

QUARTERLY REPORT

Half year ended September 30, 2018

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

Performance Outline (Consolidated)

(1) Half year ended September 30, 2017 and 2018(Actual result) and Year ending March 31, 2019 (Forecast)

	Half year ended September 30, 2017 Results	Half year ended September 30, 2018 Results	Change	(Billions of yen)	
				Year ending March 31, 2019 Forecast	Change
Domestic sales	385.1	395.0	2.6%	807.0	0.9%
Overseas sales	613.7	593.1	-3.4%	1,233.0	-2.4%
Sales	998.8	988.2	-1.1%	2,040.0	-1.1%
Gross profit	390.4	383.8	-1.7%	783.0	-1.0%
Operating profit	22.0	52.0	136.2%	85.0	-
Profit before income tax expenses	17.7	50.0	181.8%	82.0	-
Profit attributable to owners of the parent	4.5	36.0	696.2%	54.0	-
Exchange rate (Yen/US\$)	111.09	110.34	-0.75	107.67	-3.24
Exchange rate (Yen/EURO)	126.23	129.90	3.67	129.95	0.28
Earnings per share attributable to owners of the parent-basic (yen).	6.25	49.73	43.48	74.50	-
Earnings per share attributable to owners of the parent-diluted (yen).	-	-	-	-	-
Cash flows from operating activities	8.8	27.5	18.7	-	-
Cash flows from investing activities	-20.0	8.8	28.9	-	-
Cash flows from financing activities	39.3	2.7	-36.6	-	-
Cash and cash equivalents at end of period	156.7	203.0	46.3	-	-
Capital expenditures	28.3	35.5	7.1	83.0	10.7
Depreciation	34.8	34.1	-0.6	66.5	-1.9
R&D expenditures	54.4	55.3	0.8	110.0	-1.0
	March 31, 2018	September 30, 2018	Change		
Total assets	2,641.0	2,699.6	58.5		
Equity attributable to owners of the parent	909.5	962.6	53.1		
Interest-bearing debt	881.9	889.3	7.4		
Equity attributable to owners of the parent ratio (%)	34.4	35.7	1.3		
Equity per share attributable to owners of the parent (yen)	1,254.79	1,328.08	73.29		

(2) Three months ended September 30, 2017 and 2018

(Billions of yen)

	Three months ended September 30, 2017 Results	Three months ended September 30, 2018 Results	Change
Domestic sales	198.4	201.4	1.5%
Overseas sales	307.8	295.8	-3.9%
Sales	506.2	497.3	-1.8%
Gross profit	190.4	189.4	-0.5%
Operating profit	3.0	32.2	946.9%
Profit before income tax expenses	0.9	32.1	-
Profit attributable to owners of the parent	-6.2	26.7	-
Exchange rate (Yen/US\$)	111.01	111.53	0.52
Exchange rate (Yen/EURO)	130.31	129.68	-0.63
Earnings per share attributable to owners of the parent-basic (yen).	-8.65	36.92	45.57
Earnings per share attributable to owners of the parent-diluted (yen).	-	-	-
Capital expenditures	14.8	21.1	6.3
Depreciation	17.8	16.5	-1.3
R&D expenditures	28.8	29.7	0.8

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 6.

Ricoh Company, Ltd. and Consolidated Subsidiaries

Financial Highlights for the First Half Year Ended September 30, 2018

[Prepared on the basis of International Financial Reporting Standards]

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

(1) Operating Results

	(Millions of yen)	
	Half year ended September 30, 2017	Half year ended September 30, 2018
Sales	998,837	988,256
(% change from the previous corresponding period)	2.8	-1.1
Operating profit	22,015	52,008
(% change from the previous corresponding period)	33.0	136.2
Profit before income tax expenses	17,772	50,077
(% change from the previous corresponding period)	16.2	181.8
Profit for the period	7,376	38,780
(% change from the previous corresponding period)	-7.7	425.8
Profit attributable to owners of the parent	4,527	36,045
(% change from the previous corresponding period)	-9.5	696.2
Comprehensive income	43,070	55,548
(% change from the previous corresponding period)	-	29.0
Earnings per share attributable to owners of the parent-basic (yen)	6.25	49.73
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	September 30, 2018
Total assets	2,641,030	2,699,627
Total equity	988,755	1,047,188
Equity attributable to owners of the parent	909,565	962,683
Equity attributable to owners of the parent ratio (%)	34.4	35.7

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	85,000
(% change from the previous corresponding period)	-
Profit before income tax expenses	82,000
(% change from the previous corresponding period)	-
Profit attributable to owners of the parent	54,000
(% change from the previous corresponding period)	-
Earnings per share attributable to owners of the parent-basic (yen)	74.50

Notes: Revision of forecast of consolidated operating results during this period: Yes

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 16.
- (3) Number of common stock outstanding (including treasury stock):
As of September 30, 2018: 744,912,078 shares; As of March 31, 2018: 744,912,078 shares
- (4) Number of treasury stock:
As of September 30, 2018: 20,044,774 shares; As of March 31, 2018: 20,040,659 shares
- (5) Average number of common stock:
Three months ended September 30, 2018: 724,869,503 shares; Three months ended September 30, 2017: 724,879,861 shares

Qualitative Information on Consolidated Financial Results for the Quarter under Review

1. Qualitative Information on Consolidated Business Results

* Overview of the First Half of Fiscal 2018 (April 1 – September 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 half year decreased by 1.1% as compared to the previous corresponding period, to ¥988.2 billion. Sales in the Office Printing segment, Commercial Printing segment and Other 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 ¥110.34 (down ¥0.75 from previous year) and ¥129.90 (up ¥3.67 from previous year) respectively. Sales decreased by 1.5% 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, sales in the domestic market increased by 2.6% 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 or Turkish currency crisis. While there was a concern in China in relation to the trade friction issues with the U.S., there were some signs of an economic recovery in other developing countries. Under such market conditions, while sales in the Office Service segment, Industrial Printing segment and Thermal Media segment increased, sales 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 3.3% (a decrease of 2.7% excluding foreign currency exchange fluctuations,) sales in Europe, Middle East and Africa decreased by 0.4% (a decrease of 3.1% excluding foreign currency exchange fluctuations) and sales in Other region, which includes China, South East Asia and Oceania, decreased by 10.0% (a decrease of 10.0% excluding foreign currency exchange fluctuations.)

As a result, sales in the overseas market decreased by 3.4% as compared to the previous corresponding period. Excluding effects of foreign currency fluctuations, sales in overseas would have decreased by 4.1% as compared to the previous corresponding period.

Gross profit decreased by 1.7%, as compared to the previous corresponding period, to ¥383.8 billion, mainly due to a decrease in sales.

Selling, general and administrative expenses decreased by 6.0%, as compared to the previous corresponding period, to ¥354.2 billion mainly due to the result of structural reforms conducted in the previous fiscal year.

Other income increased as compared to the previous corresponding period mainly due to gain on sales of shares of Ricoh Logistics System Co., Ltd.

As a result, operating profit increased by 136.2% as compared to the previous corresponding period, to ¥52.0 billion.

As for finance income and costs, interest expenses and foreign exchange losses decreased as compared to the previous corresponding period.

Profit before income tax expenses increased by 181.8% as compared to the previous corresponding period, to ¥50.0 billion.

As a result, profit attributable to owners of the parent increased by 696.2% as compared to the previous corresponding period, to ¥36.0 billion.

Comprehensive income increased by 29.0%, as compared to the previous corresponding period, to ¥55.5 billion due to an increase in the profit for the period.

*** Review by Business Segment**

Office Printing

Sales in the Office Printing segment decreased by 3.7%, as compared to the previous corresponding period, to ¥538.5 billion. Sales in the overseas market decreased mainly in hardware and related supplies due to refining of business meetings based on the profit-oriented marketing strategy in accordance with 19th Mid-Term Management Plan. Gross profit decreased accordingly. Selling, general and administrative expenses decreased significantly due to the effect of structural reforms. As a result, operating profit in the Office Printing segment increased by 12.9%, as compared to the previous corresponding period, to ¥57.2 billion.

Office Service

Sales in the Office Service segment increased by 9.1%, as compared to the previous corresponding period, to ¥231.3 billion. Sales of business process solutions and IT services increased mainly in the domestic market and Americas. As a result, operating profit in the Office Service segment was ¥6.2 billion. (Operating profit (loss) of the previous corresponding period was ¥2.5 billion (loss).)

Commercial Printing

Sales in the Commercial Printing segment decreased by 4.5%, as compared to the previous corresponding period, to ¥86.5 billion. Sales decreased primarily in hardware mainly because the current period was in the drop-off period of the product life cycle. As a result, operating profit in the Commercial Printing segment decreased by 2.3%, as compared to the previous corresponding period, to ¥11.1 billion. Please note that operating profit in the Commercial Printing segment increased in the current three-month period, as compared to the previous corresponding period because sales of new products had started expanding.

Industrial Printing

Sales in the Industrial Printing segment increased by 10.0%, as compared to the previous corresponding period, to ¥9.7 billion. Sales of Inkjet heads turned sluggish in China by the trade friction issues with the U.S. and expenses increased due to initial investment. As a result, operating loss in the Industrial Printing segment was ¥2.0 billion of loss. (Operating profit (loss) of the previous corresponding period was ¥0.9 billion (loss).)

Thermal Media

Sales in the Thermal Media segment increased by 12.4%, as compared to the previous corresponding period, to ¥33.0 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 39.2%, as compared to the previous corresponding period, to ¥1.7 billion.

Other

Sales in the Other segment decreased by 9.7%, as compared to the previous corresponding period, to ¥88.9 billion. Sales decreased in accordance with new application of the equity method for subsidiaries related to semiconductor and logistics. Gain on sales of shares of Ricoh Logistics System Co., Ltd was recognized, therefore operating profit in the Other segment increased by 650.4%, as compared to the previous corresponding period, to ¥15.7 billion.

2. Analysis of Consolidated Financial Position

***Assets, Liabilities and Equity**

As for assets, Other investment decreased due to the sell-off of shares of Coca Cola Bottlers Japan Holdings Inc., while Cash and cash equivalents and Inventories increased. As a result, total assets increased by ¥58.5 billion as compared to the previous corresponding period, to ¥2,699.6 billion.

As for liabilities, Bonds and borrowings increased while Trade and other payables decreased. As a result, total liabilities increased by ¥0.1 billion as compared to the previous corresponding period, to ¥1,652.4 billion.

As for equity, Retained earnings increased due to the cumulative effect of changes in accounting policies or profit for the period. As a result, total Equity increased by ¥58.4 billion as compared to the previous corresponding period, to ¥1,047.1 billion.

***Cash Flows (Half year from April 1, 2018 to September 30, 2018)**

Net cash provided by operating activities increased by ¥18.7 billion as compared to the previous corresponding period, to ¥27.5 billion, mainly due to an increase in profit for the period and a decrease in income taxes paid.

Net cash provided by investing activities was ¥8.8 billion mainly due to proceeds from sales of securities. (Net cash used in investing activities of the previous corresponding period was ¥20.0 billion.)

Net cash provided by financing activities decreased by ¥36.6 billion as compared to the previous corresponding period, to ¥2.7 billion, mainly due to a decrease in proceeds from debts.

As a result, the balance of cash and cash equivalent at the end of period increased by ¥42.4 billion as compared to the end of previous year, to ¥203.0 billion.

3. Qualitative Information on Forecasted Consolidated Financial Results

In consideration of the business results and business environment during this period, we have revised the forecast of operating profit, profit before income tax expenses and profit attributable to owners of the parent from those previously announced in April, 2018.

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 third quarter while the actual exchange rates during the second 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 = ¥107.67 (¥110.91 in previous fiscal year)

EURO 1 = ¥129.95 (¥129.67 in previous fiscal year)

	(Billions of yen)				
	Year ending March 31, 2019 (Previous forecast) (A)	Year ending March 31, 2019 (Revised forecast) (B)	Change (B-A)	Year ended March 31, 2018 (Actual) (C)	Change (B-C)/C
Domestic sales	807.0	807.0	-	799.9	0.9%
Overseas sales	1,233.0	1,233.0	-	1,263.4	-2.4%
Sales	2,040.0	2,040.0	-	2,063.3	-1.1%
Gross profit	786.0	783.0	-3.0	791.0	-1.0%
Operating profit	80.0	85.0	5.0	-115.6	-
Profit before income tax expenses	77.0	82.0	5.0	-124.1	-
Profit attributable to owners of the parent	47.0	54.0	7.0	-135.3	-

* 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	September 30, 2018	Change
Current Assets			
Cash and cash equivalents	160,568	203,010	42,442
Time deposits	68	92	24
Trade and other receivables	589,741	588,094	-1,647
Other financial assets	291,144	296,607	5,463
Inventories	180,484	207,196	26,712
Other investment	55,921	-	-55,921
Other current assets	50,052	58,941	8,889
Total Current Assets	1,327,978	1,353,940	25,962
Non-current assets			
Property, plant and equipment	250,005	245,928	-4,077
Goodwill and intangible assets	217,130	217,594	464
Other financial assets	689,629	697,386	7,757
Investments accounted for using the equity method	3,703	12,349	8,646
Other investments	26,985	28,457	1,472
Other non-current assets	36,806	47,608	10,802
Deferred tax assets	88,794	96,365	7,571
Total Non-current Assets	1,313,052	1,345,687	32,635
Total Assets	2,641,030	2,699,627	58,597

Liabilities and Equity

	(Millions of yen)		
	March 31, 2018	September 30, 2018	Change
Current Liabilities			
Bonds and borrowings	223,194	270,008	46,814
Trade and other payables	300,724	291,932	-8,792
Other financial liabilities	453	562	109
Income tax payables	17,871	15,428	-2,443
Provisions	12,235	16,238	4,003
Other current liabilities	234,045	239,872	5,827
Total Current Liabilities	788,522	834,040	45,518
Non-current Liabilities			
Bonds and borrowings	658,707	619,331	-39,376
Other financial liabilities	3,788	2,982	-806
Accrued pension and retirement benefits	104,998	100,612	-4,386
Provisions	12,709	7,047	-5,662
Other non-current liabilities	80,174	83,247	3,073
Deferred tax liabilities	3,377	5,180	1,803
Total Non-current Liabilities	863,753	818,399	-45,354
Total Liabilities	1,652,275	1,652,439	164
Equity			
Common stock	135,364	135,364	-
Additional paid-in capital	186,463	186,463	-
Treasury stock	-37,329	-37,334	-5
Other components of equity	114,954	103,306	-11,648
Retained earnings	510,113	574,884	64,771
Equity attributable to owners of the parent	909,565	962,683	53,118
Non-controlling interests	79,190	84,505	5,315
Total Equity	988,755	1,047,188	58,433
Total Liabilities and Equity	2,641,030	2,699,627	58,597

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

Condensed Consolidated Statement of Profit or Loss

Half year ended September 30, 2017 and 2018

	(Millions of yen)			
	Half year ended September 30, 2017	Half year ended September 30, 2018	Change	%
Sales	998,837	988,256	-10,581	-1.1
Cost of sales	608,409	604,363	-4,046	-0.7
Percentage of sales (%)	60.9	61.2		
Gross profit	390,428	383,893	-6,535	-1.7
Percentage of sales (%)	39.1	38.8		
Selling, general and administrative expenses	376,759	354,285	-22,474	-6.0
Percentage of sales (%)	37.7	35.8		
Other Income	8,346	22,400	14,054	168.4
Percentage of sales (%)	0.8	2.3		
Operating profit	22,015	52,008	29,993	136.2
Percentage of sales (%)	2.2	5.3		
Finance income	1,903	1,981	78	4.1
Percentage of sales (%)	0.2	0.2		
Finance costs	6,180	4,142	-2,038	-33.0
Percentage of sales (%)	0.6	0.4		
Share of profit of investments accounted for using the equity method	34	230	196	576.5
Percentage of sales (%)	0.0	0.0		
Profit before income tax expenses	17,772	50,077	32,305	181.8
Percentage of sales (%)	1.8	5.1		
Income tax expenses	10,396	11,297	901	8.7
Percentage of sales (%)	1.0	1.1		
Profit for the period	7,376	38,780	31,404	425.8
Percentage of sales (%)	0.7	3.9		
Profit attributable to:				
Owners of the parent	4,527	36,045	31,518	696.2
Percentage of sales (%)	0.5	3.6		
Non-controlling interests	2,849	2,735	-114	-4.0
Percentage of sales (%)	0.3	0.3		

	Half year ended September 30, 2017	Half year ended September 30, 2018	Change
Earnings per share attributable to owners of the parent-basic (yen)	6.25	49.73	43.48
Earnings per share attributable to owners of the parent-diluted (yen)	-	-	-

* 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	Change	%
Sales	506,297	497,316	-8,981	-1.8
Cost of sales	315,865	307,863	-8,002	-2.5
Percentage of sales (%)	62.4	61.9		
Gross profit	190,432	189,453	-979	-0.5
Percentage of sales (%)	37.6	38.1		
Selling, general and administrative expenses	188,557	178,490	-10,067	-5.3
Percentage of sales (%)	37.2	35.9		
Other Income	1,210	21,333	20,123	-
Percentage of sales (%)	0.2	4.3		
Operating profit	3,085	32,296	29,211	946.9
Percentage of sales (%)	0.6	6.5		
Finance income	1,101	715	-386	-35.1
Percentage of sales (%)	0.2	0.1		
Finance costs	3,238	920	-2,318	-71.6
Percentage of sales (%)	0.6	0.2		
Share of profit of investments accounted for using the equity method	10	60	50	500.0
Percentage of sales (%)	0.0	0.0		
Profit before income tax expenses	958	32,151	31,193	-
Percentage of sales (%)	0.2	6.5		
Income tax expenses	5,800	4,308	-1,492	-25.7
Percentage of sales (%)	1.1	0.9		
Profit for the period (loss)	-4,842	27,843	32,685	-
Percentage of sales (%)	-1.0	5.6		
Profit attributable to:				
Owners of the parent	-6,269	26,763	33,032	-
Percentage of sales (%)	-1.2	5.4		
Non-controlling interests	1,427	1,080	-347	-24.3
Percentage of sales (%)	0.3	0.2		

	Three months ended September 30, 2017	Three months ended September 30, 2018	Change
Earnings per share attributable to owners of the parent-basic (yen)	-8.65	36.92	45.57
Earnings per share attributable to owners of the parent-diluted (yen)	-	-	-

* 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

Half year ended September 30, 2017 and 2018

	(Millions of yen)		
	Half year ended September 30, 2017	Half year ended September 30, 2018	Change
Profit for the period	7,376	38,780	31,404
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	2,456	-418	-2,874
Total components that will not be reclassified subsequently to profit or loss	2,456	-418	-2,874
Components that will be reclassified subsequently to profit or loss:			
Net gain on fair value of cash flow hedges	136	739	603
Exchange differences on translation of foreign operations	33,102	16,447	-16,655
Total components that will be reclassified subsequently to profit or loss	33,238	17,186	-16,052
Total other comprehensive income	35,694	16,768	-18,926
Comprehensive income	43,070	55,548	12,478
Comprehensive income attributable to:			
Owners of the parent	40,215	52,725	12,510
Non-controlling interests	2,855	2,823	-32

Three months ended September 30, 2017 and 2018

	(Millions of yen)		
	Three months ended September 30, 2017	Three months ended September 30, 2018	Change
Profit for the period (loss)	-4,842	27,843	32,685
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	5,698	27	-5,671
Total components that will not be reclassified subsequently to profit or loss	5,698	27	-5,671
Components that will be reclassified subsequently to profit or loss:			
Net gain on fair value of cash flow hedges	83	279	196
Exchange differences on translation of foreign operations	15,309	19,531	4,222
Total components that will be reclassified subsequently to profit or loss	15,392	19,810	4,418
Total other comprehensive income	21,090	19,837	-1,253
Comprehensive income	16,248	47,680	31,432
Comprehensive income attributable to:			
Owners of the parent	14,824	46,642	31,818
Non-controlling interests	1,424	1,038	-386

Consolidated Sales by Product Category

Half year ended September 30, 2017 and 2018

	(Millions of yen)			
	Half year ended September 30, 2017	Half year ended September 30, 2018	Change	%
<Office Printing>	559,370	538,577	-20,793	-3.7
Percentage of sales (%)	56.0	54.5		
<Office Service>	212,077	231,367	19,290	9.1
Percentage of sales (%)	21.2	23.4		
<Commercial Printing>	90,584	86,513	-4,071	-4.5
Percentage of sales (%)	9.1	8.8		
<Industrial Printing>	8,895	9,786	891	10.0
Percentage of sales (%)	0.9	1.0		
<Thermal Media>	29,418	33,070	3,652	12.4
Percentage of sales (%)	2.9	3.3		
<Other>	98,493	88,943	-9,550	-9.7
Percentage of sales (%)	9.9	9.0		
Grand Total	998,837	988,256	-10,581	-1.1
Percentage of sales (%)	100.0	100.0		

Three months ended September 30, 2017 and 2018

	(Millions of yen)			
	Three months ended September 30, 2017	Three months ended September 30, 2018	Change	%
<Office Printing>	274,738	264,852	-9,886	-3.6
Percentage of sales (%)	54.3	53.2		
<Office Service>	113,632	123,360	9,728	8.6
Percentage of sales (%)	22.4	24.8		
<Commercial Printing>	44,886	44,089	-797	-1.8
Percentage of sales (%)	8.9	8.9		
<Industrial Printing>	4,570	3,949	-621	-13.6
Percentage of sales (%)	0.9	0.8		
<Thermal Media>	14,905	16,811	1,906	12.8
Percentage of sales (%)	2.9	3.4		
<Other>	53,566	44,255	-9,311	-17.4
Percentage of sales (%)	10.6	8.9		
Grand Total	506,297	497,316	-8,981	-1.8
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

Half year ended September 30, 2017 and 2018

	(Millions of yen)			
	Half year ended September 30, 2017	Half year ended September 30, 2018	Change	%
<Domestic>	385,116	395,095	9,979	2.6
Percentage of sales (%)	38.6	40.0		
<Overseas>	613,721	593,161	-20,560	-3.4
Percentage of sales (%)	61.4	60.0		
The Americas	288,062	278,485	-9,577	-3.3
Percentage of sales (%)	28.8	28.2		
Europe, Middle East and Africa	224,158	223,353	-805	-0.4
Percentage of sales (%)	22.4	22.6		
Other	101,501	91,323	-10,178	-10.0
Percentage of sales (%)	10.2	9.2		
Grand Total	998,837	988,256	-10,581	-1.1
Percentage of sales (%)	100.0	100.0		

Three months ended September 30, 2017 and 2018

	(Millions of yen)			
	Three months ended September 30, 2017	Three months ended September 30, 2018	Change	%
<Domestic>	198,402	201,468	3,066	1.5
Percentage of sales (%)	39.2	40.5		
<Overseas>	307,895	295,848	-12,047	-3.9
Percentage of sales (%)	60.8	59.5		
The Americas	141,900	142,238	338	0.2
Percentage of sales (%)	28.0	28.6		
Europe, Middle East and Africa	113,241	108,714	-4,527	-4.0
Percentage of sales (%)	22.4	21.9		
Other	52,754	44,896	-7,858	-14.9
Percentage of sales (%)	10.4	9.0		
Grand Total	506,297	497,316	-8,981	-1.8
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				-	2,425	63
Other comprehensive income (loss)				-	2,425	63
Comprehensive income	-	-	-	-	2,425	63
Net change in treasury stock			-4		-	
Dividends declared and approved to owners						
Transfer from other components of equity to retained earnings						
Acquisition of non-controlling interests						
Total transactions with owners	-	-	-4	-	-	-
Balance as of September 30, 2017	135,364	186,423	-37,322	-	36,755	136

	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			-9,061	-9,061	-440	-9,501
Transfer from other components of equity to retained earnings		-	-	-		-
Acquisition of non-controlling 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 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				-	45	164
Other comprehensive income				-	45	164
Comprehensive income	-	-	-	-	45	164
Net change in treasury stock			-5			
Dividends declared and approved to owners					-472	
Transfer from other components of equity to retained earnings						
Acquisition of non-controlling interests						
Total transactions with owners	-	-	-5	-	-472	-
Balance as of September 30, 2018	135,364	186,463	-37,334	-	10,005	196

	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			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			-5,437	-5,437	-514	-5,951
Transfer from other components of equity to retained earnings		-472	472	-		-
Acquisition of non-controlling 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

(4) Condensed Consolidated Statement of Cash Flows

	(Millions of yen)	
	Half year ended September 30, 2017	Half year ended September 30, 2018
I. Cash Flows from Operating Activities:		
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
II. Cash Flows from Investing Activities:		
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	-
Decrease due to loss of control of subsidiaries	-	10,223
Other, net	-1,181	-9,747
Net cash provided by investing activities	-20,072	8,894
III. Cash Flows from Financing Activities:		
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	43,285	20,000
Repayments of bonds	-30,000	-10,000
Dividends paid	-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	-	3,006
Other, net	-440	-513
Net cash provided by financing activities	39,362	2,730
IV. Effect of Exchange Rate Changes on Cash and Cash Equivalents	2,150	3,271
V. Net Increase in Cash and Cash Equivalents	30,278	42,442
VI. Cash and Cash Equivalents at Beginning of Year	126,429	160,568
VII. Cash and Cash Equivalents at End of Period	156,707	203,010

(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 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 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 half year of the current fiscal year from the changes.

(8) Segment Information

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	Change	%
Office Printing:				
Sales:				
Unaffiliated customers	559,370	538,577	-20,793	-3.7
Intersegment	-	-	-	-
Total	559,370	538,577	-20,793	-3.7
Operating expenses	508,650	481,338	-27,312	-5.4
Operating profit	50,720	57,239	6,519	12.9
Operating profit on sales in Office Printing (%)	9.1	10.6		
Office Service:				
Sales:				
Unaffiliated customers	212,077	231,367	19,290	9.1
Intersegment	-	-	-	-
Total	212,077	231,367	19,290	9.1
Operating expenses	214,617	225,144	10,527	4.9
Operating profit (loss)	-2,540	6,223	8,763	-
Operating profit (loss) on sales in Office Service (%)	-1.2	2.7		
Commercial Printing:				
Sales:				
Unaffiliated customers	90,584	86,513	-4,071	-4.5
Intersegment	-	-	-	-
Total	90,584	86,513	-4,071	-4.5
Operating expenses	79,135	75,323	-3,812	-4.8
Operating profit	11,449	11,190	-259	-2.3
Operating profit on sales in Commercial Printing (%)	12.6	12.9		
Industrial Printing:				
Sales:				
Unaffiliated customers	8,895	9,786	891	10.0
Intersegment	-	-	-	-
Total	8,895	9,786	891	10.0
Operating expenses	9,878	11,806	1,928	19.5
Operating loss	-983	-2,020	-1,037	-
Operating loss on sales in Industrial Printing (%)	-11.1	-20.6		
Thermal Media:				
Sales:				
Unaffiliated customers	29,418	33,070	3,652	12.4
Intersegment	-	-	-	-
Total	29,418	33,070	3,652	12.4
Operating expenses	26,537	31,317	4,780	18.0
Operating profit	2,881	1,753	-1,128	-39.2
Operating profit on sales in Thermal Media (%)	9.8	5.3		
Other:				
Sales:				
Unaffiliated customers	98,493	88,943	-9,550	-9.7
Intersegment	34,398	28,142	-6,256	-18.2
Total	132,891	117,085	-15,806	-11.9
Operating expenses	130,786	101,290	-29,496	-22.6
Operating profit	2,105	15,795	13,690	650.4
Operating profit on sales in Other (%)	1.6	13.5		
Eliminations and Corporate:				
Sales:				
Intersegment	-34,398	-28,142	6,256	-
Total	-34,398	-28,142	6,256	-
Operating expenses:				
Intersegment	-34,398	-28,142	6,256	-
Corporate	41,617	38,172	-3,445	-
Total	7,219	10,030	2,811	-
Operating loss	-41,617	-38,172	3,445	-
Consolidated:				
Sales:				
Unaffiliated customers	998,837	988,256	-10,581	-1.1
Intersegment	-	-	-	-
Total	998,837	988,256	-10,581	-1.1
Operating expenses	976,822	936,248	-40,574	-4.2
Operating profit	22,015	52,008	29,993	136.2
Operating profit on consolidated sales (%)	2.2	5.3		

(Supplemental information)

Finance business included in the above is as follows:

	(Millions of yen)			
	Half year ended September 30, 2017	Half year ended September 30, 2018	Change	%
Sales	73,471	77,869	4,398	6.0
Operating expenses	58,187	62,456	4,269	7.3
Operating profit	15,284	15,413	129	0.8
Operating profit on sales in Finance Business (%)	20.8	19.8		

Three months ended September 30, 2017 and 2018

(Millions of yen)

	Three months ended September 30, 2017	Three months ended September 30, 2018	Change	%
Office Printing:				
Sales:				
Unaffiliated customers	274,738	264,852	-9,886	-3.6
Intersegment	-	-	-	-
Total	274,738	264,852	-9,886	-3.6
Operating expenses	255,417	237,779	-17,638	-6.9
Operating profit	19,321	27,073	7,752	40.1
Operating profit on sales in Office Printing (%)	7.0	10.2		
Office Service:				
Sales:				
Unaffiliated customers	113,632	123,360	9,728	8.6
Intersegment	-	-	-	-
Total	113,632	123,360	9,728	8.6
Operating expenses	115,744	119,348	3,604	3.1
Operating profit (loss)	-2,112	4,012	6,124	-
Operating profit (loss) on sales in Office Service (%)	-1.9	3.3		
Commercial Printing:				
Sales:				
Unaffiliated customers	44,886	44,089	-797	-1.8
Intersegment	-	-	-	-
Total	44,886	44,089	-797	-1.8
Operating expenses	40,602	37,835	-2,767	-6.8
Operating profit	4,284	6,254	1,970	46.0
Operating profit on sales in Commercial Printing (%)	9.5	14.2		
Industrial Printing:				
Sales:				
Unaffiliated customers	4,570	3,949	-621	-13.6
Intersegment	-	-	-	-
Total	4,570	3,949	-621	-13.6
Operating expenses	5,430	5,824	394	7.3
Operating loss	-860	-1,875	-1,015	-
Operating loss on sales in Industrial Printing (%)	-18.8	-47.5		
Thermal Media:				
Sales:				
Unaffiliated customers	14,905	16,811	1,906	12.8
Intersegment	-	-	-	-
Total	14,905	16,811	1,906	12.8
Operating expenses	13,775	15,716	1,941	14.1
Operating profit	1,130	1,095	-35	-3.1
Operating profit on sales in Thermal Media (%)	7.6	6.5		
Other:				
Sales:				
Unaffiliated customers	53,566	44,255	-9,311	-17.4
Intersegment	17,740	12,521	-5,219	-29.4
Total	71,306	56,776	-14,530	-20.4
Operating expenses	69,181	41,442	-27,739	-40.1
Operating profit	2,125	15,334	13,209	621.6
Operating profit on sales in Other (%)	3.0	27.0		
Eliminations and Corporate:				
Sales:				
Intersegment	-17,740	-12,521	5,219	
Total	-17,740	-12,521	5,219	-
Operating expenses:				
Intersegment	-17,740	-12,521	5,219	
Corporate	20,803	19,597	-1,206	
Total	3,063	7,076	4,013	
Operating loss	-20,803	-19,597	1,206	-
Consolidated:				
Sales:				
Unaffiliated customers	506,297	497,316	-8,981	-1.8
Intersegment	-	-	-	-
Total	506,297	497,316	-8,981	-1.8
Operating expenses	503,212	465,020	-38,192	-7.6
Operating profit	3,085	32,296	29,211	946.9
Operating profit on consolidated sales (%)	0.6	6.5		

(Supplemental information)

Finance business included in the above is as follows:

	(Millions of yen)			
	Three months ended September 30, 2017	Three months ended September 30, 2018	Change	%
Sales	38,766	40,654	1,888	4.9
Operating expenses	30,808	33,080	2,272	7.4
Operating profit	7,958	7,574	-384	-4.8
Operating profit on sales in Finance Business (%)	20.5	18.6		

* 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- (Half year ended September 30, 2018)

1. Consolidated Sales by Product Category

Half year ended September 30, 2017 and 2018

	Half year ended September 30, 2017	Half year ended September 30, 2018	Change	%	Change excluding exchange impact	%
(Millions of yen)						
<Office Printing>						
Office Printing	559,370	538,577	-20,793	-3.7	-23,674	-4.2
Percentage of sales (%)	56.0	54.5				
Domestic	172,349	170,074	-2,275	-1.3	-2,275	-1.3
Overseas	387,021	368,503	-18,518	-4.8	-21,399	-5.5
The Americas	175,197	164,437	-10,760	-6.1	-9,655	-5.5
Europe, Middle East and Africa	150,463	147,279	-3,184	-2.1	-7,346	-4.9
Other	61,361	56,787	-4,574	-7.5	-4,398	-7.2
<Office Service>						
Office Service	212,077	231,367	19,290	9.1	18,590	8.8
Percentage of sales (%)	21.2	23.4				
Domestic	115,213	129,579	14,366	12.5	14,366	12.5
Overseas	96,864	101,788	4,924	5.1	4,224	4.4
The Americas	51,203	55,352	4,149	8.1	4,523	8.8
Europe, Middle East and Africa	35,750	37,910	2,160	6.0	1,088	3.0
Other	9,911	8,526	-1,385	-14.0	-1,387	-14.0
<Commercial Printing>						
Commercial Printing	90,584	86,513	-4,071	-4.5	-4,414	-4.9
Percentage of sales (%)	9.1	8.8				
Domestic	12,073	12,818	745	6.2	745	6.2
Overseas	78,511	73,695	-4,816	-6.1	-5,159	-6.6
The Americas	48,039	44,481	-3,558	-7.4	-3,259	-6.8
Europe, Middle East and Africa	24,495	23,670	-825	-3.4	-1,495	-6.1
Other	5,977	5,544	-433	-7.2	-405	-6.8
<Industrial Printing>						
Industrial Printing	8,895	9,786	891	10.0	892	10.0
Percentage of sales (%)	0.9	1.0				
Domestic	1,466	1,571	105	7.2	105	7.2
Overseas	7,429	8,215	786	10.6	787	10.6
The Americas	2,559	2,887	328	12.8	355	13.9
Europe, Middle East and Africa	1,752	2,735	983	56.1	957	54.6
Other	3,118	2,593	-525	-16.8	-525	-16.8
<Thermal Media>						
Thermal Media	29,418	33,070	3,652	12.4	3,340	11.4
Percentage of sales (%)	2.9	3.3				
Domestic	6,351	6,678	327	5.1	327	5.1
Overseas	23,067	26,392	3,325	14.4	3,013	13.1
The Americas	9,336	9,780	444	4.8	510	5.5
Europe, Middle East and Africa	7,877	8,862	985	12.5	734	9.3
Other	5,854	7,750	1,896	32.4	1,769	30.2
<Other>						
Other	98,493	88,943	-9,550	-9.7	-9,658	-9.8
Percentage of sales (%)	9.9	9.0				
Domestic	77,664	74,375	-3,289	-4.2	-3,289	-4.2
Overseas	20,829	14,568	-6,261	-30.1	-6,369	-30.6
The Americas	1,728	1,548	-180	-10.4	-172	-10.0
Europe, Middle East and Africa	3,821	2,897	-924	-24.2	-984	-25.8
Other	15,280	10,123	-5,157	-33.8	-5,213	-34.1
Grand Total	998,837	988,256	-10,581	-1.1	-14,924	-1.5
Percentage of sales (%)	100.0	100				
Domestic	385,116	395,095	9,979	2.6	9,979	2.6
Percentage of sales (%)	38.6	40.0				
Overseas	613,721	593,161	-20,560	-3.4	-24,903	-4.1
Percentage of sales (%)	61.4	60.0				
The Americas	288,062	278,485	-9,577	-3.3	-7,698	-2.7
Percentage of sales (%)	28.8	28.2				
Europe, Middle East and Africa	224,158	223,353	-805	-0.4	-7,046	-3.1
Percentage of sales (%)	22.4	22.6				
Other	101,501	91,323	-10,178	-10.0	-10,159	-10.0
Percentage of sales (%)	10.2	9.2				

2. Three months ended September 30, 2017 and 2018

	(Millions of yen)					
	Three months ended September 30, 2017	Three months ended September 30, 2018	Change	%	Change excluding exchange impact	%
<Office Printing>						
Office Printing	274,738	264,852	-9,886	-3.6	-9,110	-3.3
Percentage of sales (%)	54.3	53.2				
Domestic	82,643	82,094	-549	-0.7	-549	-0.7
Overseas	192,095	182,758	-9,337	-4.9	-8,561	-4.5
The Americas	84,547	83,861	-686	-0.8	-1,066	-1.3
Europe, Middle East and Africa	75,563	70,960	-4,603	-6.1	-4,064	-5.4
Other	31,985	27,937	-4,048	-12.7	-3,431	-10.7
<Office Service>						
Office Service	113,632	123,360	9,728	8.6	9,742	8.6
Percentage of sales (%)	22.4	24.8				
Domestic	63,629	71,956	8,327	13.1	8,327	13.1
Overseas	50,003	51,404	1,401	2.8	1,415	2.8
The Americas	26,457	27,942	1,485	5.6	1,351	5.1
Europe, Middle East and Africa	18,568	19,063	495	2.7	584	3.1
Other	4,978	4,399	-579	-11.6	-520	-10.4
<Commercial Printing>						
Commercial Printing	44,886	44,089	-797	-1.8	-743	-1.7
Percentage of sales (%)	8.9	8.9				
Domestic	5,806	6,352	546	9.4	546	9.4
Overseas	39,080	37,737	-1,343	-3.4	-1,289	-3.3
The Americas	23,642	23,144	-498	-2.1	-588	-2.5
Europe, Middle East and Africa	12,267	11,663	-604	-4.9	-535	-4.4
Other	3,171	2,930	-241	-7.6	-166	-5.2
<Industrial Printing>						
Industrial Printing	4,570	3,949	-621	-13.6	-627	-13.7
Percentage of sales (%)	0.9	0.8				
Domestic	695	815	120	17.3	120	17.3
Overseas	3,875	3,134	-741	-19.1	-747	-19.3
The Americas	1,515	1,464	-51	-3.4	-59	-3.9
Europe, Middle East and Africa	934	1,342	408	43.7	409	43.8
Other	1,426	328	-1,098	-77.0	-1,097	-76.9
<Thermal Media>						
Thermal Media	14,905	16,811	1,906	12.8	1,966	13.2
Percentage of sales (%)	2.9	3.4				
Domestic	3,204	3,318	114	3.6	114	3.6
Overseas	11,701	13,493	1,792	15.3	1,852	15.8
The Americas	4,821	5,108	287	6.0	267	5.5
Europe, Middle East and Africa	3,958	4,317	359	9.1	388	9.8
Other	2,922	4,068	1,146	39.2	1,197	41.0
<Other>						
Other	53,566	44,255	-9,311	-17.4	-9,305	-17.4
Percentage of sales (%)	10.6	8.9				
Domestic	42,425	36,933	-5,492	-12.9	-5,492	-12.9
Overseas	11,141	7,322	-3,819	-34.3	-3,813	-34.2
The Americas	918	719	-199	-21.7	-199	-21.7
Europe, Middle East and Africa	1,951	1,369	-582	-29.8	-572	-29.3
Other	8,272	5,234	-3,038	-36.7	-3,042	-36.8
Grand Total	506,297	497,316	-8,981	-1.8	-8,077	-1.6
Percentage of sales (%)	100.0	100				
Domestic	198,402	201,468	3,066	1.5	3,066	1.5
Percentage of sales (%)	39.2	40.5				
Overseas	307,895	295,848	-12,047	-3.9	-11,143	-3.6
Percentage of sales (%)	60.8	59.5				
The Americas	141,900	142,238	338	0.2	-294	-0.2
Percentage of sales (%)	28.0	28.6				
Europe, Middle East and Africa	113,241	108,714	-4,527	-4.0	-3,790	-3.3
Percentage of sales (%)	22.4	21.9				
Other	52,754	44,896	-7,858	-14.9	-7,059	-13.4
Percentage of sales (%)	10.4	9.0				

* 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 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

3. Forecast of Consolidated Performance

(Billions of yen)

	Half year ended September 30, 2018 Results	Change %	Half year ending March 31, 2019 Forecast	Change %	Year ending March 31, 2019 Forecast	Change %
Sales	988.2	-1.1	1,051.8	-1.2	2,040.0	-1.1%
Gross profit	383.8	-1.7	399.2	-0.4	783.0	-1.0%
Operating profit	52.0	136.2	33.0	-	85.0	-
Profit before income tax expenses	50.0	181.8	32.0	-	82.0	-
Profit attributable to owners of the parent	36.0	696.2	18.0	-	54.0	-
Earnings per share attributable to owners of the parent-basic (yen)	49.73	-	24.77	-	74.50	-
Earnings per share attributable to owners of the parent- diluted (yen)	-	-	-	-	-	-
Capital expenditures	35.5		47.5		83.0	
Depreciation	34.1		32.4		66.5	
R&D expenditures	55.3		54.7		110.0	
Exchange rate (Yen/US\$)	110.34		105.00		107.67	
Exchange rate (Yen/EURO)	129.90		130.00		129.95	

4. Forecast of Consolidated Sales by Product Category

(Billions of yen)

	Year ended March 31, 2018 Results	Half year ending March 31, 2019 Forecast	Forecast (Note)	Forecast	Change %	Forecast (Note)	Change %
<Office Printing>	1,144.0	562.9	579.2	1,101.4	-3.7	1,114.8	-2.5
Domestic	351.9	175.7	175.7	345.7	-1.7	345.7	-1.7
Overseas	792.1	387.2	403.5	755.7	-4.6	769.1	-2.9
The Americas	348.6	168.4	177.6	332.8	-4.5	343.1	-1.6
Europe, Middle East and Africa	321.4	160.7	164.6	307.9	-4.2	307.7	-4.3
Other	122.0	58.1	61.3	114.8	-5.9	118.2	-3.1
<Office Service>	447.9	252.1	256.7	483.4	7.9	487.3	8.8
Domestic	243.0	143.1	143.1	272.6	12.2	272.6	12.2
Overseas	204.9	109.0	113.6	210.7	2.9	214.6	4.8
The Americas	104.5	55.3	58.3	110.6	5.8	114.0	9.1
Europe, Middle East and Africa	77.0	44.0	45.1	81.9	6.3	81.9	6.4
Other	23.3	9.7	10.2	18.2	-21.9	18.7	-19.8
<Commercial Printing>	185.9	97.6	101.4	184.1	-1.0	187.5	0.9
Domestic	24.5	13.6	13.6	26.4	7.6	26.4	7.6
Overseas	161.3	84.0	87.8	157.6	-2.3	161.1	-0.1
The Americas	97.3	48.8	51.5	93.2	-4.1	96.2	-1.1
Europe, Middle East and Africa	51.4	28.4	29.1	52.0	1.3	52.1	1.3
Other	12.6	6.8	7.2	12.3	-2.4	12.7	0.9
<Industrial Printing>	19.2	14.2	14.5	23.9	24.9	24.2	26.5
Domestic	2.7	2.0	2.0	3.5	28.8	3.5	28.8
Overseas	16.4	12.2	12.5	20.4	24.3	20.7	26.1
The Americas	5.2	3.9	4.1	6.7	29.8	7.0	34.1
Europe, Middle East and Africa	3.7	4.3	4.4	7.0	86.4	7.1	88.4
Other	7.4	4.0	4.0	6.5	-11.2	6.5	-11.2
<Thermal Media>	61.4	38.0	39.4	71.0	15.6	72.1	17.4
Domestic	13.0	7.3	7.3	13.9	7.4	13.9	7.4
Overseas	48.4	30.7	32.1	57.0	17.8	58.1	20.1
The Americas	18.3	10.1	10.7	19.8	8.3	20.5	11.9
Europe, Middle East and Africa	16.3	9.8	10.0	18.6	14.2	18.6	13.9
Other	13.7	10.8	11.4	18.5	35.0	19.0	38.4
<Other>	204.7	87.0	87.8	175.9	-14.1	176.6	-13.7
Domestic	164.5	70.3	70.3	144.6	-12.1	144.6	-12.1
Overseas	40.1	16.7	17.5	31.2	-22.1	31.9	-20.4
The Americas	3.4	1.9	2.0	3.4	0.3	3.5	3.4
Europe, Middle East and Africa	7.5	4.3	4.3	7.1	-4.8	7.1	-5.6
Other	29.1	10.5	11.2	20.6	-29.2	21.2	-27.1
Grand Total	2,063.3	1,051.8	1,079.0	2,040.0	-1.1	2,062.9	-0.0
Domestic	799.9	412.0	412.0	807.0	0.9	807.0	0.9
Overseas	1,263.4	639.8	667.0	1,233.0	-2.4	1,255.8	-0.6
The Americas	577.5	288.4	304.2	566.9	-1.8	584.5	1.2
Europe, Middle East and Africa	477.5	251.5	257.5	474.9	-0.6	474.6	-0.6
Other	208.3	99.9	105.3	191.3	-8.2	196.6	-5.6

(Note) Excluding foreign exchange impact