

QUARTERLY REPORT

First Quarter ended June 30, 2019

(Results for the Period from April 1, 2019 to June 30, 2019)

Performance Outline (Consolidated)

	Three months ended June 30, 2018 Results	Three months ended June 30, 2019 Results	Change	(Billions of yen)	
				Year ending March 31, 2020 Forecast	Change
Domestic sales	193.6	193.9	0.1%	810.0	0.5%
Overseas sales	297.3	283.7	-4.6%	1,200.0	-0.6%
Sales	490.9	477.6	-2.7%	2,010.0	-0.2%
Gross profit	194.4	184.4	-5.2%	780.0	1.7%
Operating profit (loss)	19.7	27.5	39.8%	100.0	15.2%
Profit (loss) before income tax expenses	17.9	26.0	45.5%	98.0	16.7%
Profit (loss) attributable to owners of the parent	9.2	15.6	68.3%	62.0	25.2%
Exchange rate (Yen/US\$)	109.14	110.07	0.93	110.02	-0.93
Exchange rate (Yen/EURO)	130.14	123.55	-6.59	124.64	-3.82
Earnings per share attributable to owners of the parent-basic (yen)	12.81	21.55	8.74	85.53	17.21
Earnings per share attributable to owners of the parent-diluted (yen)	-	-	-	-	-
Cash flows from operating activities	21.5	23.3	1.7	-	-
Cash flows from investing activities	27.1	-29.4	-56.5	-	-
Cash flows from financing activities	13.8	4.6	-9.1	-	-
Cash and cash equivalents at end of period	224.2	234.0	9.7	-	-
Capital expenditures *	14.4	14.7	0.3	74.0	1.5
Depreciation *	17.6	15.3	-2.2	67.0	1.5
R&D expenditures	25.5	23.5	-1.9	112.0	0.9
	March 31, 2019	June 30, 2019	Change		
Total assets	2,725.1	2,777.6	52.5		
Equity attributable to owners of the parent	932.5	921.2	-11.3		
Interest-bearing debt	933.4	959.0	25.6		
Equity attributable to owners of the parent ratio (%)	34.2	33.2	-1.0		
Equity per share attributable to owners of the parent (yen)	1,286.56	1,270.89	-15.67		

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

Ricoh Company, Ltd.

* The result forecasts and forward-looking statements included in this document are based on information available to the Company as at the date of submission of this quarterly report and certain assumptions that the Company considers reasonable. The Company makes no guarantees with respect to the achievement of its result forecasts or forward-looking statements. Actual results might be significantly different from the forecasts in the document, depending on various factors. For the assumptions for forecast and other related information, please refer to “3. Qualitative Information on Forecasted Consolidated Financial Results” on page 5.

Ricoh Company, Ltd. and its Consolidated Subsidiaries

Financial Highlights for the First Quarter Ended June 30, 2019

[Prepared on the basis of International Financial Reporting Standards]

1. Results for the Period from April 1, 2019 to June 30, 2019

(1) Operating Results

	(Millions of yen)	
	Three months ended June 30, 2018	Three months ended June 30, 2019
Sales	490,940	477,605
(% change from the previous corresponding period)	-0.3	-2.7
Operating profit (loss)	19,712	27,566
(% change from the previous corresponding period)	4.0	39.8
Profit (loss) before income tax expenses	17,926	26,076
(% change from the previous corresponding period)	6.6	45.5
Profit (loss) for the period	10,937	17,243
(% change from the previous corresponding period)	-10.5	57.7
Profit (loss) attributable to owners of the parent	9,282	15,624
(% change from the previous corresponding period)	-14.0	68.3
Comprehensive income (loss)	7,868	-542
(% change from the previous corresponding period)	-70.7	-
Earnings per share attributable to owners of the parent-basic (yen)	12.81	21.55
Earnings per share attributable to owners of the parent-diluted (yen)	-	-

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

(2) Financial Position

	(Millions of yen)	
	March 31, 2019	June 30, 2019
Total assets	2,725,132	2,777,661
Total equity	1,018,988	1,006,752
Equity attributable to owners of the parent	932,577	921,221
Equity attributable to owners of the parent ratio (%)	34.2	33.2

2. Dividend Information

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

Notes: Revision of expected dividends during this period: No

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

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

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

4. Others

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

* For details, please refer to "4. Condensed Consolidated Financial Statements (7) Changes in accounting policies" on page 12.
- (3) Number of common stock outstanding (including treasury stock):
As of June 30, 2019: 744,912,078 shares; As of March 31, 2019: 744,912,078 shares
- (4) Number of treasury stock:
As of June 30, 2019: 20,050,403 shares; As of March 31, 2019: 20,049,430 shares
- (5) Average number of common stock:
Three months ended June 30, 2019: 724,862,080 shares; Three months ended June 30, 2018: 724,870,537 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 2019 (April 1 – June 30, 2019)

In fiscal 2019, the final year of the 19th Mid-Term Management Plan and the second year of "RICOH Ignite", we continue striving to strengthen the profitability of core businesses while increasing earnings from growth areas.

In progressing toward "RICOH Take Off" from fiscal 2020, we continue to overhaul our business structure by implementing growth strategies, rolling out measures to enhance capital returns, and reforming corporate governance.

The global economy continued its recovery from a year earlier and expanded overall. Growth remained moderate in Japan and the United States. Notwithstanding uncertainties stemming from such factors as Brexit and rising populism, growth was generally steady in Europe. The impact of Sino-American trade friction created concerns about China, while growth in other emerging economies picked up.

During this period, the average exchange rates of Japanese yen against U.S. dollar and Euro were ¥110.07 (up ¥0.93 from the corresponding three months period) and

¥123.55 (down ¥6.59 from the corresponding three months period) respectively.

Sales for the first quarter decreased by 2.7% as compared to the previous corresponding period, to ¥477.6 billion. This decline was despite gains in the Office Services, and reflected reduced hardware and related consumables revenues, principally overseas' unprofitable sales and a decrease in MIF (machine in the field) by reconsidering contracts to emphasize profitability in the Office Printing. Other factors in reduced sales included the adoption of equity method accounting for consolidated logistics subsidiaries whose shares we transferred and the removal of Ricoh India Limited from consolidated results. Consolidated sales would have risen 0.2% after excluding the equity method adoption, consolidation removal, and foreign exchange impacts.

In Japan, sales were up by 0.1% from a year earlier on steady growth, particularly in Office Services, reflecting expanded demand for IT equipment as companies overhauled work practices and due to higher revenues in such areas as industry solutions services.

Sales in the Americas decreased by 2.3% as compared to the previous corresponding period due to decline of sales in the Office Printing although sales in the Commercial Printing were up (a decrease of 3.2% excluding foreign currency exchange fluctuations).

Sales in the Europe, the Middle East, and Africa decreased by 7.5% as compared to the previous corresponding period due to decline of sales in the Office Printing although sales in the Office Service were up (a decrease of 2.6% excluding foreign currency exchange fluctuations).

Sales in other regions were down by 3.9% as compared to the previous corresponding period due to decline of sales in the Office Printing (a decrease of 0.9% excluding foreign currency exchange fluctuations).

As a result, sales in the overseas market decreased by 4.6% as compared to the previous corresponding period. Excluding effects of foreign currency fluctuations, sales in overseas would have decreased by 2.6% as compared to the previous corresponding period.

Gross profit was down 5.2% as compared to the previous corresponding period, to ¥184.4 billion. This was despite an improvement in Office Services. A prime factor was a decrease in Office Printing because of the impact of lower sales from emphasizing more profitable business sales and lower consumables revenues. The adoption of equity-method accounting for consolidated logistics subsidiaries and the removal from consolidation detracted from earnings in other areas.

Selling, general and administrative expenses fell 8.4% as compared to the previous corresponding period, to ¥161.0 billion. This stemmed from progress in containing expenditure through structural and business process reforms.

Other Income increased primarily due to gain on sales of land, buildings and structures in Ricoh Industry Co., Ltd.'s former Saitama plant.

Operating profit advanced 39.8% as compared to the previous corresponding period, to ¥27.5 billion. After excluding structural reform expenses, one-time income, and other transient factors, operating income would have been ¥25.5 billion, up ¥0.7 billion as compared to the previous corresponding period.

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

Profit before income tax expenses increased by 45.5% as compared to the previous corresponding period, to ¥26.0 billion.

As a result, profit attributable to owners of the parent increased by 68.3% as compared to the previous corresponding period, to ¥15.6 billion.

Comprehensive loss was ¥0.5 billion (loss) due to the decrease in cumulative translation adjustments.

* Review by Business Segment

Office Printing

Office Printing sales were ¥256.2 billion and decreased by 6.4% as compared to the previous corresponding period, due to a decrease in volume of hardware and consumables revenues, particularly overseas. This was largely because we strategically prioritized profits over gross revenue in negotiating deals. Other factor was a decrease in MIF (machine in the field) by reconsidering contracts to emphasize profitability. Office Printing operating profit was ¥31.5 billion and increased by 4.5% as compared to the previous corresponding period, due to improvement profitability, pricing adjustment, including new products and gain on sales of land, buildings and structures in Ricoh Industry Co., Ltd.'s former Saitama plant.

Office Service

Office Service sales were ¥115.7 billion and increased by 7.2% as compared to the previous corresponding period. This growth reflected gains in Japan, where demand expanded for IT equipment in line with enterprise work practice reforms and revenues grew for industry and business solutions and IT services. Overseas, we expanded IT services in the Europe. Office Service operating profit was ¥4.0 billion and increased by 81.0% as compared to the previous corresponding period. This improvement was due to higher sales and profitability improvements.

Commercial Printing

Commercial Printing sales were ¥43.0 billion and increased by 1.5% as compared to the previous corresponding period, due to growing demand for new products and an increase in volume of the hardware revenues, particularly overseas. Commercial Printing operating profit was ¥6.1 billion and increased by 24.2% as compared to the previous corresponding period, due to higher sales and selling, general and administrative expenses efficiency.

Industrial Printing

Industrial Printing sales were ¥5.9 billion and increased by 2.3% as compared to the previous corresponding period. While sales increased slightly due to recovery trend of inkjet head demand in the Chinese market, we posted an operating loss of ¥0.4 billion. (Industrial Printing operating profit decreased by ¥0.3 billion as compared to the previous corresponding period.)

Thermal Media

Thermal Media sales were ¥16.1 billion and decreased by 0.8% as compared to the previous corresponding period. Thermal Media operating profit was ¥0.9 billion and increased by 45.7% as compared to the previous corresponding period, due to reduction in expenses while sales decreased slightly both in Japan and overseas.

Other

Other segment sales were ¥40.4 billion and decreased by 9.5% as compared to the previous corresponding period. This reflected the adoption of equity method accounting for consolidated logistics subsidiaries. Other segment operating profit was ¥1.9 billion and increased by ¥1.4 billion as compared to the previous corresponding period, due to profit improvement in the field of Smart Vision business.

2. Analysis of Consolidated Financial Position

* Assets, Liabilities and Equity

Total assets increased by ¥52.5 billion as compared to the end of the previous year, to ¥2,777.6 billion, mainly due to the increase in "Inventories" and "Right-of-use assets" following the adoption of IFRS 16 'Leases'.

Total liabilities increased by ¥64.7 billion as compared to the end of previous year, to ¥1,770.9 billion, mainly due to the significant increase in "Lease liabilities" following the adoption of IFRS 16 'Leases'. In addition, bonds and borrowings increased due to the finance business expansion by affiliated companies.

Total Equity decreased by ¥12.2 billion as compared to the end of previous year, to ¥1,006.7 billion, due to a decrease in "Other components of equity" despite of an increase in "Retained earnings" caused mainly by the profit for the period.

Equity attributable to owners of the parent therefore decreased by ¥11.3 billion, to ¥921.2 billion. The equity attributable to owners of the parent ratio was again stable, at 33.2%.

* Cash Flows (Three months from April 1, 2019 to June 30, 2019)

Net cash provided by operating activities increased by ¥1.7 billion as compared to the previous corresponding period, to ¥23.3 billion, mainly due to the decrease in trade and other receivables. In addition, the profit for the period was increased mainly due to higher income in the Office Services segments.

Net cash used in investing activities increased by ¥56.5 billion as compared to the previous corresponding period, to ¥29.4 billion. This increase reflected the sale of shares in Coca-Cola Bottlers Japan Holdings Inc., by ¥55.9 billion in FY2018, which offset the impact of the proceeds from sales of property, plant, and equipment.

Free cash flow (net cash provided by operating activities plus net cash used in investing activities) totaled negative ¥6.0 billion, down by ¥54.7 billion.

Net cash provided by financing activities decreased by ¥9.1 billion as compared to the previous corresponding period, to ¥4.6 billion, mainly due to the increase of dividends paid, which offset the impact of increase in debt of affiliated companies with finance business expansion.

As a result, the balance of cash and cash equivalent at the end of period decreased by ¥6.0 billion as compared to the end of previous year, to ¥234.0 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.

Ricoh maintains the assumed exchange rates set forth in May of ¥110 against the U.S. dollar and of ¥125 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, 2020

US\$ 1 = ¥110.02 (¥110.95 in previous fiscal year)

EURO 1 = ¥124.64 (¥128.46 in previous fiscal year)

(Billions of yen)

	Year ended March 31, 2019	Year ending March 31, 2020	Change
Domestic sales	805.7	810.0	0.5%
Overseas sales	1,207.4	1,200.0	-0.6%
Sales	2,013.2	2,010.0	-0.2%
Gross profit	766.8	780.0	1.7%
Operating profit	86.8	100.0	15.2%
Profit before income tax expenses	83.9	98.0	16.7%
Profit attributable to owners of the parent	49.5	62.0	25.2%

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

4. Condensed Consolidated Financial Statements

(1) Condensed Consolidated Statement of Financial Position

Assets

	(Millions of yen)		
	March 31, 2019	June 30, 2019	Change
Current Assets			
Cash and cash equivalents	240,099	234,039	-6,060
Time deposits	70	85	15
Trade and other receivables	604,804	572,318	-32,486
Other financial assets	294,351	293,357	-994
Inventories	207,748	219,443	11,695
Other current assets	40,107	48,843	8,736
Subtotal	1,387,179	1,368,085	-19,094
Assets classified as held for sale	2,583	-	-2,583
Total Current Assets	1,389,762	1,368,085	-21,677
Non-current assets			
Property, plant and equipment	250,287	242,603	-7,684
Right-of-use assets	-	73,717	73,717
Goodwill and intangible assets	219,806	216,672	-3,134
Other financial assets	708,295	709,283	988
Investments accounted for using the equity method	12,521	14,005	1,484
Other investments	22,443	32,090	9,647
Other non-current assets	38,006	37,907	-99
Deferred tax assets	84,012	83,299	-713
Total Non-current Assets	1,335,370	1,409,576	74,206
Total Assets	2,725,132	2,777,661	52,529

Liabilities and Equity

	(Millions of yen)		
	March 31, 2019	June 30, 2019	Change
Current Liabilities			
Bonds and borrowings	266,957	238,141	-28,816
Trade and other payables	306,189	277,090	-29,099
Lease liabilities	-	29,094	29,094
Other financial liabilities	521	120	-401
Income tax payables	15,455	14,508	-947
Provisions	12,277	9,356	-2,921
Other current liabilities	242,799	248,254	5,455
Total Current Liabilities	844,198	816,563	-27,635
Non-current Liabilities			
Bonds and borrowings	666,462	720,922	54,460
Lease liabilities	-	47,194	47,194
Other financial liabilities	3,420	481	-2,939
Accrued pension and retirement benefits	105,288	103,327	-1,961
Provisions	6,610	6,697	87
Other non-current liabilities	77,619	73,061	-4,558
Deferred tax liabilities	2,547	2,664	117
Total Non-current Liabilities	861,946	954,346	92,400
Total Liabilities	1,706,144	1,770,909	64,765
Equity			
Common stock	135,364	135,364	-
Additional paid-in capital	186,086	186,130	44
Treasury stock	-37,394	-37,395	-1
Other components of equity	73,645	56,045	-17,600
Retained earnings	574,876	581,077	6,201
Equity attributable to owners of the parent	932,577	921,221	-11,356
Non-controlling interests	86,411	85,531	-880
Total Equity	1,018,988	1,006,752	-12,236
Total Liabilities and Equity	2,725,132	2,777,661	52,529

(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, 2018	Three months ended June 30, 2019	Change	%
Sales	490,940	477,605	-13,335	-2.7
Cost of sales	296,500	293,196	-3,304	-1.1
Percentage of sales (%)	60.4	61.4		
Gross profit	194,440	184,409	-10,031	-5.2
Percentage of sales (%)	39.6	38.6		
Selling, general and administrative expenses	175,795	161,029	-14,766	-8.4
Percentage of sales (%)	35.8	33.7		
Other Income	1,067	4,186	3,119	292.3
Percentage of sales (%)	0.2	0.9		
Operating profit	19,712	27,566	7,854	39.8
Percentage of sales (%)	4.0	5.8		
Finance income	1,266	1,635	369	29.1
Percentage of sales (%)	0.3	0.3		
Finance costs	3,222	3,063	-159	-4.9
Percentage of sales (%)	0.7	0.6		
Share of profit (loss) of investments accounted for using the equity method	170	-62	-232	-
Percentage of sales (%)	0.0	-0.0		
Profit before income tax expenses	17,926	26,076	8,150	45.5
Percentage of sales (%)	3.7	5.5		
Income tax expenses	6,989	8,833	1,844	26.4
Percentage of sales (%)	1.4	1.9		
Profit for the period	10,937	17,243	6,306	57.7
Percentage of sales (%)	2.2	3.6		
Profit attributable to:				
Owners of the parent	9,282	15,624	6,342	68.3
Percentage of sales (%)	1.9	3.3		
Non-controlling interests	1,655	1,619	-36	-2.2
Percentage of sales (%)	0.3	0.3		

	Three months ended June 30, 2018	Three months ended June 30, 2019	Change
Earnings per share attributable to owners of the parent-basic (yen)	12.81	21.55	8.74
Earnings per share attributable to owners of the parent-diluted (yen)	-	-	-

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

Condensed Consolidated Statement of Comprehensive Income

	(Millions of yen)		
	Three months ended June 30, 2018	Three months ended June 30, 2019	Change
Profit for the period	10,937	17,243	6,306
Other comprehensive income (loss):			
Components that will not be reclassified subsequently to profit or loss:			
Remeasurement of defined benefit plan	-	-	-
Net change in fair value of financial assets measured through other comprehensive income	-445	161	606
Total components that will not be reclassified subsequently to profit or loss	-445	161	606
Components that will be reclassified subsequently to profit or loss:			
Net gain (loss) on fair value of cash flow hedges	460	237	-223
Exchange differences on translation of foreign operations	-3,084	-18,183	-15,099
Total components that will be reclassified subsequently to profit or loss	-2,624	-17,946	-15,322
Total other comprehensive income (loss)	-3,069	-17,785	-14,716
Comprehensive income (loss)	7,868	-542	-8,410
Comprehensive income (loss) attributable to:			
Owners of the parent	6,083	-1,976	-8,059
Non-controlling interests	1,785	1,434	-351

Consolidated Sales by Product Category

	(Millions of yen)			
	Three months ended June 30, 2018	Three months ended June 30, 2019	Change	%
<Office Printing>	273,725	256,229	-17,496	-6.4
Percentage of sales (%)	55.8	53.7		
<Office Service>	108,007	115,783	7,776	7.2
Percentage of sales (%)	22.0	24.2		
<Commercial Printing>	42,424	43,056	632	1.5
Percentage of sales (%)	8.6	9.0		
<Industrial Printing>	5,837	5,969	132	2.3
Percentage of sales (%)	1.2	1.2		
<Thermal Media>	16,259	16,134	-125	-0.8
Percentage of sales (%)	3.3	3.4		
<Other>	44,688	40,434	-4,254	-9.5
Percentage of sales (%)	9.1	8.5		
Grand Total	490,940	477,605	-13,335	-2.7
Percentage of sales (%)	100.0	100.0		

* Each category includes the following product line:

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

Consolidated Sales by Geographic Area

	(Millions of yen)			
	Three months ended June 30, 2018	Three months ended June 30, 2019	Change	%
<Domestic>	193,627	193,902	275	0.1
Percentage of sales (%)	39.4	40.6		
<Overseas>	297,313	283,703	-13,610	-4.6
Percentage of sales (%)	60.6	59.4		
The Americas	136,247	133,048	-3,199	-2.3
Percentage of sales (%)	27.7	27.9		
Europe, Middle East and Africa	114,639	106,047	-8,592	-7.5
Percentage of sales (%)	23.4	22.2		
Other	46,427	44,608	-1,819	-3.9
Percentage of sales (%)	9.5	9.3		
Grand Total	490,940	477,605	-13,335	-2.7
Percentage of sales (%)	100.0	100.0		

(3) Condensed Consolidated Statement of Changes in Equity

(Millions of Yen)

	Common Stock	Additional paid-in capital	Treasury stock	Other components of equity		
				Remeasurement of defined benefit plan	Net gain (loss) on fair value of financial assets measured through other comprehensive income	Net gain (loss) on fair value of cash flow hedges
Balance as of April 1, 2018	135,364	186,463	-37,329	-	51,581	-13,261
Cumulative effects of changes in accounting policy					-41,149	13,293
Opening Balance reflecting changes in accounting policy	135,364	186,463	-37,329	-	10,432	32
Profit (loss) for the period						
Other comprehensive income (loss)					-563	253
Comprehensive income (loss)	-	-	-	-	-563	253
Net change in treasury stock			-2			
Dividends declared and approved to owners						
Transfer from other components of equity to retained earnings					-21	
Total transactions with owners	-	-	-2	-	-21	-
Balance as of June 30, 2018	135,364	186,463	-37,331	-	9,848	285

	Other components of equity		Retained earnings	Equity attributable to owners of the parent	Non-controlling interests	Total equity
	Exchange differences on translation of foreign operations	Total other components of equity				
Balance as of April 1, 2018	76,634	114,954	510,113	909,565	79,190	988,755
Cumulative effects of changes in accounting policy		-27,856	33,691	5,835		5,835
Opening Balance reflecting changes in accounting policy	76,634	87,098	543,804	915,400	79,190	994,590
Profit (loss) for the period			9,282	9,282	1,655	10,937
Other comprehensive income (loss)	-2,889	-3,199		-3,199	130	-3,069
Comprehensive income (loss)	-2,889	-3,199	9,282	6,083	1,785	7,868
Net change in treasury stock				-2		-2
Dividends declared and approved to owners			-5,437	-5,437	-514	-5,951
Transfer from other components of equity to retained earnings		-21	21	-		-
Total transactions with owners	-	-21	-5,416	-5,439	-514	-5,953
Balance as of June 30, 2018	73,745	83,878	547,670	916,044	80,461	996,505

(Millions of Yen)

	Common Stock	Additional paid-in capital	Treasury stock	Other components of equity		
				Remeasurement of defined benefit plan	Net gain (loss) on fair value of financial assets measured through other comprehensive income	Net gain (loss) on fair value of cash flow hedges
Balance as of April 1, 2019	135,364	186,086	-37,394	-	7,815	59
Profit (loss) for the period						
Other comprehensive income (loss)					167	327
Comprehensive income (loss)	-	-	-	-	167	327
Net change in treasury stock			-1			
Dividends declared and approved to owners						
Transfer from other components of equity to retained earnings						
Equity transactions with non-controlling shareholders		44				
Total transactions with owners	-	44	-1	-	-	-
Balance as of June 30, 2019	135,364	186,130	-37,395	-	7,982	386

	Other components of equity		Retained earnings	Equity attributable to owners of the parent	Non-controlling interests	Total equity
	Exchange differences on translation of foreign operations	Total other components of equity				
Balance as of April 1, 2019	65,771	73,645	574,876	932,577	86,411	1,018,988
Profit (loss) for the period			15,624	15,624	1,619	17,243
Other comprehensive income (loss)	-18,094	-17,600		-17,600	-185	-17,785
Comprehensive income (loss)	-18,094	-17,600	15,624	-1,976	1,434	-542
Net change in treasury stock				-1		-1
Dividends declared and approved to owners			-9,423	-9,423	-588	-10,011
Transfer from other components of equity to retained earnings				-		-
Equity transactions with non-controlling shareholders				44	-1,726	-1,682
Total transactions with owners	-	-	-9,423	-9,380	-2,314	-11,694
Balance as of June 30, 2019	47,677	56,045	581,077	921,221	85,531	1,006,752

(4) Condensed Consolidated Statement of Cash Flows

	(Millions of yen)	
	Three months ended June 30, 2018	Three months ended June 30, 2019
I. Cash Flows from Operating Activities:		
Profit (loss) for the period	10,937	17,243
Adjustments to reconcile profit for the period to net cash provided by operating activities—		
Depreciation and amortization	25,690	30,179
Other income	-1,067	-4,186
Share of profit (loss) of investments accounted for using the equity method	-170	62
Finance income and costs	1,956	1,428
Income tax expenses	6,989	8,833
(Increase) decrease in trade and other receivables	7,599	28,846
(Increase) decrease in inventories	-16,989	-15,117
(Increase) decrease in lease receivables	827	-2,705
Increase (decrease) in trade and other payables	-6,615	-28,139
Increase (decrease) in accrued pension and retirement benefits	-1,058	-732
Other, net	3,100	-144
Interest and dividends received	1,039	1,622
Interest paid	-1,183	-1,406
Income taxes paid	-9,489	-12,422
Net cash provided by (used in) operating activities	21,566	23,362
II. Cash Flows from Investing Activities:		
Proceeds from sales of property, plant and equipment	1,464	6,460
Expenditures for property, plant and equipment	-14,404	-14,777
Proceeds from sales of intangible assets	265	91
Expenditures for intangible assets	-6,386	-5,608
Payments for purchases of investment securities	-7	-11,086
Proceeds from sales of investment securities	56,130	598
(Increase) decrease in time deposits	278	-17
Purchase of business, net of cash acquired	-	-1,011
Decrease due to loss of control of subsidiaries	-3,056	-
Other, net	-7,173	-4,053
Net cash provided by (used in) investing activities	27,111	-29,403
III. Cash Flows from Financing Activities:		
Net proceeds (repayments) of short-term debt	9,822	-8,900
Proceeds from long-term debt	11,076	79,111
Repayments of long-term debt	-1,132	-46,105
Repayments of lease liabilities	-	-7,785
Dividends paid	-5,437	-9,423
Payments for purchase of treasury stock	-2	-1
Other, net	-514	-2,281
Net cash provided by (used in) financing activities	13,813	4,616
IV. Effect of Exchange Rate Changes on Cash and Cash Equivalents	1,187	-4,635
V. Net Increase (decrease) in Cash and Cash Equivalents	63,677	-6,060
VI. Cash and Cash Equivalents at Beginning of Year	160,568	240,099
VII. Cash and Cash Equivalents at End of Period	224,245	234,039

(5) Notes on premise going concern
Not applicable

(6) Changes in significant subsidiaries
Not applicable

(7) Changes in accounting policies

Significant accounting policies which apply in Condensed Consolidated Statement of Financial Position are same as previous fiscal year excepting the table below.

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

Adoption of IFRS 16 'Leases'

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

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

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

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

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

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

(8) Segment Information

Operating Segment Information

	(Millions of yen)			
	Three months ended June 30, 2018	Three months ended June 30, 2019	Change	%
Office Printing:				
Sales:				
Unaffiliated customers	273,725	256,229	-17,496	-6.4
Intersegment	-	-	-	-
Total	273,725	256,229	-17,496	-6.4
Operating expenses	243,559	224,697	-18,862	-7.7
Operating profit	30,166	31,532	1,366	4.5
Operating profit on sales in Office Printing (%)	11.0	12.3		
Office Service:				
Sales:				
Unaffiliated customers	108,007	115,783	7,776	7.2
Intersegment	-	-	-	-
Total	108,007	115,783	7,776	7.2
Operating expenses	105,796	111,781	5,985	5.7
Operating profit	2,211	4,002	1,791	81.0
Operating profit on sales in Office Service (%)	2.0	3.5		
Commercial Printing:				
Sales:				
Unaffiliated customers	42,424	43,056	632	1.5
Intersegment	-	-	-	-
Total	42,424	43,056	632	1.5
Operating expenses	37,488	36,927	-561	-1.5
Operating profit	4,936	6,129	1,193	24.2
Operating profit on sales in Commercial Printing (%)	11.6	14.2		
Industrial Printing:				
Sales:				
Unaffiliated customers	5,837	5,969	132	2.3
Intersegment	-	-	-	-
Total	5,837	5,969	132	2.3
Operating expenses	5,982	6,415	433	7.2
Operating loss	-145	-446	-301	-
Operating loss on sales in Industrial Printing (%)	-2.5	-7.5		
Thermal Media:				
Sales:				
Unaffiliated customers	16,259	16,134	-125	-0.8
Intersegment	-	-	-	-
Total	16,259	16,134	-125	-0.8
Operating expenses	15,601	15,175	-426	-2.7
Operating profit	658	959	301	45.7
Operating profit on sales in Thermal Media (%)	4.0	5.9		
Other:				
Sales:				
Unaffiliated customers	44,688	40,434	-4,254	-9.5
Intersegment	15,621	5,577	-10,044	-64.3
Total	60,309	46,011	-14,298	-23.7
Operating expenses	59,848	44,089	-15,759	-26.3
Operating profit	461	1,922	1,461	316.9
Operating profit on sales in Other (%)	0.8	4.2		
Eliminations and Corporate:				
Sales:				
Intersegment	-15,621	-5,577	10,044	-
Total	-15,621	-5,577	10,044	-
Operating expenses:				
Intersegment	-15,621	-5,577	10,044	-
Corporate	18,575	16,532	-2,043	-
Total	2,954	10,955	8,001	-
Operating loss	-18,575	-16,532	2,043	-
Consolidated:				
Sales:				
Unaffiliated customers	490,940	477,605	-13,335	-2.7
Intersegment	-	-	-	-
Total	490,940	477,605	-13,335	-2.7
Operating expenses	471,228	450,039	-21,189	-4.5
Operating profit	19,712	27,566	7,854	39.8
Operating profit on consolidated sales (%)	4.0	5.8		

(Supplemental information)

Finance business included in the above is as follows:

	(Millions of yen)			
	Three months ended June 30, 2018	Three months ended June 30, 2019	Change	%
Sales	37,215	38,873	1,658	4.5
Operating expenses	29,376	29,860	484	1.6
Operating profit	7,839	9,013	1,174	15.0
Operating profit on sales in Finance Business (%)	21.1	23.2		

* Each category includes the following product line:

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

-APPENDIX- (Three months ended June 30, 2019)

1. Consolidated Sales by Product Category

	(Millions of yen)					
	Three months ended June 30, 2018	Three months ended June 30, 2019	Change	%	Change excluding exchange impact	%
<Office Printing>						
Office Printing	273,725	256,229	-17,496	-6.4	-13,688	-5.0
Percentage of sales (%)	55.8	53.7				
Domestic	87,980	85,641	-2,339	-2.7	-2,339	-2.7
Overseas	185,745	170,588	-15,157	-8.2	-11,349	-6.1
The Americas	80,576	76,887	-3,689	-4.6	-4,332	-5.4
Europe, Middle East and Africa	76,319	66,915	-9,404	-12.3	-5,834	-7.6
Other	28,850	26,786	-2,064	-7.2	-1,183	-4.1
<Office Service>						
Office Service	108,007	115,783	7,776	7.2	8,772	8.1
Percentage of sales (%)	22.0	24.2				
Domestic	57,623	64,404	6,781	11.8	6,781	11.8
Overseas	50,384	51,379	995	2.0	1,991	4.0
The Americas	27,410	27,385	-25	-0.1	-255	-0.9
Europe, Middle East and Africa	18,847	20,457	1,610	8.5	2,701	14.3
Other	4,127	3,537	-590	-14.3	-455	-11.0
<Commercial Printing>						
Commercial Printing	42,424	43,056	632	1.5	1,207	2.8
Percentage of sales (%)	8.6	9.0				
Domestic	6,466	6,433	-33	-0.5	-33	-0.5
Overseas	35,958	36,623	665	1.8	1,240	3.4
The Americas	21,337	21,645	308	1.4	132	0.6
Europe, Middle East and Africa	12,007	11,865	-142	-1.2	490	4.1
Other	2,614	3,113	499	19.1	618	23.6
<Industrial Printing>						
Industrial Printing	5,837	5,969	132	2.3	154	2.6
Percentage of sales (%)	1.2	1.2				
Domestic	756	765	9	1.2	9	1.2
Overseas	5,081	5,204	123	2.4	145	2.9
The Americas	1,423	1,527	104	7.3	89	6.3
Europe, Middle East and Africa	1,393	1,122	-271	-19.5	-234	-16.8
Other	2,265	2,555	290	12.8	290	12.8
<Thermal Media>						
Thermal Media	16,259	16,134	-125	-0.8	276	1.7
Percentage of sales (%)	3.3	3.4				
Domestic	3,360	3,299	-61	-1.8	-61	-1.8
Overseas	12,899	12,835	-64	-0.5	337	2.6
The Americas	4,672	4,851	179	3.8	138	3.0
Europe, Middle East and Africa	4,545	4,384	-161	-3.5	73	1.6
Other	3,682	3,600	-82	-2.2	126	3.4
<Other>						
Other	44,688	40,434	-4,254	-9.5	-4,151	-9.3
Percentage of sales (%)	9.1	8.5				
Domestic	37,442	33,360	-4,082	-10.9	-4,082	-10.9
Overseas	7,246	7,074	-172	-2.4	-69	-1.0
The Americas	829	753	-76	-9.2	-80	-9.7
Europe, Middle East and Africa	1,528	1,304	-224	-14.7	-161	-10.5
Other	4,889	5,017	128	2.6	172	3.5
Grand Total	490,940	477,605	-13,335	-2.7	-7,430	-1.5
Percentage of sales (%)	100.0	100.0				
Domestic	193,627	193,902	275	0.1	275	0.1
Percentage of sales (%)	39.4	40.6				
Overseas	297,313	283,703	-13,610	-4.6	-7,705	-2.6
Percentage of sales (%)	60.6	59.4				
The Americas	136,247	133,048	-3,199	-2.3	-4,308	-3.2
Percentage of sales (%)	27.7	27.9				
Europe, Middle East and Africa	114,639	106,047	-8,592	-7.5	-2,965	-2.6
Percentage of sales (%)	23.4	22.2				
Other	46,427	44,608	-1,819	-3.9	-432	-0.9
Percentage of sales (%)	9.5	9.3				

* Each category includes the following product line:

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

2. Forecast of Consolidated Performance

	(Billions of yen)				
	Three months ended June 30, 2019		Change	Year ending March 31, 2020	
	Results		%	Forecast	Change
					%
Sales	477.6		-2.7	2,010.0	-0.2
Gross profit	184.4		-5.2	780.0	1.7
Operating profit (loss)	27.5		39.8	100.0	15.2
Profit (loss) before income tax expenses	26.0		45.5	98.0	16.7
Profit (loss) attributable to owners of the parent	15.6		68.3	62.0	25.2
Earnings per share attributable to owners of the parent-basic (yen)	21.55		8.74	85.53	17.21
Earnings per share attributable to owners of the parent- diluted (yen)	-		-	-	-
Capital expenditures	14.7			74.0	
Depreciation	15.3			67.0	
R&D expenditures	23.5			112.0	
Exchange rate (Yen/US\$)	110.07			110.02	
Exchange rate (Yen/EURO)	123.55			124.64	

3. Forecast of Consolidated Sales by Product Category

	(Billions of yen)				
	Year ended March 31, 2019		Year ending March 31, 2020		
	Results	Forecast	Change	Forecast excluding exchange impact	Change
			%		%
<Office Printing>	1,086.4	1,056.7	-2.7	1,069.3	-1.6
Domestic	346.0	343.1	-0.8	343.1	-0.8
Overseas	740.3	713.6	-3.6	726.2	-1.9
The Americas	331.0	322.8	-2.5	324.2	-2.0
Europe, Middle East and Africa	299.8	283.8	-5.3	293.3	-2.2
Other	109.5	107.0	-2.3	108.5	-0.9
<Office Service>	481.3	496.7	3.2	500.2	3.9
Domestic	272.6	281.1	3.1	281.1	3.1
Overseas	208.7	215.6	3.3	219.1	5.0
The Americas	111.2	114.6	3.0	115.1	3.6
Europe, Middle East and Africa	80.2	83.2	3.7	85.9	7.2
Other	17.2	17.8	3.0	18.0	4.4
<Commercial Printing>	185.2	188.3	1.6	190.8	3.0
Domestic	25.8	26.7	3.1	26.7	3.1
Overseas	159.3	161.6	1.4	164.0	2.9
The Americas	96.7	97.8	1.1	98.3	1.6
Europe, Middle East and Africa	50.1	51.2	2.0	52.9	5.5
Other	12.4	12.6	1.1	12.8	2.9
<Industrial Printing>	20.6	25.6	23.7	25.8	24.8
Domestic	2.8	4.1	45.4	4.1	45.4
Overseas	17.8	21.5	20.3	21.7	21.5
The Americas	6.1	7.1	15.9	7.0	15.6
Europe, Middle East and Africa	5.1	6.0	16.9	6.1	19.5
Other	6.6	8.4	27.0	8.5	28.6
<Thermal Media>	66.3	73.7	11.0	74.6	12.4
Domestic	13.6	14.9	9.1	14.9	9.1
Overseas	52.7	58.8	11.6	59.7	13.3
The Americas	19.4	21.6	11.0	21.6	11.3
Europe, Middle East and Africa	17.8	17.9	0.6	18.5	4.1
Other	15.4	19.3	24.9	19.6	26.9
<Other>	173.0	169.0	-2.3	169.3	-2.2
Domestic	144.7	140.1	-3.2	140.1	-3.2
Overseas	28.3	28.9	2.1	29.3	3.5
The Americas	2.8	2.9	1.1	2.9	4.5
Europe, Middle East and Africa	5.6	5.9	4.3	6.0	7.1
Other	19.7	20.1	1.6	20.2	2.4
Grand Total	2,013.2	2,010.0	-0.2	2,030.2	0.8
Domestic	805.7	810.0	0.5	810.0	0.5
Overseas	1,207.4	1,200.0	-0.6	1,220.2	1.1
The Americas	567.4	566.8	-0.1	569.3	0.3
Europe, Middle East and Africa	458.8	448.0	-2.4	462.9	0.9
Other	181.1	185.2	2.2	187.7	3.7