
IFRS 15	Revenue from contracts with customers	Presentation of a unified framework applied to accounting treatment related to revenue recognition.

#### 1. Adoption of IFRS 9 ‘Financial Instruments’

Ricoh implemented IFRS 9 ‘Financial Instruments’ as of April 1, 2018. Ricoh applied this standard in compliance with the transitional provisions, thereby recognizing the cumulative effects of adoption of this standard as an adjustment to the opening balance of retained earnings as at the beginning of the current fiscal year.

Ricoh made an irrevocable election at initial recognition to present subsequent changes in fair value with regard to equity instruments previously classified as available for sale under the prior standard in other comprehensive income in principle, while part of equity instruments previously classified as available for sale under the prior standard were classified as equity instruments measured at fair value through profit and loss. As a result, ¥27,856 million was reclassified from other components of equity to retained earnings as at the beginning of the current fiscal year. Accordingly, the changes caused a decrease by ¥27,856 million in profit for the period as compared to the case where the prior standard would be applied.

In respect of equity instruments measured at fair value through other comprehensive income, changes in fair value are recognized as other comprehensive income. When the fair value significantly declines or the equity instruments are derecognized, accumulated other comprehensive income are reclassified to retained earnings.

Impairment losses are recognized with respect to the financial assets based on the expected credit loss model. As a result, retained earnings increased by ¥661 million as at the beginning of the current fiscal year. There was no material impact on profit and loss of the first half year of the current fiscal year from the changes.

#### 2. Adoption of IFRS 15 ‘Revenue from contracts with customers’

Ricoh implemented IFRS 15 ‘Revenue from contracts with customers’ as of April 1, 2018. Ricoh applied this standard in compliance with the transitional provisions, thereby recognizing the cumulative effects of adoption of this standard as an adjustment to the opening balance of retained earnings as at the beginning of the current fiscal year.

Ricoh recognizes the incremental costs of obtaining a contract with a customer as an asset and amortizes subsequently in accordance with recognition of revenue.

As a result, retained earnings increased by ¥5,174 million as at the beginning of the current fiscal year in comparison with the case where the prior standard would be applied. There was no material impact on profit and loss of the first half year of the current fiscal year from the changes.

Upon the adoption of the standard, disaggregated revenues shall be disclosed to depict the relationships between sales and the operating segments. We, therefore, changed the disclosure method as described in “5. SALES.” Accordingly, we abolished previously disclosed classification of sales and cost of sales in “Products,” “Post sales and rentals” and “Other revenue.”

#### 4. OPERATING SEGMENTS

Ricoh's operating segments are composed of Office Printing, Office Services, Commercial Printing, Industrial Printing, Thermal Media and Other.

The following table presents the content of each operating segment.

Segments	Products & Services
Office Printing	MFPs (multifunctional printers), copiers, laser printers, digital duplicators, wide format printers, facsimile machine, scanners, related parts and supplies, services, support and software
Office Services	Personal computers, servers, network equipment, related services, support, software service solutions related to documents
Commercial Printing	Cut sheet printers, continuous feed printers, related parts and supplies, services, support and software
Industrial Printing	Inkjet heads, imaging systems and industrial printers
Thermal Media	Thermal media
Other	Optical equipment, electronic components, semiconductor devices, digital cameras, industrial cameras, 3D printing, environment, healthcare solutions and financial services

Segment profit (loss) is based on operating profit and is used by Ricoh's chief operating decision maker in deciding how to allocate resources and in assessing performance. Segment profit (loss) excludes certain corporate expenses, such as costs related to human resources, legal relations, investor relations, public relations, corporate planning and environmental activities.

The following tables present certain information regarding Ricoh's operating segments and geographic areas for the half year ended September 30, 2017 and 2018. Intersegment transactions are made at arm's-length prices. No single customer accounted for 10% or more of the total sales for the half year ended September 30, 2017 and 2018.

## (1) Operating Segment Information

Half year ended September 30, 2017 and 2018

	Millions of Yen	
	Half year ended September 30, 2017	Half year ended September 30, 2018
Segment sales:		
Office Printing	559,370	538,577
Office Service	212,077	231,367
Commercial Printing	90,584	86,513
Industrial Printing	8,895	9,786
Thermal Media	29,418	33,070
Other	132,891	117,085
Intersegment sales	(34,398)	(28,142)
Total segment sales	998,837	988,256
Segment profit (loss):		
Office Printing	50,720	57,239
Office Service	(2,540)	6,223
Commercial Printing	11,449	11,190
Industrial Printing	(983)	(2,020)
Thermal Media	2,881	1,753
Other	2,105	15,795
Total segment profit	63,632	90,180
Reconciling items:		
Corporate expenses and elimination	(41,617)	(38,172)
Finance income	1,903	1,981
Finance costs	(6,180)	(4,142)
Share of profit of investments accounted for using equity method	34	230
Profit before income tax expenses	17,772	50,077



Three months ended September 30, 2017 and 2018

	Millions of Yen	
	Three months ended September 30, 2017	Three months ended September 30, 2018
Segment sales:		
Office Printing	274,738	264,852
Office Service	113,632	123,360
Commercial Printing	44,886	44,089
Industrial Printing	4,570	3,949
Thermal Media	14,905	16,811
Other	71,306	56,776
Intersegment sales	(17,740)	(12,521)
<b>Total segment sales</b>	<b>506,297</b>	<b>497,316</b>
Segment profit (loss):		
Office Printing	19,321	27,073
Office Service	(2,112)	4,012
Commercial Printing	4,284	6,254
Industrial Printing	(860)	(1,875)
Thermal Media	1,130	1,095
Other	2,125	15,334
<b>Total segment profit</b>	<b>23,888</b>	<b>51,893</b>
Reconciling items:		
Corporate expenses and elimination	(20,803)	(19,597)
Finance income	1,101	715
Finance costs	(3,238)	(920)
Share of profit of investments accounted for using equity method	10	60
<b>Profit before income tax expenses</b>	<b>958</b>	<b>32,151</b>

## (2) Geographic Information

Sales based on the location of customers are as follows:

Half year ended September 30, 2017 and 2018

	Millions of Yen	
	Half year ended September 30, 2017	Half year ended September 30, 2018
Sales:		
Japan	385,116	395,095
The Americas	288,062	278,485
Europe, Middle East and Africa	224,158	223,353
Other	101,501	91,323
Consolidated	998,837	988,256
The United States (included in The Americas)	239,960	229,190

Three months ended September 30, 2017 and 2018

	Millions of Yen	
	Three months ended September 30, 2017	Three months ended September 30, 2018
Sales:		
Japan	198,402	201,468
The Americas	141,900	142,238
Europe, Middle East and Africa	113,241	108,714
Other	52,754	44,896
Consolidated	506,297	497,316
The United States (included in The Americas)	117,268	117,427

## 5. SALES

As described in “4. OPERATING SEGMENTS,” operating segments of Ricoh comprise “the Office Printing segment,” “the Office Service segment,” “the Commercial Printing segment,” “the Industrial Printing segment,” “the Thermal Media segment,” “the Other segment.” In addition, Sales are classified by region based on the location of customers.

The following table presents sales of each segment by geographic region.

Half year ended September 30, 2017 and 2018

Half year ended September 30, 2017	Millions of Yen				
	Japan	The Americas	Europe, Middle East and Africa	Other	Total
Office Printing	172,349	175,197	150,463	61,361	559,370
Office Service	115,213	51,203	35,750	9,911	212,077
Commercial Printing	12,073	48,039	24,495	5,977	90,584
Industrial Printing	1,466	2,559	1,752	3,118	8,895
Thermal Media	6,351	9,336	7,877	5,854	29,418
Other	77,664	1,728	3,821	15,280	98,493
<b>Total segment sales</b>	<b>385,116</b>	<b>288,062</b>	<b>224,158</b>	<b>101,501</b>	<b>998,837</b>

Half year ended September 30, 2018	Millions of Yen				
	Japan	The Americas	Europe, Middle East and Africa	Other	Total
Office Printing	170,074	164,437	147,279	56,787	538,577
Office Service	129,579	55,352	37,910	8,526	231,367
Commercial Printing	12,818	44,481	23,670	5,544	86,513
Industrial Printing	1,571	2,887	2,735	2,593	9,786
Thermal Media	6,678	9,780	8,862	7,750	33,070
Other	74,375	1,548	2,897	10,123	88,943
<b>Total segment sales</b>	<b>395,095</b>	<b>278,485</b>	<b>223,353</b>	<b>91,323</b>	<b>988,256</b>

Note:

1. Intersegment transactions were excluded in the table above.
2. Revenues recognized in accordance with IFRS15 ‘Revenue from contracts with customers’ as well as revenues from leases recognized in accordance with IAS17 ‘Leases’ were included in Sales.

Three months ended September 30, 2017 and 2018

Three months ended September 30, 2017	Millions of Yen				
	Japan	The Americas	Europe, Middle East and Africa	Other	Total
Office Printing	82,643	84,547	75,563	31,985	274,738
Office Service	63,629	26,457	18,568	4,978	113,632
Commercial Printing	5,806	23,642	12,267	3,171	44,886
Industrial Printing	695	1,515	934	1,426	4,570
Thermal Media	3,204	4,821	3,958	2,922	14,905
Other	42,425	918	1,951	8,272	53,566
<b>Total segment sales</b>	<b>198,402</b>	<b>141,900</b>	<b>113,241</b>	<b>52,754</b>	<b>506,297</b>

Three months ended September 30, 2018	Millions of Yen				
	Japan	The Americas	Europe, Middle East and Africa	Other	Total
Office Printing	82,094	83,861	70,960	27,937	264,852
Office Service	71,956	27,942	19,063	4,399	123,360
Commercial Printing	6,352	23,144	11,663	2,930	44,089
Industrial Printing	815	1,464	1,342	328	3,949
Thermal Media	3,318	5,108	4,317	4,068	16,811
Other	36,933	719	1,369	5,234	44,255
<b>Total segment sales</b>	<b>201,468</b>	<b>142,238</b>	<b>108,714</b>	<b>44,896</b>	<b>497,316</b>

Note:

1. Intersegment transactions were excluded in the table above.
2. Revenues recognized in accordance with IFRS15 'Revenue from contracts with customers' as well as revenues from leases recognized in accordance with IAS17 'Leases' were included in Sales.

## 6. BONDS

As for the half year ended September 30, 2017, there were issuances of straight bonds of ¥15,000 million (0.05% per annum, due July 2020), ¥10,000 million (0.16% per annum, due July 2022), ¥5,000 million (0.35% per annum, due July 2027), EURO 100 million (¥13,285 million) (0.35% per annum, due July 2020). There were repayments of straight bonds of 20,000 million (0.88% per annum, due June 2017) and ¥10,000 million (0.15% per annum, due July 2017).

As for the half year ended September 30, 2018, there were issuances of straight bonds of ¥10,000 million (0.05% per annum, due September 2021), ¥10,000 million (0.19% per annum, due September 2023). There was a repayment of straight bonds of 10,000 million (0.47% per annum, due July 2018).

## 7. DIVIDENDS

(1) Dividends paid during the half year ended September 30, 2017 and 2018 are as follows:

Resolution	Class of shares	Amount of dividends	Dividends per share	Record date	Effective date	Source of dividends
		(Millions of Yen)	(Yen)			
Ordinary general meeting of shareholders held on June 16, 2017	Ordinary shares	9,061	12.5	March 31, 2017	June 19, 2017	Retained earnings
Ordinary general meeting of shareholders held on June 22, 2018	Ordinary shares	5,437	7.5	March 31, 2018	June 25, 2018	Retained earnings

(2) Dividends whose record date is in the second quarter but whose effective date is in the following quarter

Resolution	Class of shares	Amount of dividends	Dividends per share	Record date	Effective date	Source of dividends
		(Millions of Yen)	(Yen)			
Board of Directors' meeting held on October 30, 2017	Ordinary shares	5,437	7.5	September 30, 2017	December 1, 2017	Retained earnings
Board of Directors' meeting held on October 26, 2018	Ordinary shares	7,249	10.0	September 30, 2018	December 3, 2018	Retained earnings

## 8. FINANCIAL INSTRUMENTS

### (1) Fair value of financial instruments by type

Carrying amounts and fair values of the major financial instruments were as follows:

	Millions of Yen			
	As of March 31, 2018		As of September 30, 2018	
	Carrying amount	Fair value	Carrying amount	Fair value
Assets:				
Trade receivables	110,375	115,018	117,198	122,128
Lease receivables	842,908	860,968	845,719	863,179
Installment loans	136,260	137,055	147,197	148,056
Derivative assets	1,605	1,605	1,077	1,077
Securities	100,883	100,883	27,341	27,341
Bonds	1,147	1,147	1,116	1,116
<b>Total</b>	<b>1,193,178</b>	<b>1,216,676</b>	<b>1,139,648</b>	<b>1,162,897</b>
Liabilities:				
Derivative liabilities	19,830	19,830	592	592
Loans and borrowings	658,707	657,165	619,331	618,619
Lease liabilities	3,535	3,616	2,952	3,019
<b>Total</b>	<b>682,072</b>	<b>680,611</b>	<b>622,875</b>	<b>622,230</b>

Note:

(i) Cash and cash equivalents, time deposits, financial assets included in other current assets and trade and other payables

These financial instruments are not included in the table above, as the carrying amounts approximate fair values due to the relatively short-term nature.

(ii) Trade and other receivables

The trade and other receivables settled in a short period are not included in the table above because the carrying amounts approximate the fair values due to the short maturities of these instruments.

The fair value of the receivables expected not to be recovered or settled in a short period per each receivable classified per certain business type is calculated based on the present value of such receivables discounted by the interest rate which takes into account the period to maturity and the credit risk.

Trade and other receivables are classified as Level 3 under the fair value measurement and disclosure framework, since they are valued using inputs not based on observable market data.

(iii) Lease receivables and installment loans

The fair value of lease receivables and installment loans per each receivable classified per certain period is calculated based on the present value of such receivables discounted by the interest rate which takes into account the period to maturity and the credit risk. Lease receivables and installment loans are classified as Level 3 under the fair value measurement and disclosure framework, since they are valued using inputs not based on observable market data.

(iv) Derivatives

Derivative instruments consist of interest rate swap agreements and foreign currency contracts. The fair values of these instruments are measured mainly by obtaining quotes from brokers or proper valuation methods based on available information.

(v) Securities and bonds

Securities and bonds include marketable securities, bonds and unlisted securities. Marketable securities and bonds are held at fair value using quoted prices in an active market. The fair value of unlisted securities is measured using the comparable companies' analysis or other reasonable valuation methods.

(vi) Loans, borrowings and lease liabilities

Loans and borrowings expected to be settled in less than 12 months are not included in the table above as the carrying amounts approximate fair values due to the short maturities of these instruments.

The fair value of loans, borrowings and lease liabilities are calculated from estimated present values using year-end borrowing rates applied to borrowings with similar maturities derived from future cash flows on a per-loan basis as well as calculated based on market prices. Loans, borrowings and lease liabilities using inputs described above are classified as Level 2 under the fair value measurement and disclosure framework, since they are valued using observable market data.

(vii) Measurement of financial instruments

Measurement methods for the financial instruments in accordance with IFRS9 'Financial Instruments' were as follows.

At amortized cost: Trade receivables, Installment loans, Loans (as a liability) and borrowings.

At fair value through profit or loss: Derivative assets and Derivative liabilities.

At fair value through other comprehensive income: Securities and Bonds (as an asset).

(viii) The carrying amount and fair value decreased in securities and derivative liabilities during the current period primarily due to completion of the transactions relating to the tender offer of Ricoh owned shares in Coca-Cola Bottlers Japan Holdings Inc.

**(2) Fair value measurement applied in condensed consolidated statement of financial position**

The analysis of financial instruments subsequently measured at fair value is shown below. The fair value hierarchy of financial instruments is categorized as follows from Level 1 to Level 3:

Reclassification among the levels in the fair value hierarchy is recognized upon the date when the event or change in circumstances causing the reclassification first come into being.

Level 1: Fair values measured using quoted prices in active markets with respect to identical assets or liabilities

Level 2: Fair values measured using inputs other than quoted prices that are observable, either directly or indirectly

Level 3: Fair values measured using inputs not based on observable market data

Financial instruments measured at fair value	Millions of Yen			
	As of March 31, 2018			
	Level 1	Level 2	Level 3	Total
Derivative assets	-	1,605	-	1,605
Securities	97,259	-	3,624	100,883
Bonds	1,147	-	-	1,147
Total assets	98,406	1,605	3,624	103,635
Derivative liabilities	-	19,830	-	19,830
Total liabilities	-	19,830	-	19,830

Financial assets at fair value through profit or loss: Derivative assets	Millions of Yen			
	As of September 30, 2018			
	Level 1	Level 2	Level 3	Total
Derivative assets	-	1,077	-	1,077
Financial assets at fair value through other comprehensive income: Securities	23,312	-	4,029	27,341
Bonds	1,116	-	-	1,116
Total assets	24,428	1,077	4,029	29,534
Financial liabilities at fair value through profit or loss: Derivative liabilities	-	592	-	592
Total liabilities	-	592	-	592

Note:

(i) Derivative instruments consist of interest rate swap agreements and foreign currency contracts. These derivative instruments are classified as Level 2 in the fair value hierarchy, since they are valued using observable market data such as LIBOR-based yield curves.

(ii) Securities and Bonds include marketable equity securities, bonds and unlisted securities. Marketable equity securities and bonds are observable and valued using a market approach based on the quoted market prices of identical instruments in active markets, and therefore marketable equity securities and bonds are classified as Level 1. As for unlisted securities, Ricoh determines the fair value based on an approach using observable inputs such as the comparable company's share prices and unobservable inputs, and therefore unlisted securities are classified as Level 3.

There were no significant changes in the nature of Level 3 securities during the period.



## 9. SUPPLEMENTARY INFORMATION TO THE CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

The following amounts were charged to selling, general and administrative expenses for the half year and three months ended September 30, 2017 and 2018:

	Millions of Yen	
	Half year ended September 30, 2017	Half year ended September 30, 2018
Research and development expenses	46,701	47,208
Shipping and handling costs	13,683	13,356
Advertising costs	3,747	3,572

	Millions of Yen	
	Three months ended September 30, 2017	Three months ended September 30, 2018
Research and development expenses	25,185	25,758
Shipping and handling costs	6,901	6,522
Advertising costs	2,192	2,166

## 10. LOSS OF CONTROL OF SUBSIDIARY

### (1) Ricoh India Limited

On January 29, 2018, our consolidated subsidiary Ricoh India Limited ("Ricoh India"), with headquarters in New Delhi and listed on the Bombay Stock Exchange, filed a petition with the National Company Law Tribunal (NCLT) pursuant to Section 10 of the Insolvency and Bankruptcy Code, 2016 of India, to initiate corporate insolvency resolution process (\*1). The petition had been admitted in May 2018. Along with this, a moratorium (\*2) was issued by the NCLT, and an interim resolution professional was appointed.

Ricoh had a majority of the voting rights of Ricoh India, whereas Ricoh India was excluded from the scope of consolidation in the first quarter ended June 30, 2018 based on our judgement that Ricoh lost control of Ricoh India in the situation above-mentioned where Ricoh India was under the control of the resolution professional.

There was no material impact on profit and loss of the first half year of the current fiscal year from the exclusion.

A creditors committee, composed of Ricoh India's financial creditors, decided whether or not the current interim resolution professional would continue or be replaced and thereby the creditor committee appointed the current interim resolution professional as the official resolution professional in June 2018.

Public offering to the parties concerned in the corporate insolvency resolution called as Expression of Interest was announced in July 2018. The participants in the offering called as Resolution Prospective Applicants prepare a reorganization plan. Accordingly, the creditors committee is going to examine the reorganization plan and make decisions.

There is a risk of additional losses as Ricoh may be required to waive loans to Ricoh India or for other reasons depending on the reorganization plan to be adopted by the creditors committee.

\*1...Reconstruction process based on the Insolvency and Bankruptcy Code of India:

After the NCLT admits an application filed under Section 10 of the Code, it appoints a resolution professional to be vested with the management of Ricoh India, and there is a prescribed time period during which a resolution plan is to be prepared and submitted to the creditors committee and to the NCLT for their respective approval. In the event a resolution plan is not submitted to the NCLT within

the period or if other events set out in the Code occur, the NCLT will pass an order requiring the corporate debtor to be liquidated.

\*2...About the moratorium:

The NCLT issues a moratorium simultaneously with the decision to commence insolvency proceedings. By issuing the moratorium, actions such as the recovery of assets owned by debtors, judicial or other procedures against debtors, the granting of security interest, and the disposal of debtors' assets or rights are prohibited. The moratorium continues until the NCLT approves a resolution plan or a liquidation order is given.

## (2) Ricoh Logistics System Co., Ltd.

### 1. Overview of loss of control

Ricoh concluded an agreement to sell approximately 66.6% of the Company's shares in Ricoh Logistics System Co., Ltd. ("Ricoh Logistics"), to SBS Holdings Co., Ltd ("SBS Holdings") on May 18, 2018 and completed the transfer on August 1, 2018.

In conjunction with this, Ricoh transferred all its remaining shares in Ricoh Logistics after the share transfer transaction to SBS Holdings representing approximately a 33.3% stake, to a new joint venture, RO Holdings Co., Ltd ("RO Holdings").

Following that transfer, Ricoh transferred ordinary shares equivalent to 33.4% of RO Holdings to Otsuka Corporation.

Along with the series of transactions, Ricoh Logistics becomes an affiliated company accounted for by the equity method.

### 2. Assets and liabilities included in the derecognized subsidiary were as follows:

	Millions of Yen
	Half year ended September 30, 2018
	Carrying amount
Cash and cash equivalents	4,663
Trade and other receivables	11,774
Inventories	7,233
Property, plant and equipment	1,281
Trade and other payables	(10,520)
Accrued pension and retirement benefits	(1,485)
Other liabilities	(173)
Net assets removed	12,773

### 3. Gain arising from the sale of the subsidiary with loss of control was as follows:

	Millions of Yen
	Half year ended September 30, 2018
Cash received	18,000
Net assets removed	(12,773)
Retained investment in former subsidiary	9,000
Gain arising from the sale of subsidiaries with loss of control	14,227

Note: The gain amounting to ¥4,742 million from measuring the retained investment in the former subsidiary at fair value at the date of loss of control was included in "Gain arising from the sale of subsidiaries with loss of control."

4. Cash flows resulting from the sale of subsidiary were as follows:

	Millions of Yen
	Half year ended September 30, 2018
Cash received from the sale of subsidiary	18,000
Cash and cash equivalents of derecognized subsidiary	(4,663)
Net proceeds from the sale of subsidiary	13,337

Note: The received consideration from Otsuka Corporation for the transfer of ordinary shares equivalent to 33.4% of RO Holdings was included in “Proceeds from sales of shares of subsidiaries which does not involve changes in the scope of consolidation” in Condensed Consolidated Statement of Cash Flows.

## 11. EARNINGS PER SHARE

Earnings per share attributable to owners of the parent-basic are as follows.

Diluted net income per share for the half year ended September 30, 2017 and 2018 is omitted because the Company did not have potentially dilutive common shares that were outstanding for the period.

	Half year ended September 30, 2017	Half year ended September 30, 2018
Profit attributable to owners of the parent (millions of yen)	4,527	36,045
Weighted average number of issued and outstanding shares (thousands of shares)	724,879	724,869
Earnings per share attributable to owners of the parent-basic (yen)	6.25	49.73

	Three months ended September 30, 2017	Three months ended September 30, 2018
Profit (loss) attributable to owners of the parent (millions of yen)	(6,269)	26,763
Weighted average number of issued and outstanding shares (thousands of shares)	724,878	724,865
Earnings per share attributable to owners of the parent-basic (yen)	(8.65)	36.92

## 12. CAPITAL COMMITMENTS AND CONTINGENCIES

As of March 31, 2018, and September 30, 2018, Ricoh had outstanding contractual commitments for acquisition of property, plant and equipment and other assets aggregating ¥14,449 million and ¥12,129 million.

As of March 31, 2018, and September 30, 2018, there were no significant contingent liabilities.

As of September 30, 2018, the Company and certain subsidiaries were parties to litigation involving routine matters, such as patent rights. In the opinion of management, the ultimate liability, if any, resulting from such litigation will not materially affect the financial position or the results of operations of Ricoh.

## 13. AUTHORIZATION OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The condensed consolidated financial statements were authorized for issue by Yoshinori Yamashita, Representative Director and President, and Hidetaka Matsuishi Director and Corporate Executive Vice President, on November 8, 2018.