

QUARTERLY REPORT

First Quarter ended June 30, 2018

(Results for the Period from April 1, 2018 to June 30, 2018)

Performance Outline (Consolidated)

	Three months ended June 30, 2017 Results	Three months ended June 30, 2018 Results	Change	(Billions of yen)	
				Year ending March 31, 2019 Forecast	Change
Domestic sales	186.7	193.6	3.7%	807.0	0.9%
Overseas sales	305.8	297.3	-2.8%	1,233.0	-2.4%
Sales	492.5	490.9	-0.3%	2,040.0	-1.1%
Gross profit	199.9	194.4	-2.8%	786.0	-0.6%
Operating profit	18.9	19.7	4.1%	80.0	-
Profit before income tax expenses	16.8	17.9	6.6%	77.0	-
Profit attributable to owners of the parent	10.7	9.2	-14.0%	47.0	-
Exchange rate (Yen/US\$)	111.16	109.14	-2.02	106.04	-4.87
Exchange rate (Yen/EURO)	122.11	130.14	8.03	130.04	0.37
Earnings per share attributable to owners of the parent-basic (yen).	14.89	12.81	-2.08	64.84	-
Earnings per share attributable to owners of the parent-diluted (yen).	-	-	-	-	-
Cash flows from operating activities	5.0	21.5	16.5	-	-
Cash flows from investing activities	1.7	27.1	25.3	-	-
Cash flows from financing activities	5.4	13.8	8.3	-	-
Cash and cash equivalents at end of period	140.1	224.2	84.0	-	-
Capital expenditures	13.5	14.4	0.8	83.0	10.7
Depreciation	16.9	17.6	0.6	66.5	-1.9
R&D expenditures	25.5	25.5	0.0	110.0	-1.0
	March 31, 2018	June 30, 2018	Change		
Total assets	2,641.0	2,671.3	30.2		
Equity attributable to owners of the parent	909.5	916.0	6.4		
Interest-bearing debt	881.9	901.4	19.5		
Equity attributable to owners of the parent ratio (%)	34.4	34.3	-0.1		
Equity per share attributable to owners of the parent (yen)	1,254.79	1,263.74	8.94		

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 Consolidated Subsidiaries

Financial Highlights for the First Quarter Ended June 30, 2018

[Prepared on the basis of International Financial Reporting Standards]

1. Results for the Period from April 1, 2018 to June 30, 2018

(1) Operating Results

	(Millions of yen)	
	Three months ended June 30, 2017	Three months ended June 30, 2018
Sales	492,540	490,940
(% change from the previous corresponding period)	1.0	-0.3
Operating profit	18,930	19,712
(% change from the previous corresponding period)	74.1	4.1
Profit before income tax expenses	16,814	17,926
(% change from the previous corresponding period)	61.7	6.6
Profit for the period	12,218	10,937
(% change from the previous corresponding period)	91.3	-10.5
Profit attributable to owners of the parent	10,796	9,282
(% change from the previous corresponding period)	126.3	-14.0
Comprehensive income	26,822	7,868
(% change from the previous corresponding period)	-	-70.7
Earnings per share attributable to owners of the parent-basic (yen)	14.89	12.81
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, 2018	June 30, 2018
Total assets	2,641,030	2,671,314
Total equity	988,755	996,505
Equity attributable to owners of the parent	909,565	916,044
Equity attributable to owners of the parent ratio (%)	34.4	34.3

2. Dividend Information

	Year ended March 31, 2018 (Actual)	Year ending March 31, 2019 (Forecast)
Cash dividends, applicable to the year (yen)	15.00	20.00
Interim (yen)	7.50	10.00
Year-end (yen)	7.50	10.00

Notes: Revision of expected dividends during this period: No

3. Forecast of Operating Results from April 1, 2018 to March 31, 2019

	(Millions of yen)
	Year ending March 31, 2019
Sales	2,040,000
(% change from the previous corresponding period)	-1.1
Operating profit	80,000
(% change from the previous corresponding period)	-
Profit before income tax expenses	77,000
(% change from the previous corresponding period)	-
Profit attributable to owners of the parent	47,000
(% change from the previous corresponding period)	-
Earnings per share attributable to owners of the parent-basic (yen)	64.84

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 9.
- (3) Number of common stock outstanding (including treasury stock):
As of June 30, 2018: 744,912,078 shares; As of March 31, 2018: 744,912,078 shares
- (4) Number of treasury stock:
As of June 30, 2018: 20,042,358 shares; As of March 31, 2018: 20,040,659 shares
- (5) Average number of common stock:
Three months ended June 30, 2018: 724,870,537 shares; Three months ended June 30, 2017: 724,880,835 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 2018 (April 1 – June 30, 2018)

The fiscal year ending March 31, 2019 is the second year of 19th Mid-Term Management Plan in which we make significant progress in our “RICOH Ignite” growth strategy. We will improve the earning power of our Office Printing segment and expand growth areas which can serve as the pillars of new business. In addition, all employees will work as one to further implement thorough work process reforms and business selection, continuing to carry out and enhance our measures for building a solid company’s essential character.

Ricoh’s sales for the first quarter decreased by 0.3% as compared to the previous corresponding period, to ¥490.9 billion. While sales in the Office Service segment increased, sales in the Office Printing segment and the Commercial Printing segment decreased as compared to the previous corresponding period.

During this period, the average exchange rates of Japanese yen against U.S. dollar and Euro were ¥109.14 (down ¥2.02 from previous year) and ¥130.14 (up ¥8.03 from previous year) respectively. Sales decreased by 1.4% as compared to the previous corresponding period when excluding the impact of such foreign currency exchange fluctuations.

The Japanese economy continued to show some signs of a gradual recovery. Under such market conditions, sales mainly in the Office Service segment remained solid. As a result, the sales in the domestic market increased by 3.7% as compared to the previous corresponding period.

As for the overseas market, the U.S. economy continued to show a gradual recovery and the European economy remained solid in spite of uncertainty with respect to the Brexit. In addition, there were some signs of an economic recovery in China and other developing countries in Asia. Under such market conditions, while sales in the Office Service segment, the Industrial Printing segment and the Thermal Media segment increased, sales mainly in the Office Printing segment decreased as compared to the previous corresponding period. As for overseas sales by region, sales in the Americas decreased by 6.8% (a decrease of 5.1% excluding foreign currency exchange fluctuations,) sales in Europe, Middle East and Africa increased by 3.4% (a decrease of 2.9% excluding foreign currency exchange fluctuations) and sales in Other region, which includes China, South East Asia and Oceania, decreased by 4.8% (a decrease of 6.4% excluding foreign currency exchange fluctuations.)

As a result, sales in the overseas market decreased by 2.8% as compared to the previous corresponding period. Excluding effects of foreign currency fluctuations, sales in overseas would have decreased by 4.5% as compared to the previous corresponding period.

Gross profit decreased by 2.8%, as compared to the previous corresponding period, to ¥194.4 billion, mainly due to a decrease in sales and an increase in the sales composition ratio of the Office Service segment.

Selling, general and administrative expenses decreased by 6.6%, as compared to the previous corresponding period, to ¥175.7 billion mainly due to the result of structural reforms conducted in the previous fiscal year.

Other income decreased as compared to the previous corresponding period due to gain recognized in the previous corresponding period on sales of contracts by transferring customers who were provided direct sales and services from Ricoh group to each region’s distributors in the Americas as a part of optimization of direct and indirect sales channel.

As a result, operating profit increased by 4.1% as compared to the previous corresponding period, to ¥19.7 billion.

As for finance income and costs, interest income increased as compared to the previous corresponding period.

Profit before income tax expenses increased by 6.6% as compared to the previous corresponding period, to ¥17.9 billion.

Income tax expenses increased by 52.1%, as compared to the previous corresponding period, to ¥6.9 billion mainly due to recognition of deferred tax liabilities as a result of determination of the period of settlement of temporary differences related to investments when the share transfer agreement of Ricoh Logistics System Co., Ltd. was concluded.

As a result, profit attributable to owners of the parent decreased by 14.0% as compared to the previous corresponding period, to ¥9.2 billion.

Comprehensive income decreased by 70.7%, as compared to the previous corresponding period, to ¥7.8 billion due to the decrease in cumulative translation adjustments and profit.

*** Review by Business Segment**

Office Printing

Sales in the Office Printing segment decreased by 3.8%, as compared to the previous corresponding period, to ¥273.7 billion. Sales primarily in the overseas market decreased mainly in the Americas where Ricoh conducted optimization of direct and indirect sales channel and of related consumable supplies in Europe, Middle East and Africa. While optimization of sales prices focusing on profitability limited a decline in unit prices, gross profit decreased along with a decrease in sales. In addition, gain was recognized in the previous corresponding period on sales of contracts by transferring customers who were provided direct sales and services from Ricoh group to each region's distributors in the Americas as a part of optimization of direct and indirect sales channel. As a result, operating profit in the Office Printing segment decreased by 3.9%, as compared to the previous corresponding period, to ¥30.1 billion.

Office Service

Sales in the Office Service segment increased by 9.7%, as compared to the previous corresponding period, to ¥108.0 billion. Sales of IT infrastructure or application increased mainly in the domestic market. As a result, operating profit in the Office Service segment increased by ¥2.6 billion, as compared to the previous corresponding period, to ¥2.2 billion. (Operating profit (loss) of the previous corresponding period was ¥0.4 billion (loss).)

Commercial Printing

Sales in the Commercial Printing segment decreased by 7.2%, as compared to the previous corresponding period, to ¥42.4 billion. Sales decreased primarily in the overseas market mainly due to the sluggish sales in the Americas. As a result, operating profit in the Commercial Printing segment decreased by 31.1%, as compared to the previous corresponding period, to ¥4.9 billion.

Industrial Printing

Sales in the Industrial Printing segment increased by 35.0%, as compared to the previous corresponding period, to ¥5.8 billion. Sales of Inkjet heads remained solid primarily in the overseas market, while costs accompanying business expansion increased. As a result, operating loss in the Industrial Printing segment remained flat, as compared to the previous corresponding period, at ¥0.1 billion of loss. (Operating profit (loss) of the previous corresponding period was ¥0.1 billion (loss).)

Thermal Media

Sales in the Thermal Media segment increased by 12.0%, as compared to the previous corresponding period, to ¥16.2 billion. Sales in both the domestic market and the overseas market remained solid, while operating expenses increased mainly due to the sharp rise in the prices of raw materials. As a result, operating profit in the Thermal Media segment decreased by 62.4%, as compared to the previous corresponding period, to ¥0.6 billion.

Other

Sales in the Other segment decreased by 0.5%, as compared to the previous corresponding period, to ¥44.6 billion. While the semiconductor business sell-offs caused a decrease in sales, due to improvement of profitability relating to industrial optical components/modules and cameras, operating profit in the Other segment increased by ¥0.4 billion, as compared to the previous corresponding period, to ¥0.4 billion. (Operating profit (loss) of the previous corresponding period was ¥0.0 billion (loss).)

2. Analysis of Consolidated Financial Position

***Assets, Liabilities and Equity**

Total assets increased by ¥30.2 billion as compared to the previous corresponding period, to ¥2,671.3 billion, mainly due to the increase in "Cash and cash equivalents" and "Inventories".

Total liabilities increased by ¥22.5 billion as compared to the previous corresponding period, to ¥1,674.8 billion, mainly due to the increase in "Bonds and borrowings".

Total Equity increased by ¥7.7 billion as compared to the previous corresponding period, to ¥996.5 billion, due to an increase in "Retained earnings" caused mainly by the cumulative effects from changes in accounting policy or profit for the period despite of a decrease in "Other components of equity".

***Cash Flows (Three months from April 1, 2018 to June 30, 2018)**

Net cash provided by operating activities increased by ¥16.5 billion as compared to the previous corresponding period, to ¥21.5 billion, mainly due to the decrease in income taxes paid.

Net cash provided by investing activities increased by ¥25.3 billion as compared to the previous corresponding period, to ¥27.1 billion, mainly due to proceeds from sales of securities.

Net cash provided by financing activities increased by ¥8.3 billion as compared to the previous corresponding period, to ¥13.8 billion, mainly due to proceeds from debts.

As a result, the balance of cash and cash equivalent at the end of period increased by ¥63.6 billion as compared to the end of previous year, to ¥224.2 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, operating profit, profit before income tax expenses and profit attributable to owners of the parent from those previously announced in April.

Ricoh maintains the assumed exchange rates set forth in April of ¥105 against the U.S. dollar and of ¥130 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, 2019

US\$ 1 = ¥106.04 (¥110.91 in previous fiscal year)

EURO 1 = ¥130.04 (¥129.67 in previous fiscal year)

(Billions of yen)

	Year ended March 31, 2018	Year ending March 31, 2019	Change
Domestic sales	799.9	807.0	0.9%
Overseas sales	1,263.4	1,233.0	-2.4%
Sales	2,063.3	2,040.0	-1.1%
Gross profit	791.0	786.0	-0.6%
Operating profit	-115.6	80.0	-
Profit before income tax expenses	-124.1	77.0	-
Profit attributable to owners of the parent	-135.3	47.0	-

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

4. Condensed Consolidated Financial Statements

(1) Condensed Consolidated Statement of Financial Position

Assets

	(Millions of yen)		
	March 31, 2018	June 30, 2018	Change
Current Assets			
Cash and cash equivalents	160,568	222,592	62,024
Time deposits	68	71	3
Trade and other receivables	589,741	572,808	-16,933
Other financial assets	291,144	292,507	1,363
Inventories	180,484	195,350	14,866
Other investment	55,921	-	-55,921
Other current assets	50,052	55,080	5,028
Subtotal	1,327,978	1,338,408	10,430
Assets classified as held for sale	-	22,044	22,044
Total Current Assets	1,327,978	1,360,452	32,474
Non-current assets			
Property, plant and equipment	250,005	240,087	-9,918
Goodwill and intangible assets	217,130	214,336	-2,794
Other financial assets	689,629	689,605	-24
Investments accounted for using the equity method	3,703	3,756	53
Other investments	26,985	29,123	2,138
Other non-current assets	36,806	43,820	7,014
Deferred tax assets	88,794	90,135	1,341
Total Non-current Assets	1,313,052	1,310,862	-2,190
Total Assets	2,641,030	2,671,314	30,284

Liabilities and Equity

	(Millions of yen)		
	March 31, 2018	June 30, 2018	Change
Current Liabilities			
Bonds and borrowings	223,194	272,604	49,410
Trade and other payables	300,724	288,745	-11,979
Other financial liabilities	453	485	32
Income tax payables	17,871	17,032	-839
Provisions	12,235	13,979	1,744
Other current liabilities	234,045	239,876	5,831
Subtotal	788,522	832,721	44,199
Liabilities directly associated with assets classified as held for sale	-	14,132	14,132
Total Current Liabilities	788,522	846,853	58,331
Non-current Liabilities			
Bonds and borrowings	658,707	628,866	-29,841
Other financial liabilities	3,788	2,790	-998
Accrued pension and retirement benefits	104,998	102,430	-2,568
Provisions	12,709	7,003	-5,706
Other non-current liabilities	80,174	79,614	-560
Deferred tax liabilities	3,377	7,253	3,876
Total Non-current Liabilities	863,753	827,956	-35,797
Total Liabilities	1,652,275	1,674,809	22,534
Equity			
Common stock	135,364	135,364	-
Additional paid-in capital	186,463	186,463	-
Treasury stock	-37,329	-37,331	-2
Other components of equity	114,954	83,878	-31,076
Retained earnings	510,113	547,670	37,557
Equity attributable to owners of the parent	909,565	916,044	6,479
Non-controlling interests	79,190	80,461	1,271
Total Equity	988,755	996,505	7,750
Total Liabilities and Equity	2,641,030	2,671,314	30,284

Note: Assets classified as held for sale and Liabilities directly associated with assets classified as held for sale include assets and liabilities relevant of Ricoh Logistics System Co., Ltd. which concluded a share transfer agreement.

(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, 2017	Three months ended June 30, 2018	Change	%
Sales	492,540	490,940	-1,600	-0.3
Cost of sales	292,544	296,500	3,956	1.4
Percentage of sales (%)	59.4	60.4		
Gross profit	199,996	194,440	-5,556	-2.8
Percentage of sales (%)	40.6	39.6		
Selling, general and administrative expenses	188,202	175,795	-12,407	-6.6
Percentage of sales (%)	38.2	35.8		
Other Income	7,136	1,067	-6,069	-85.0
Percentage of sales (%)	1.4	0.2		
Operating profit	18,930	19,712	782	4.1
Percentage of sales (%)	3.8	4.0		
Finance income	802	1,266	464	57.9
Percentage of sales (%)	0.2	0.3		
Finance costs	2,942	3,222	280	9.5
Percentage of sales (%)	0.6	0.7		
Share of profit (loss) of investments accounted for using the equity method	24	170	146	608.3
Percentage of sales (%)	0.0	0.0		
Profit before income tax expenses	16,814	17,926	1,112	6.6
Percentage of sales (%)	3.4	3.7		
Income tax expenses	4,596	6,989	2,393	52.1
Percentage of sales (%)	0.9	1.4		
Profit for the period	12,218	10,937	-1,281	-10.5
Percentage of sales (%)	2.5	2.2		
Profit attributable to:				
Owners of the parent	10,796	9,282	-1,514	-14.0
Percentage of sales (%)	2.2	1.9		
Non-controlling interests	1,422	1,655	233	16.4
Percentage of sales (%)	0.3	0.3		

	Three months ended June 30, 2017	Three months ended June 30, 2018	Change
Earnings per share attributable to owners of the parent-basic (yen)	14.89	12.81	-2.08
Earnings per share attributable to owners of the parent-diluted (yen)	-	-	-

* Gain on sales of intangible assets and others are included in "other income".

Condensed Consolidated Statement of Comprehensive Income

	(Millions of yen)		
	Three months ended June 30, 2017	Three months ended June 30, 2018	Change
Profit for the period	12,218	10,937	-1,281
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	-3,242	-445	2,797
Total components that will not be reclassified subsequently to profit or loss	-3,242	-445	2,797
Components that will be reclassified subsequently to profit or loss:			
Net gain (loss) on fair value of cash flow hedges	53	460	407
Exchange differences on translation of foreign operations	17,793	-3,084	-20,877
Total components that will be reclassified subsequently to profit or loss	17,846	-2,624	-20,470
Total other comprehensive income (loss)	14,604	-3,069	-17,673
Comprehensive income (loss)	26,822	7,868	-18,954
Comprehensive income (loss) attributable to:			
Owners of the parent	25,391	6,083	-19,308
Non-controlling interests	1,431	1,785	354

Consolidated Sales by Product Category

	(Millions of yen)			
	Three months ended June 30, 2017	Three months ended June 30, 2018	Change	%
<Office Printing>	284,632	273,725	-10,907	-3.8
Percentage of sales (%)	57.8	55.8		
<Office Service>	98,445	108,007	9,562	9.7
Percentage of sales (%)	20.0	22.0		
<Commercial Printing>	45,698	42,424	-3,274	-7.2
Percentage of sales (%)	9.3	8.6		
<Industrial Printing>	4,325	5,837	1,512	35.0
Percentage of sales (%)	0.9	1.2		
<Thermal Media>	14,513	16,259	1,746	12.0
Percentage of sales (%)	2.9	3.3		
<Other>	44,927	44,688	-239	-0.5
Percentage of sales (%)	9.1	9.1		
Grand Total	492,540	490,940	-1,600	-0.3
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, facsimile, scanners, related parts & supplies, services, support and software
Office Service	Personal computers, servers, network equipment, related services, support, software and service & solutions related to document
Commercial Printing	Cut sheet printer, continuous feed printer, related parts & supplies, services, support and software
Industrial printing	Inkjet head, imaging systems and industrial printers
Thermal Media	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, 2017	Three months ended June 30, 2018	Change	%
<Domestic>	186,714	193,627	6,913	3.7
Percentage of sales (%)	37.9	39.4		
<Overseas>	305,826	297,313	-8,513	-2.8
Percentage of sales (%)	62.1	60.6		
The Americas	146,162	136,247	-9,915	-6.8
Percentage of sales (%)	29.7	27.7		
Europe, Middle East and Africa	110,917	114,639	3,722	3.4
Percentage of sales (%)	22.5	23.4		
Other	48,747	46,427	-2,320	-4.8
Percentage of sales (%)	9.9	9.5		
Grand Total	492,540	490,940	-1,600	-0.3
Percentage of sales (%)	100.0	100.0		

(3) Condensed Consolidated Statement of Changes in Equity

(Millions of Yen)

	Common Stock	Additional paid-in capital	Treasury stock	Other components of equity		
				Remeasurement of defined benefit plan	Net changes in 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, 2017	135,364	186,423	-37,318	-	34,330	73
Profit for the period						
Other comprehensive income (loss)					-3,234	10
Comprehensive income (loss)	-	-	-	-	-3,234	10
Net change in treasury stock			-1			
Dividends declared and approved to owners						
Transfer from other components of equity to retained earnings						
Total transactions with owners	-	-	-1	-	-	-
Balance as of June 30, 2017	135,364	186,423	-37,319	-	31,096	83

	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			10,796	10,796	1,422	12,218
Other comprehensive income (loss)	17,819	14,595		14,595	9	14,604
Comprehensive income (loss)	17,819	14,595	10,796	25,391	1,431	26,822
Net change in treasury stock				-1		-1
Dividends declared and approved to owners			-9,061	-9,061	-440	-9,501
Transfer from other components of equity to retained earnings				-		-
Total transactions with owners	-	-	-9,061	-9,062	-440	-9,502
Balance as of June 30, 2017	83,610	114,789	659,178	1,058,435	75,762	1,134,197

(Millions of Yen)

	Common Stock	Additional paid-in capital	Treasury stock	Other components of equity		
				Remeasurement of defined benefit plan	Net changes in 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 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 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

(4) Condensed Consolidated Statement of Cash Flows

	(Millions of yen)	
	Three months ended June 30, 2017	Three months ended June 30, 2018
I. Cash Flows from Operating Activities:		
Profit for the period	12,218	10,937
Adjustments to reconcile profit for the period to net cash provided by operating activities—		
Depreciation and amortization	26,633	25,690
Share of profit (loss) of investments accounted for using the equity method	-24	-170
Finance income and costs	2,140	1,956
Income tax expenses	4,596	6,989
Decrease in trade and other receivables	15,708	7,599
Increase in inventories	-8,620	-16,989
Decrease (increase) in lease receivables	-6,463	827
Decrease in trade and other payables	-19,333	-6,615
Decrease in accrued pension and retirement benefits	-1,364	-1,058
Other, net	8,691	2,033
Interest and dividends received	791	1,039
Interest paid	-1,647	-1,183
Income taxes paid	-28,313	-9,489
Net cash provided by operating activities	5,013	21,566
II. Cash Flows from Investing Activities:		
Proceeds from sales of property, plant and equipment	12,158	1,464
Expenditures for property, plant and equipment	-13,579	-14,404
Proceeds from sales of intangible assets	1,876	265
Expenditures for intangible assets	-7,172	-6,386
Payments for purchases of available-for-sale securities	-231	-7
Proceeds from sales of available-for-sale securities	32	56,130
Net proceeds of time deposits	7,966	278
Decrease due to loss of control of subsidiaries	-	-3,056
Other, net	711	-7,173
Net cash provided by investing activities	1,761	27,111
III. Cash Flows from Financing Activities:		
Net proceeds of short-term debt	28,659	9,822
Proceeds from long-term debt	23,972	11,076
Repayments of long-term debt	-17,674	-1,132
Repayments of bonds	-20,000	-
Dividends paid	-9,061	-5,437
Payments for purchase of treasury stock	-1	-2
Other, net	-440	-514
Net cash provided by financing activities	5,455	13,813
IV. Effect of Exchange Rate Changes on Cash and Cash Equivalents	1,524	1,187
V. Net Increase in Cash and Cash Equivalents	13,753	63,677
VI. Cash and Cash Equivalents at Beginning of Year	126,429	160,568
VII. Cash and Cash Equivalents at End of Period	140,182	224,245

Note: Cash and Cash Equivalents at End of Period includes cash and cash equivalents classified as “Assets classified as held for sale.”

(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 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 regards 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 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 quarter 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 respectively 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 quarter of the current fiscal year from the changes.

(8) Segment Information

Operating Segment Information

(Millions of yen)

	Three months ended June 30, 2017	Three months ended June 30, 2018	Change	%
Office Printing:				
Sales:				
Unaffiliated customers	284,632	273,725	-10,907	-3.8
Intersegment	-	-	-	-
Total	284,632	273,725	-10,907	-3.8
Operating expenses	253,233	243,559	-9,674	-3.8
Operating profit	31,399	30,166	-1,233	-3.9
Operating profit on sales in Office Printing (%)	11.0	11.0		
Office Service:				
Sales:				
Unaffiliated customers	98,445	108,007	9,562	9.7
Intersegment	-	-	-	-
Total	98,445	108,007	9,562	9.7
Operating expenses	98,873	105,796	6,923	7.0
Operating profit (loss)	-428	2,211	2,639	-
Operating profit (loss) on sales in Office Service (%)	-0.4	2.0		
Commercial Printing:				
Sales:				
Unaffiliated customers	45,698	42,424	-3,274	-7.2
Intersegment	-	-	-	-
Total	45,698	42,424	-3,274	-7.2
Operating expenses	38,533	37,488	-1,045	-2.7
Operating profit	7,165	4,936	-2,229	-31.1
Operating profit on sales in Commercial Printing (%)	15.7	11.6		
Industrial Printing:				
Sales:				
Unaffiliated customers	4,325	5,837	1,512	35.0
Intersegment	-	-	-	-
Total	4,325	5,837	1,512	35.0
Operating expenses	4,448	5,982	1,534	34.5
Operating loss	-123	-145	-22	-
Operating loss on sales in Industrial Printing (%)	-2.8	-2.5		
Thermal Media:				
Sales:				
Unaffiliated customers	14,513	16,259	1,746	12.0
Intersegment	-	-	-	-
Total	14,513	16,259	1,746	12.0
Operating expenses	12,762	15,601	2,839	22.2
Operating profit	1,751	658	-1,093	-62.4
Operating profit on sales in Thermal Media (%)	12.1	4.0		
Other:				
Sales:				
Unaffiliated customers	44,927	44,688	-239	-0.5
Intersegment	16,658	15,621	-1,037	-6.2
Total	61,585	60,309	-1,276	-2.1
Operating expenses	61,605	59,848	-1,757	-2.9
Operating profit (loss)	-20	461	481	-
Operating profit (loss) on sales in Other (%)	-0.0	0.8		
Eliminations and Corporate:				
Sales:				
Intersegment	-16,658	-15,621	1,037	-
Total	-16,658	-15,621	1,037	-
Operating expenses:				
Intersegment	-16,658	-15,621	1,037	
Corporate	20,814	18,575	-2,239	
Total	4,156	2,954	-1,202	-28.9
Operating loss	-20,814	-18,575	2,239	-
Consolidated:				
Sales:				
Unaffiliated customers	492,540	490,940	-1,600	-0.3
Intersegment	-	-	-	-
Total	492,540	490,940	-1,600	-0.3
Operating expenses	473,610	471,228	-2,382	-0.5
Operating profit	18,930	19,712	782	4.1
Operating profit on consolidated sales (%)	3.8	4.0		

(Supplemental information)

Finance business included in the above is as follows:

	(Millions of yen)			
	Three months ended June 30, 2017	Three months ended June 30, 2018	Change	%
Sales	34,705	37,215	2,510	7.2
Operating expenses	27,379	29,376	1,997	7.3
Operating profit	7,326	7,839	513	7.0
Operating profit on sales in Finance Business (%)	21.1	21.1		

* 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 and 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 printers, related parts & supplies, services, support and software
Industrial printing	Inkjet heads, imaging systems and industrial printers
Thermal Media	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, 2018)

1. Consolidated Sales by Product Category

	(Millions of yen)					
	Three months ended June 30, 2017	Three months ended June 30, 2018	Change	%	Change excluding exchange impact	%
<Office Printing>						
Office Printing	284,632	273,725	-10,907	-3.8	-14,564	-5.1
Percentage of sales (%)	57.8	55.8				
Domestic	89,706	87,980	-1,726	-1.9	-1,726	-1.9
Overseas	194,926	185,745	-9,181	-4.7	-12,838	-6.6
The Americas	90,650	80,576	-10,074	-11.1	-8,589	-9.5
Europe, Middle East and Africa	74,900	76,319	1,419	1.9	-3,282	-4.4
Other	29,376	28,850	-526	-1.8	-967	-3.3
<Office Service>						
Office Service	98,445	108,007	9,562	9.7	8,848	9.0
Percentage of sales (%)	20.0	22.0				
Domestic	51,584	57,623	6,039	11.7	6,039	11.7
Overseas	46,861	50,384	3,523	7.5	2,809	6.0
The Americas	24,746	27,410	2,664	10.8	3,172	12.8
Europe, Middle East and Africa	17,182	18,847	1,665	9.7	504	2.9
Other	4,933	4,127	-806	-16.3	-867	-17.6
<Commercial Printing>						
Commercial Printing	45,698	42,424	-3,274	-7.2	-3,671	-8.0
Percentage of sales (%)	9.3	8.6				
Domestic	6,267	6,466	199	3.2	199	3.2
Overseas	39,431	35,958	-3,473	-8.8	-3,870	-9.8
The Americas	24,397	21,337	-3,060	-12.5	-2,671	-10.9
Europe, Middle East and Africa	12,228	12,007	-221	-1.8	-960	-7.9
Other	2,806	2,614	-192	-6.8	-239	-8.5
<Industrial Printing>						
Industrial Printing	4,325	5,837	1,512	35.0	1,519	35.1
Percentage of sales (%)	0.9	1.2				
Domestic	771	756	-15	-1.9	-15	-1.9
Overseas	3,554	5,081	1,527	43.0	1,534	43.2
The Americas	1,044	1,423	379	36.3	414	39.7
Europe, Middle East and Africa	818	1,393	575	70.3	548	67.0
Other	1,692	2,265	573	33.9	572	33.8
<Thermal Media>						
Thermal Media	14,513	16,259	1,746	12.0	1,374	9.5
Percentage of sales (%)	2.9	3.3				
Domestic	3,147	3,360	213	6.8	213	6.8
Overseas	11,366	12,899	1,533	13.5	1,161	10.2
The Americas	4,515	4,672	157	3.5	243	5.4
Europe, Middle East and Africa	3,919	4,545	626	16.0	346	8.8
Other	2,932	3,682	750	25.6	572	19.5
<Other>						
Other	44,927	44,688	-239	-0.5	-353	-0.8
Percentage of sales (%)	9.1	9.1				
Domestic	35,239	37,442	2,203	6.3	2,203	6.3
Overseas	9,688	7,246	-2,442	-25.2	-2,556	-26.4
The Americas	810	829	19	2.3	27	3.3
Europe, Middle East and Africa	1,870	1,528	-342	-18.3	-412	-22.0
Other	7,008	4,889	-2,119	-30.2	-2,171	-31.0
Grand Total	492,540	490,940	-1,600	-0.3	-6,847	-1.4
Percentage of sales (%)	100.0	100.0				
Domestic	186,714	193,627	6,913	3.7	6,913	3.7
Percentage of sales (%)	37.9	39.4				
Overseas	305,826	297,313	-8,513	-2.8	-13,760	-4.5
Percentage of sales (%)	62.1	60.6				
The Americas	146,162	136,247	-9,915	-6.8	-7,404	-5.1
Percentage of sales (%)	29.7	27.7				
Europe, Middle East and Africa	110,917	114,639	3,722	3.4	-3,256	-2.9
Percentage of sales (%)	22.5	23.4				
Other	48,747	46,427	-2,320	-4.8	-3,100	-6.4
Percentage of sales (%)	9.9	9.5				

* 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 and 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 printers, related parts & supplies, services, support and software
Industrial printing	Inkjet heads, imaging systems and industrial printers
Thermal Media	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

	Three months ended June 30, 2018	Change	Year ending March 31, 2019	Change
	Results	%	Forecast	%
Sales	490.9	-0.3	2,040.0	-1.1%
Gross profit	194.4	-2.8	786.0	-0.6%
Operating profit	19.7	4.1	80.0	-
Profit before income tax expenses	17.9	6.6	77.0	-
Profit attributable to owners of the parent	9.2	-14.0	47.0	-
Earnings per share attributable to owners of the parent-basic (yen)	12.81	-2.08	64.84	-
Earnings per share attributable to owners of the parent- diluted (yen)	-	-	-	-
Capital expenditures	14.4		83.0	
Depreciation	17.6		66.5	
R&D expenditures	25.5		110.0	
Exchange rate (Yen/US\$)	109.14		106.04	
Exchange rate (Yen/EURO)	130.14		130.04	

3. Forecast of Consolidated Sales by Product Category

	Year ended March 31, 2018	Year ending March 31, 2019		
	Results	Forecast	Change %	Forecast excluding exchange impact Change %
<Office Printing>	1,144.0	1,100.8	-3.8	1,120.3 -2.1
Domestic	351.9	351.3	-0.2	351.3 -0.2
Overseas	792.1	749.5	-5.4	769.0 -2.9
The Americas	348.6	323.6	-7.2	338.5 -2.9
Europe, Middle East and Africa	321.4	313.6	-2.4	313.0 -2.6
Other	122.0	112.3	-8.0	117.5 -3.7
<Office Service>	447.9	459.4	2.6	465.0 3.8
Domestic	243.0	253.1	4.1	253.1 4.1
Overseas	204.9	206.3	0.7	211.9 3.4
The Americas	104.5	107.3	2.6	112.2 7.3
Europe, Middle East and Africa	77.0	80.5	4.5	80.4 4.4
Other	23.3	18.5	-20.7	19.3 -17.3
<Commercial Printing>	185.9	191.6	3.0	196.5 5.7
Domestic	24.5	24.6	0.2	24.6 0.2
Overseas	161.3	167.0	3.5	171.9 6.5
The Americas	97.3	98.1	0.8	102.6 5.4
Europe, Middle East and Africa	51.4	56.8	10.5	56.7 10.3
Other	12.6	12.1	-4.4	12.6 -0.4
<Industrial Printing>	19.2	29.0	51.0	29.3 52.6
Domestic	2.7	3.0	8.2	3.0 8.2
Overseas	16.4	26.0	58.3	26.3 60.1
The Americas	5.2	6.3	20.5	6.6 26.2
Europe, Middle East and Africa	3.7	7.9	109.3	7.9 109.3
Other	7.4	11.8	59.0	11.8 59.0
<Thermal Media>	61.4	67.6	10.0	69.2 12.6
Domestic	13.0	13.6	4.5	13.6 4.5
Overseas	48.4	54.0	11.5	55.6 14.8
The Americas	18.3	18.6	1.3	19.5 6.2
Europe, Middle East and Africa	16.3	17.9	9.6	17.8 8.9
Other	13.7	17.5	27.3	18.3 33.1
<Other>	204.7	191.6	-6.4	192.6 -5.9
Domestic	164.5	161.4	-1.9	161.4 -1.9
Overseas	40.1	30.2	-24.8	31.2 -22.3
The Americas	3.4	3.5	1.8	3.6 4.7
Europe, Middle East and Africa	7.5	7.4	-2.1	7.3 -3.4
Other	29.1	19.3	-33.8	20.3 -30.4
Grand Total	2,063.3	2,040.0	-1.1	2,072.9 0.5
Domestic	799.9	807.0	0.9	807.0 0.9
Overseas	1,263.4	1,233.0	-2.4	1,265.9 0.2
The Americas	577.5	557.4	-3.5	583.0 0.9
Europe, Middle East and Africa	477.5	484.1	1.4	483.1 1.2
Other	208.3	191.5	-8.1	199.8 -4.1