

Operating Results

Ricoh's consolidated sales for fiscal 2015 (April 1, 2014 to March 31, 2015) increased 1.7% compared with the previous fiscal year, to ¥2,231.9 billion. During this period, the average exchange rates of the Japanese yen against the U.S. dollar and the euro were ¥109.89 (down ¥9.60 from the previous fiscal year) and ¥138.85 (down ¥4.38), respectively.

The Japanese economy continued its trend toward a moderate recovery, underpinned by improved corporate earnings, personal income, and employment conditions, although demand slowed as a result of the increase in the consumption tax in April.

Against this backdrop, domestic sales in the Industrial Products segment increased, with sales of color MFP models rising significantly. Sales in Network System Solutions saw marked declines, however, reflecting the pullback in demand for personal computers, which surged at the end of the previous fiscal year. As a result of these factors, sales in the overall domestic market fell 7.2% compared with the previous fiscal year.

In overseas markets, the U.S. economy continued its steady recovery while the European economy showed signs of a rally. The outlook for the overall global economy remains uncertain, however, reflecting the continuous decline in oil prices and the slowdown in the growth of emerging markets, including China. Despite such market conditions, Ricoh's overseas sales increased, owing to such factors as yen depreciation, acquisitions, and the aforementioned sales increase in color MFP models.

By region, sales in the Americas rose 10.1% (an increase of 0.5% excluding foreign currency exchange fluctuations); sales in Europe, the Middle East, and Africa increased 2.6% (a decrease of 0.7% excluding foreign currency exchange fluctuations); and sales in Other regions, which include China, Southeast Asia, and Oceania, climbed 15.7% (an increase of 8.8% excluding foreign currency exchange fluctuations).

Owing to these factors, sales in overseas markets increased 7.9% (an increase of 1.2% excluding foreign currency exchange fluctuations) compared with the previous fiscal year.

Gross profit grew 3.9% compared with the previous fiscal year, to ¥906.9 billion, as a result of the increase in sales and yen depreciation.

Although Groupwide efforts to streamline costs contributed to controlling selling, general and administrative expenses, expenses rose 5.1%

compared with the previous fiscal year, to ¥791.1 billion, due mainly to yen depreciation and acquisitions.

As a result, operating profit decreased 3.8% compared with the previous fiscal year, to ¥115.7 billion.

With regard to finance income and finance costs, gain on sales of available-for-sale securities decreased while foreign exchange gains increased compared with the previous fiscal year.

Profit before income tax expenses declined 4.9% compared with the previous fiscal year, to ¥112.2 billion.

As a result, profit attributable to owners of the parent decreased 5.8% compared with the previous fiscal year, to ¥68.5 billion.

Financial Position

Assets, Liabilities, and Equity at Year-End

Total assets at year-end increased ¥133.5 billion compared with the previous fiscal year, to ¥2,730.2 billion, mainly owing to yen depreciation and an increase in other financial assets including lease receivables.

Total liabilities increased ¥73.6 billion compared with the previous fiscal year, to ¥1,575.8 billion, primarily the result of an increase in bonds and borrowings to meet the demand for working capital, coupled with the increase in lease receivables.

Total equity increased ¥59.9 billion compared with the previous fiscal year, to ¥1,154.3 billion, mainly owing to an increase in other components of equity.

Cash Flows

Net cash provided by operating activities decreased ¥44.3 billion compared with the previous fiscal year, to ¥102.5 billion, primarily due to decrease in trade and other payables.

Net cash used in investing activities increased ¥20.5 billion compared with the previous fiscal year, to ¥143.4 billion, mainly reflecting a decrease in proceeds from sales of available-for-sale securities.

Net cash provided by financing activities increased ¥39.1 billion as compared to the previous fiscal year, totaling ¥29.9 billion, primarily owing to an increase in proceeds from long-term debt.

As a result, cash and cash equivalents at end of year decreased ¥2.3 billion compared with the previous fiscal year, to ¥137.7 billion.