

QUARTERLY REPORT

Third Quarter ended December 31, 2021

(Results for the Period from April 1, 2021 to December 31, 2021)

Performance Outline (Consolidated)

(1) Nine months ended December 31, 2020 and 2021 (Actual result) and Year ending March 31, 2022 (Forecast)

	Nine months ended December 31, 2020 Results	Nine months ended December 31, 2021 Results	Change	(Billions of yen)	
				Year ending March 31, 2022 Forecast	Change
Domestic sales	516.7	502.1	(2.8%)	790.0	4.9%
Overseas sales	676.2	774.0	14.5%	1,120.0	20.6%
Sales	1,193.0	1,276.1	7.0%	1,910.0	13.6%
Gross profit	415.7	461.8	11.1%	661.4	15.6%
Operating profit (loss)	(29.7)	25.7	-	50.0	-
Profit (loss) before income tax expenses	(25.6)	30.7	-	54.3	-
Profit (loss) attributable to owners of the parent	(22.4)	23.1	-	35.4	-
Exchange rate (Yen/US\$)	106.09	111.10	5.01	109.58	3.53
Exchange rate (Yen/EURO)	122.36	130.59	8.23	129.19	5.49
Earnings per share attributable to owners of the parent-basic (yen)	(31.02)	34.07	65.09	52.52	97.72
Earnings per share attributable to owners of the parent-diluted (yen)	(31.02)	34.06	65.08	52.52	97.72
Cash flows from operating activities	72.6	38.6	(34.0)	-	-
Cash flows from investing activities	(45.4)	(33.9)	11.4	-	-
Cash flows from financing activities	34.7	(123.5)	(158.2)	-	-
Cash and cash equivalents at end of period *1	325.8	214.4	(111.3)	-	-
Capital expenditures *2	29.9	22.6	(7.2)	43.0	0.8
Depreciation *2	34.2	30.2	(3.9)	44.0	(1.3)
R&D expenditures	66.1	71.0	4.9	90.0	(0.3)
	March 31, 2021	December 31, 2021	Change		
Total assets	1,887.8	1,760.5	(127.3)		
Equity attributable to owners of the parent	920.2	850.2	(70.0)		
Interest-bearing debt *3	222.4	235.5	13.1		
Equity attributable to owners of the parent ratio (%)	48.7	48.3	(0.4)		
Equity per share attributable to owners of the parent (yen)	1,281.29	1,334.75	53.46		

*1 The amounts shown as "Cash and cash equivalents at end of the period" are shown on the condensed consolidated statement of cash flows.

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

*3 The amounts are shown bonds and borrowings.

(2) Three months ended December 31, 2020 and 2021

(Billions of yen)

	Three months ended December 31, 2020 Results	Three months ended December 31, 2021 Results	Change
Domestic sales	181.3	165.9	(8.5%)
Overseas sales	249.7	266.7	6.8%
Sales	431.1	432.7	0.4%
Gross profit	153.3	156.9	2.3%
Operating profit (loss)	0.8	12.6	-
Profit (loss) before income tax expenses	3.8	14.7	278.2%
Profit (loss) attributable to owners of the parent	(0.2)	12.0	-
Exchange rate (Yen/US\$)	104.47	113.70	9.23
Exchange rate (Yen/EURO)	124.49	130.07	5.58
Earnings per share attributable to owners of the parent-basic (yen)	(0.38)	18.43	18.81
Earnings per share attributable to owners of the parent-diluted (yen)	(0.38)	18.43	18.81
Capital expenditures *1	7.4	7.4	(0.0)
Depreciation *1	11.3	9.5	(1.7)
R&D expenditures	21.1	23.1	2.0

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

Ricoh Company, Ltd.

* The result forecasts and forward-looking statements included in this document are based on information available to the Company as at the date of submission of this quarterly report and certain assumptions that the Company considers reasonable. The Company makes no guarantees with respect to the achievement of its result forecasts or forward-looking statements. Actual results might be significantly different from the forecasts in the document, depending on various factors. For the assumptions for forecast and other related information, please refer to “3. Qualitative Information on Forecasted Consolidated Financial Results” on page 6.

Ricoh Company, Ltd. and its Consolidated Subsidiaries

Financial Highlights for the Nine months ended December 31, 2021

[Prepared on the basis of International Financial Reporting Standards]

1. Results for the Period from April 1, 2021 to December 31, 2021

(1) Operating Results

	(Millions of yen)	
	Nine months ended December 31, 2020	Nine months ended December 31, 2021
Sales	1,193,071	1,276,195
(% change from the previous corresponding period)	(20.1)	7.0
Operating profit (loss)	(29,738)	25,709
(% change from the previous corresponding period)	-	-
Profit (loss) before income tax expenses	(25,614)	30,703
(% change from the previous corresponding period)	-	-
Profit (loss) for the period	(22,474)	23,329
(% change from the previous corresponding period)	-	-
Profit (loss) attributable to owners of the parent	(22,471)	23,186
(% change from the previous corresponding period)	-	-
Comprehensive income (loss)	(7,682)	39,021
(% change from the previous corresponding period)	-	-
Earnings per share attributable to owners of the parent-basic (yen)	(31.02)	34.07
Earnings per share attributable to owners of the parent-diluted (yen)	(31.02)	34.06

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

(2) Financial Position

	(Millions of yen)	
	March 31, 2021	December 31, 2021
Total assets	1,887,868	1,760,503
Total equity	923,852	853,894
Equity attributable to owners of the parent	920,246	850,237
Equity attributable to owners of the parent ratio (%)	48.7	48.3

2. Dividend Information

	Year ended March 31, 2021 (Actual)	Year ending March 31, 2022 (Forecast)
Cash dividends, applicable to the year (yen)	15.00	26.00
Interim (yen)	7.50	13.00
Year-end (yen)	7.50	13.00

Notes: Revision of expected dividends during this period: No

3. Forecast of Operating Results from April 1, 2021 to March 31, 2022

	(Millions of yen)
	Year ending March 31, 2022
Sales	1,910,000
(% change from the previous corresponding period)	13.6
Operating profit (loss)	50,000
(% change from the previous corresponding period)	-
Profit (loss) before income tax expenses	54,300
(% change from the previous corresponding period)	-
Profit (loss) for the period	35,500
(% change from the previous corresponding period)	-
Profit (loss) attributable to owners of the parent	35,430
(% change from the previous corresponding period)	-
Earnings per share attributable to owners of the parent-basic (yen)	52.52

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: No
 - (ii) Other changes: No
 - (iii) Changes in accounting estimate: No
- (3) Number of common stock outstanding (including treasury stock):
As of December 31, 2021: 744,912,078 shares; As of March 31, 2021: 744,912,078 shares
- (4) Number of treasury stock:
As of December 31, 2021: 107,911,575 shares; As of March 31, 2021: 26,692,132 shares
- (5) Average number of common stock:
Nine months ended December 31, 2021: 680,598,195 shares; Nine months ended December 31, 2020: 724,434,296 shares

Notes: The Company has established the Board Incentive Plan trust in which beneficiaries include Directors and Executive Officers. The shares owned by the trust account relating to this trust are accounted for as treasury shares. (As of December 31, 2021: 398,600 shares; As of March 31, 2021: 415,800 shares)

Qualitative Information on Consolidated Financial Results for the Quarter under Review

1. Qualitative Information on Consolidated Business Results

* Overview of the Third Quarter of Fiscal 2021 (April 1 – December 31, 2021)

Ricoh aims to become a digital service company that is a work productivity innovator over the two years of the 20th Mid-Term Management Plan, which started in the fiscal 2021.

In addition to recovering from the business impact of office printing and commercial printing caused by COVID-19, we further strengthen our business structure by optimizing our development, production, and service provide systems. Ricoh also takes the lead in achieving our targets for the 20th Mid-Term Management Plan and aims to increase corporate value by achieving growth in digital services centered on office services business and improving capital profitability.

The recovery of the global economy has been slower than expected due to COVID-19 pandemic and its re-expansion by the new variants, although economic activities are resuming in some countries and regions due to the spread of vaccines. In addition, the economic activity has been back and forth, due to shortage of semiconductors and other supplies, stagnation of shipping and other distribution networks, and widespread rise in prices.

In Japan, the economic recovery was sluggish during the nine months of the fiscal year due to factors such as the declaration of emergency and the resurgence of infection, although there were signs of improvement in capital investment by companies. In the U.S., the economy continues to recover in line with the spread of vaccines and financial support measures, however supplies are constrained by shortage of products and logistical problems. The price index has also risen significantly. In Europe, the lockdowns were gradually lifted during the nine months of the fiscal year, and there are positive signs of a recovery in manufacturing production and improvement in consumer confidence, but the resurgence of infection with the variants of COVID-19 and product supply constraints are weighing on the recovery. In other regions, economic recovery is progressing in China, but there were constraints due to resurgence of infection, power shortages and there was uncertainty in some industries such as the property sector. Economic activity has stagnated in some emerging countries due to the resurgence of infection with the variants of COVID-19 and shortage of parts to produce.

During this period, the average exchange rates of Japanese yen against the U.S. dollar and the Euro were ¥111.10 (up ¥5.01 from the previous corresponding period) and ¥130.59 (up ¥8.23 from the previous corresponding period) respectively.

Sales in the last nine months has increased by 7.0% (to ¥1,276.1 billion) compared to the previous corresponding period. Although business activities were restricted by a number of external factors, including a decline in sales as well as suspension of production lines due to the resurgence of COVID-19 worldwide, shortage of container ships, and product supply constraints owing to a shortage of components, sales increased compared to the nine months of the previous fiscal year. In office printing business, sales increased as a result of non-hardware sales growth in all regions despite a delay in recovery of sales of edge devices owing to shortage of product supply. In office services business, sales activities were affected by a shortage of MFPs (multifunctional printers) and IT products, which are the starting point for services, but sales of packaged products were strong, resulting total sales increased compared to the previous corresponding period. In addition, our business activities have recovered, such as commercial printing business and industrial printing business. Sales increased in all business segments, including Digital Services, Digital Products, Graphic Communications, and Industrial Solutions, all of which are new business segments adopted in the current consolidated fiscal year due to the introduction of business unit structure.

In Japan, sales have decreased by 2.8% as compared to the previous corresponding period due to the continued self-restraint of activities caused by the continuation of priority measures in major cities such as emergency declaration and the prevention of epidemics, in addition, due to delays in the recovery of sales because of supply constraints caused by shortage of products and the adoption of equity method accounting for Ricoh Leasing Co., Ltd. (hereinafter, Ricoh Leasing). Sales in the Americas increased by 13.5% (an increase of 8.4% excluding foreign currency exchange fluctuations) as compared to the previous corresponding period. Although supply remained slow due to the shortage of products and container ships, economic activities have resumed because of the spread of vaccines. Sales in Europe, the Middle East, and Africa increased by 16.7% (an increase of 9.4% excluding foreign currency exchange fluctuations) as compared to the previous corresponding period. While economic activities were resumed due to the widespread use of vaccines, the supply of products has not remained in time. However, growth was sustained due to the acquisition of office services business and the deployment of packages. Sales in other regions were increased by 11.0% (an increase of 3.5% excluding foreign currency exchange fluctuations) as compared to the previous corresponding period despite product supply constraints.

As a result, sales in the overseas market increased by 14.5% as compared to the previous corresponding period. Excluding effects of foreign currency fluctuations, sales in overseas would have increased by 8.0% as compared to the previous corresponding period.

Gross profit increased by 11.1% as compared to the previous corresponding period, to ¥461.8 billion. Despite external factors, such as higher procurement and transportation costs, the profit increased from the previous corresponding period by sales recovered and profit margins ratio improved due to the recovery of non-hardware and cost reduction activities.

Selling, general and administrative expenses increased by 0.8% as compared to the previous corresponding period, to ¥450.7 billion. Even though sales activities were recovered in nine months of the fiscal year, we continued to optimize expenses.

Other income drastically increased compared to the previous corresponding period, due to gains on the sale of land at the U.S. subsidiaries during the nine months of the fiscal year.

Operating profit (loss) increased by ¥55.4 billion compared to the previous corresponding period, to ¥25.7 billion. Excluding foreign exchange impact, operating profit increased by ¥48.3 billion.

Finance income decreased from the previous corresponding period, mainly due to the decline of interest income and foreign exchange gain. Share of profit (loss) of investments accounted for using the equity method increased by ¥2.0 billion compared to the previous corresponding period, mainly due to the adoption of equity method accounting for Ricoh Leasing and an improvement of equity method affiliates.

Profit (loss) before income tax expenses increased by ¥56.3 billion as compared to the previous corresponding period, to ¥30.7 billion.

Income tax expenses increased by ¥10.5 billion as compared to the previous corresponding period due to a significant improvement in profit (loss) before income tax expenses.

As a result, profit (loss) attributable to owners of the parent increased by ¥45.6 billion as compared to the previous corresponding period, to ¥23.1 billion.

Comprehensive income (loss) was ¥39.0 billion due to the increase in profit for the period.

* Review by Business Segment

Digital Services

Digital Services sales were ¥1,037.0 billion and increased by 6.8% as compared to the previous corresponding period (an increase of 3.3% excluding foreign currency exchange fluctuations). Sales in office services business increased as sales of packaging in Japan and Europe continued to be solid, whilst sales opportunities were negatively affected by shortage of IT products such as PCs, servers and network devices, sales in the previous corresponding period were positively affected by the large deal of GIGA school program. In addition, profitability improved, and profit margins ratio rose with sales growth. In office printing business, sales recovery of edge devices, such as MFPs (multifunctional printers) and laser printers, were slowed due to a shortage of materials, but sales of non-hardware recovered as a result of a return to offices due to the widespread use of vaccines.

As a result, Digital Services operating profit was ¥8.7 billion and increased by ¥10.2 billion as compared to the previous corresponding period. This was due to the effects of the harvest of structural reforms, including structural reforms of the maintenance service system, and the continued cost-cutting measures.

Digital Products

Digital Products sales were ¥10.3 billion and increased by 11.7% as compared to the previous corresponding period (an increase of 6.1% excluding foreign currency exchange fluctuations). Sales including intersegment sales were ¥273.0 billion and increased by 6.9%. Recovery in production and sales of edge devices slowed due to delays in production from a shortage of parts, COVID-19 in the vicinity of overseas production sites, and delays in transportation from a shortage of container vessels.

As a result, Digital Products operating profit was ¥33.0 billion and increased by ¥25.6 billion as compared to the previous corresponding period, thanks to a recovery in non-hardware sales and the sale of land at the U.S. subsidiaries, although profits were squeezed by rising materials prices.

Graphic Communications

Graphic Communications sales were ¥135.5 billion and increased by 17.7% as compared to the previous corresponding period (an increase of 12.5% excluding foreign currency exchange fluctuations). In commercial printing business, we recovered from the resumption of economic activity in the main markets of Europe and the U.S., with particularly significant improvements in sales of non-hardware. In industrial printing business, the component business posted significant growth, in which we have competitive advantage. We also continued to steadily reduce costs through the digitization of R&D and manufacturing and the streamlining of our services activities.

As a result, Graphic Communications operating profit (loss) was ¥1.8 billion and increased by ¥29.7 billion as compared to the previous corresponding period. ¥10.4 billion of the impairment losses on goodwill, some of property, plant and equipment and intangible assets in commercial printing business during the previous corresponding period was the one of the reasons of the large amount of recovery.

Industrial Solutions

Industrial Solutions sales were ¥78.1 billion and increased by 0.9% as compared to the previous corresponding period (a decrease of 2.4% excluding foreign currency exchange fluctuations). In thermal media business, sales of labels that do not use peeling paper continued to be solid, and demand for tickets and the transportation industry in the Americas expanded. In industrial products business, sales of robotics-related parts for industrial use increased, despite a decline of the activities in automotive-related customers.

As a result, Industrial Solutions operating profit (loss) was ¥1.0 billion (loss). (Operating profit (loss) was ¥2.3 billion (loss) in the previous corresponding period.)

Other

Other segment sales were ¥15.0 billion and decreased by 26.2% as compared to the previous corresponding period (a decrease of 28.5% excluding foreign currency exchange fluctuations). A prime factor was the adoption of equity method accounting for Ricoh Leasing. In camera business, sales of new products were strong.

As a result, Other segment operating profit (loss) was ¥11.1 billion (loss) due in part to upfront investment in new businesses. (Operating profit (loss) was ¥9.4 billion (loss) in the previous corresponding period.) Excluding the impact of the adoption of equity method accounting for Ricoh Leasing, both sales and operating profit (loss) was the same level of the previous corresponding period.

* Ricoh adopted a business unit structure from April 1, 2021. Based on this new business unit structure, Ricoh changed Operating Segment Information from this fiscal year. Prior year comparative figures have also been reclassified to conform to the current year's presentation. Digital services as a business segment is mainly limited to the office services business and the office printing sales business. This segment does not include all digital services, which Ricoh aims to transform into "a digital services company" that connects workplaces and support worker's creativity. "Digital Services" provided as "a digital services company" is included in all the business segments as well as Digital Services business segment.

2. Analysis of Consolidated Financial Position

*Assets, Liabilities and Equity

Total assets decreased by ¥127.3 billion as compared to the end of the previous fiscal year, to ¥1,760.5 billion. "Trade and other receivables" decreased by ¥45.1 billion from the end of the previous fiscal year, mainly due to the collection of receivables recorded at the end of the previous fiscal year, also "Cash and cash equivalents" decreased by ¥110.2 billion, mainly due to share repurchase to increase shareholder returns, though "Inventories" increased by ¥36.2 billion, due to the optimization of lower inventories at the end of the previous fiscal year by large amount of sales as well as stagnation in distribution networks such as sea transportation and work-in-progress inventory increase due to shortage of parts and materials.

Total liabilities decreased by ¥57.4 billion as compared to the end of the previous fiscal year, to ¥906.6 billion. "Trade and other payables" decreased by ¥55.1 billion, mainly due to the payment of payable recorded at the end of the previous fiscal year.

Total equity decreased by ¥69.9 billion as compared to the end of the previous fiscal year, to ¥853.8 billion. "Treasury stock" increased by ¥92.7 billion because of share repurchase to increase shareholder returns.

Equity attributable to owners of the parent therefore decreased by ¥70.0 billion, to ¥850.2 billion. The equity attributable to owners of the parent ratio remained stable, at 48.3%.

*Cash Flows (Nine months from April 1, 2021 to December 31, 2021)

Net cash provided by operating activities decreased by ¥34.0 billion as compared to the previous corresponding period, to ¥38.6 billion. The proceeds decreased, mainly due to increase in inventories and decrease in trade and other payable during the nine months of this fiscal year, despite of significant improvement in profit for the period.

Net cash used in investing activities decreased by ¥11.4 billion as compared to the previous corresponding period, to ¥33.9 billion. During the previous corresponding period, there was an increase in expenditure for the property, plant and equipment due to Ricoh Leasing being a consolidated subsidiary and a temporary cash income due to partial transfer of shares of Ricoh Leasing. During the nine months of this fiscal year, cash income increased due to the sale of land at subsidiaries in the U.S. As a result, cash expenditures were decreased as compared to the previous corresponding period.

Free cash flow (net cash provided by operating activities plus net cash used in investing activities) became to ¥4.6 billion, decreased by ¥22.6 billion compared to the previous corresponding period.

Net cash provided by (used in) financing activities decreased by ¥158.2 billion as compared to the previous corresponding period, to ¥123.5 billion in expenditure. During the previous corresponding period, Ricoh raised fund in preparation for the risk of business environment deterioration because of COVID-19. On the other hand, during the nine months of this fiscal year, the Company acquired treasury stock.

As a result, the balance of cash and cash equivalents at the end of the period decreased by ¥115.8 billion as compared to the end of previous fiscal year, to ¥214.4 billion.

3. Qualitative Information on Forecasted Consolidated Financial Results

Since the business results and the business environment including foreign currency fluctuations in the nine months of the fiscal year were within expectation, there was no change on the forecast of sales, gross profit, operating profit, profit before income tax expenses and profit attributable to owners of the parent from those previously announced in May 2021.

Ricoh maintains the assumed exchange rates set forth in May 2021 of ¥105 against the U.S. dollar and of ¥125 against the euro in the fourth quarter while the actual exchange rates during this period have been incorporated into exchange rate assumptions for the full year.

Exchange Rate Assumptions for the full year ending March 31, 2022

US\$ 1 = ¥109.58 (¥106.05 in previous fiscal year)

EURO 1 = ¥129.19 (¥123.70 in previous fiscal year)

	(Billions of yen)		
	Year ended March 31, 2021	Year ending March 31, 2022 (Forecast)	Change
Domestic sales	753.0	790.0	4.9%
Overseas sales	929.0	1,120.0	20.6%
Sales	1,682.0	1,910.0	13.6%
Gross profit	572.3	661.4	15.6%
Operating profit (loss)	(45.4)	50.0	-
Profit (loss) before income tax expenses	(41.0)	54.3	-
Profit (loss) attributable to owners of the parent	(32.7)	35.4	-

* 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, 2021	December 31, 2021	Change
Current Assets			
Cash and cash equivalents	334,810	224,590	(110,220)
Time deposits	238	202	(36)
Trade and other receivables	392,132	346,975	(45,157)
Other financial assets	92,823	89,787	(3,036)
Inventories	192,016	228,225	36,209
Other current assets	46,725	52,155	5,430
Total Current Assets	1,058,744	941,934	(116,810)
Non-current assets			
Property, plant and equipment	191,963	182,142	(9,821)
Right-of-use assets	63,653	55,632	(8,021)
Goodwill and intangible assets	225,510	240,111	14,601
Other financial assets	136,093	123,317	(12,776)
Investments accounted for using the equity method	79,504	83,574	4,070
Other investments	18,504	16,814	(1,690)
Other non-current assets	29,773	29,492	(281)
Deferred tax assets	84,124	87,487	3,363
Total Non-current Assets	829,124	818,569	(10,555)
Total Assets	1,887,868	1,760,503	(127,365)

Liabilities and Equity

	(Millions of yen)		
	March 31, 2021	December 31, 2021	Change
Current Liabilities			
Bonds and borrowings	82,731	115,511	32,780
Trade and other payables	287,160	231,966	(55,194)
Lease liabilities	25,475	22,349	(3,126)
Other financial liabilities	1,669	710	(959)
Income tax payables	7,213	5,880	(1,333)
Provisions	12,946	10,776	(2,170)
Other current liabilities	240,322	247,086	6,764
Total Current Liabilities	657,516	634,278	(23,238)
Non-current Liabilities			
Bonds and borrowings	139,676	120,003	(19,673)
Lease liabilities	46,737	42,610	(4,127)
Accrued pension and retirement benefits	70,463	61,314	(9,149)
Provisions	11,413	9,446	(1,967)
Other non-current liabilities	34,469	35,565	1,096
Deferred tax liabilities	3,742	3,393	(349)
Total Non-current Liabilities	306,500	272,331	(34,169)
Total Liabilities	964,016	906,609	(57,407)
Equity			
Common stock	135,364	135,364	-
Additional paid-in capital	186,231	186,117	(114)
Treasury stock	(45,024)	(137,724)	(92,700)
Other components of equity	82,097	94,853	12,756
Retained earnings	561,578	571,627	10,049
Equity attributable to owners of the parent	920,246	850,237	(70,009)
Non-controlling interests	3,606	3,657	51
Total Equity	923,852	853,894	(69,958)
Total Liabilities and Equity	1,887,868	1,760,503	(127,365)

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

Condensed Consolidated Statement of Profit or Loss

Nine months ended December 31, 2020 and 2021

	(Millions of yen)			
	Nine months ended December 31, 2020	Nine months ended December 31, 2021	Change	%
Sales	1,193,071	1,276,195	83,124	7.0
Cost of sales	777,354	814,336	36,982	4.8
Percentage of sales (%)	65.2	63.8		
Gross profit	415,717	461,859	46,142	11.1
Percentage of sales (%)	34.8	36.2		
Selling, general and administrative expenses	447,038	450,722	3,684	0.8
Percentage of sales (%)	37.5	35.3		
Other Income	4,224	14,572	10,348	245.0
Percentage of sales (%)	0.4	1.1		
Impairment of goodwill	2,641	-	(2,641)	(100.0)
Percentage of sales (%)	0.2	-		
Operating profit (loss)	(29,738)	25,709	55,447	-
Percentage of sales (%)	(2.5)	2.0		
Finance income	3,754	2,318	(1,436)	(38.3)
Percentage of sales (%)	0.3	0.2		
Finance costs	3,064	2,798	(266)	(8.7)
Percentage of sales (%)	0.3	0.2		
Share of profit (loss) of investments accounted for using the equity method	3,434	5,474	2,040	59.4
Percentage of sales (%)	0.3	0.4		
Profit (loss) before income tax expenses	(25,614)	30,703	56,317	-
Percentage of sales (%)	(2.1)	2.4		
Income tax expenses	(3,140)	7,374	10,514	-
Percentage of sales (%)	(0.3)	0.6		
Profit (loss) for the period	(22,474)	23,329	45,803	-
Percentage of sales (%)	(1.9)	1.8		
Profit (loss) attributable to:				
Owners of the parent	(22,471)	23,186	45,657	-
Percentage of sales (%)	(1.9)	1.8		
Non-controlling interests	(3)	143	146	-
Percentage of sales (%)	(0.0)	0.0		

	Nine months ended December 31, 2020	Nine months ended December 31, 2021	Change
Earnings per share attributable to owners of the parent-basic (yen)	(31.02)	34.07	65.09
Earnings per share attributable to owners of the parent-diluted (yen)	(31.02)	34.06	65.08

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

Three months ended December 31, 2020 and 2021

(Millions of yen)

	Three months ended December 31, 2020	Three months ended December 31, 2021	Change	%
Sales	431,123	432,732	1,609	0.4
Cost of sales	277,823	275,831	(1,992)	(0.7)
Percentage of sales (%)	64.4	63.7		
Gross profit	153,300	156,901	3,601	2.3
Percentage of sales (%)	35.6	36.3		
Selling, general and administrative expenses	151,826	153,698	1,872	1.2
Percentage of sales (%)	35.2	35.5		
Other Income	2,047	9,406	7,359	359.5
Percentage of sales (%)	0.5	2.2		
Impairment of goodwill	2,641	-	(2,641)	(100.0)
Percentage of sales (%)	0.6	-		
Operating profit (loss)	880	12,609	11,729	-
Percentage of sales (%)	0.2	2.9		
Finance income	2,308	1,335	(973)	(42.2)
Percentage of sales (%)	0.5	0.3		
Finance costs	874	960	86	9.8
Percentage of sales (%)	0.2	0.2		
Share of profit (loss) of investments accounted for using the equity method	1,580	1,745	165	10.4
Percentage of sales (%)	0.4	0.4		
Profit (loss) before income tax expenses	3,894	14,729	10,835	278.2
Percentage of sales (%)	0.9	3.4		
Income tax expenses	4,187	2,662	(1,525)	(36.4)
Percentage of sales (%)	1.0	0.6		
Profit (loss) for the period	(293)	12,067	12,360	-
Percentage of sales (%)	(0.1)	2.8		
Profit (loss) attributable to:				
Owners of the parent	(276)	12,029	12,305	-
Percentage of sales (%)	(0.1)	2.8		
Non-controlling interests	(17)	38	55	-
Percentage of sales (%)	(0.0)	0.0		

	Three months ended December 31, 2020	Three months ended December 31, 2021	Change
Earnings per share attributable to owners of the parent-basic (yen)	(0.38)	18.43	18.81
Earnings per share attributable to owners of the parent-diluted (yen)	(0.38)	18.43	18.81

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

Condensed Consolidated Statement of Comprehensive Income

Nine months ended December 31, 2020 and 2021

	(Millions of yen)		
	Nine months ended December 31, 2020	Nine months ended December 31, 2021	Change
Profit (loss) for the period	(22,474)	23,329	45,803
Other comprehensive income (loss):			
Components that will not be reclassified subsequently to profit or loss:			
Remeasurement of defined benefit plan	-	2,612	2,612
Net changes in fair value of financial assets measured through other comprehensive income	1,589	(102)	(1,691)
Share of other comprehensive income of investments accounted for using equity method	67	2,324	2,257
Total components that will not be reclassified subsequently to profit or loss	1,656	4,834	3,178
Components that will be reclassified subsequently to profit or loss:			
Net changes in fair value of cash flow hedges	(421)	409	830
Exchange differences on translation of foreign operations	13,547	10,431	(3,116)
Share of other comprehensive income of investments accounted for using equity method	10	18	8
Total components that will be reclassified subsequently to profit or loss	13,136	10,858	(2,278)
Total other comprehensive income (loss)	14,792	15,692	900
Comprehensive income (loss)	(7,682)	39,021	46,703
Comprehensive income (loss) attributable to:			
Owners of the parent	(7,750)	38,940	46,690
Non-controlling interests	68	81	13

Three months ended December 31, 2020 and 2021

	(Millions of yen)		
	Three months ended December 31, 2020	Three months ended December 31, 2021	Change
Profit (loss) for the period	(293)	12,067	12,360
Other comprehensive income (loss):			
Components that will not be reclassified subsequently to profit or loss:			
Remeasurement of defined benefit plan	-	31	31
Net changes in fair value of financial assets measured through other comprehensive income	884	(13)	(897)
Share of other comprehensive income of investments accounted for using equity method	61	2,174	2,113
Total components that will not be reclassified subsequently to profit or loss	945	2,192	1,247
Components that will be reclassified subsequently to profit or loss:			
Net changes in fair value of cash flow hedges	(179)	4	183
Exchange differences on translation of foreign operations	6,844	8,531	1,687
Share of other comprehensive income of investments accounted for using equity method	32	33	1
Total components that will be reclassified subsequently to profit or loss	6,697	8,568	1,871
Total other comprehensive income (loss)	7,642	10,760	3,118
Comprehensive income (loss)	7,349	22,827	15,478
Comprehensive income (loss) attributable to:			
Owners of the parent	7,353	22,854	15,501
Non-controlling interests	(4)	(27)	(23)

Consolidated Sales by Product Category

Nine months ended December 31, 2020 and 2021

	(Millions of yen)			
	Nine months ended December 31, 2020	Nine months ended December 31, 2021	Change	%
<Digital Services>	970,723	1,037,069	66,346	6.8
Percentage of sales (%)	<i>81.4</i>	<i>81.3</i>		
<Digital Products>	9,272	10,353	1,081	11.7
Percentage of sales (%)	<i>0.8</i>	<i>0.8</i>		
<Graphic Communications>	115,184	135,548	20,364	17.7
Percentage of sales (%)	<i>9.7</i>	<i>10.6</i>		
<Industrial Solutions>	77,486	78,164	678	0.9
Percentage of sales (%)	<i>6.5</i>	<i>6.1</i>		
<Other>	20,406	15,061	(5,345)	(26.2)
Percentage of sales (%)	<i>1.7</i>	<i>1.2</i>		
Grand Total	1,193,071	1,276,195	83,124	7.0
Percentage of sales (%)	<i>100.0</i>	<i>100.0</i>		

Three months ended December 31, 2020 and 2021

	(Millions of yen)			
	Three months ended December 31, 2020	Three months ended December 31, 2021	Change	%
<Digital Services>	351,369	348,599	(2,770)	(0.8)
Percentage of sales (%)	<i>81.5</i>	<i>80.6</i>		
<Digital Products>	3,966	3,270	(696)	(17.5)
Percentage of sales (%)	<i>0.9</i>	<i>0.8</i>		
<Graphic Communications>	41,972	48,518	6,546	15.6
Percentage of sales (%)	<i>9.7</i>	<i>11.2</i>		
<Industrial Solutions>	28,302	27,441	(861)	(3.0)
Percentage of sales (%)	<i>6.6</i>	<i>6.3</i>		
<Other>	5,514	4,904	(610)	(11.1)
Percentage of sales (%)	<i>1.3</i>	<i>1.1</i>		
Grand Total	431,123	432,732	1,609	0.4
Percentage of sales (%)	<i>100.0</i>	<i>100.0</i>		

* Ricoh adopted a business unit structure from April 1, 2021. Based on this new business unit structure, Ricoh changed Operating Segment Information from this fiscal year. Prior year comparative figures have also been reclassified to conform to the current year's presentation. Digital services as a business segment is mainly limited to the office services business and the office printing sales business. This segment does not include all digital services, which Ricoh aims to transform into "a digital services company" that connects workplaces and support worker's creativity. "Digital Services" provided as "a digital services company" is included in all the business segments as well as Digital Services business segment.

For the product line of each category, please refer to "(7) Segment Information" on page 17.

Consolidated Sales by Geographic Area

Nine months ended December 31, 2020 and 2021

	(Millions of yen)			
	Nine months ended December 31, 2020	Nine months ended December 31, 2021	Change	%
<Domestic>	516,789	502,110	(14,679)	(2.8)
Percentage of sales (%)	43.3	39.3		
<Overseas>	676,282	774,085	97,803	14.5
Percentage of sales (%)	56.7	60.7		
The Americas	284,675	323,231	38,556	13.5
Percentage of sales (%)	23.9	25.3		
Europe, Middle East and Africa	281,792	328,977	47,185	16.7
Percentage of sales (%)	23.6	25.8		
Other	109,815	121,877	12,062	11.0
Percentage of sales (%)	9.2	9.6		
Grand Total	1,193,071	1,276,195	83,124	7.0
Percentage of sales (%)	100.0	100.0		

Three months ended December 31, 2020 and 2021

	(Millions of yen)			
	Three months ended December 31, 2020	Three months ended December 31, 2021	Change	%
<Domestic>	181,372	165,954	(15,418)	(8.5)
Percentage of sales (%)	42.1	38.4		
<Overseas>	249,751	266,778	17,027	6.8
Percentage of sales (%)	57.9	61.6		
The Americas	97,978	108,559	10,581	10.8
Percentage of sales (%)	22.7	25.1		
Europe, Middle East and Africa	112,311	116,655	4,344	3.9
Percentage of sales (%)	26.1	27.0		
Other	39,462	41,564	2,102	5.3
Percentage of sales (%)	9.2	9.6		
Grand Total	431,123	432,732	1,609	0.4
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 changes in fair value of cash flow hedges
Balance as of April 1, 2020	135,364	186,173	(37,795)	-	5,191	409
Profit (loss) for the period						
Other comprehensive income (loss)					1,549	(489)
Comprehensive income (loss)	-	-	-	-	1,549	(489)
Purchase of treasury stock			(3)			
Dividends declared and approved to owners						
Share-based payment transactions		44	5			
Share-based payment transactions of subsidiaries						
Loss of control of subsidiaries						
Transfer from other components of equity to retained earnings					(212)	
Other			61			
Total transactions with owners	-	44	63	-	(212)	-
Balance as of December 31, 2020	135,364	186,217	(37,732)	-	6,528	(80)

	Other components of equity		Other comprehensive income related to disposal groups held for sale	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, 2020	36,168	41,768	130	594,731	920,371	88,156	1,008,527
Profit (loss) for the period				(22,471)	(22,471)	(3)	(22,474)
Other comprehensive income (loss)	13,509	14,569	152		14,721	71	14,792
Comprehensive income (loss)	13,509	14,569	152	(22,471)	(7,750)	68	(7,682)
Purchase of treasury stock					(3)		(3)
Dividends declared and approved to owners				(14,851)	(14,851)	(34)	(14,885)
Share-based payment transactions					49		49
Share-based payment transactions of subsidiaries					-	4	4
Loss of control of subsidiaries					-	(84,676)	(84,676)
Transfer from other components of equity to retained earnings		(212)	(282)	494	-		-
Other					61		61
Total transactions with owners	-	(212)	(282)	(14,357)	(14,744)	(84,706)	(99,450)
Balance as of December 31, 2020	49,677	56,125	-	557,903	897,877	3,518	901,395

(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 changes in fair value of cash flow hedges
Balance as of April 1, 2021	135,364	186,231	(45,024)	-	7,807	(430)
Profit (loss) for the period						
Other comprehensive income (loss)				2,612	2,222	419
Comprehensive income (loss)	-	-	-	2,612	2,222	419
Purchase of treasury stock		(139)	(92,716)			
Dividends declared and approved to owners						
Share-based payment transactions		25	16			
Transfer from other components of equity to retained earnings				(2,612)	(386)	
Other						
Total transactions with owners	-	(114)	(92,700)	(2,612)	(386)	-
Balance as of December 31, 2021	135,364	186,117	(137,724)	-	9,643	(11)

	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, 2021	74,720	82,097	561,578	920,246	3,606	923,852
Profit (loss) for the period			23,186	23,186	143	23,329
Other comprehensive income (loss)	10,501	15,754		15,754	(62)	15,692
Comprehensive income (loss)	10,501	15,754	23,186	38,940	81	39,021
Purchase of treasury stock				(92,855)		(92,855)
Dividends declared and approved to owners			(14,058)	(14,058)	(30)	(14,088)
Share-based payment transactions				41		41
Transfer from other components of equity to retained earnings		(2,998)	2,998	-		-
Other			(2,077)	(2,077)		(2,077)
Total transactions with owners	-	(2,998)	(13,137)	(108,949)	(30)	(108,979)
Balance as of December 31, 2021	85,221	94,853	571,627	850,237	3,657	853,894

(4) Condensed Consolidated Statement of Cash Flows

	(Millions of yen)	
	Nine months ended December 31, 2020	Nine months ended December 31, 2021
I. Cash Flows from Operating Activities:		
Profit (loss) for the period	(22,474)	23,329
Adjustments to reconcile profit for the period to net cash provided by operating activities:		
Depreciation and amortization	79,670	67,997
Impairment of property, plant and equipment and intangible assets	7,745	-
Impairment of goodwill	2,641	-
Other income	(1,221)	(11,954)
Share of (profit) loss of investments accounted for using the equity method	(3,434)	(5,474)
Finance income and costs	(690)	480
Income tax expenses	(3,140)	7,374
(Increase) decrease in trade and other receivables	67,500	50,855
(Increase) decrease in inventories	(1,750)	(32,230)
(Increase) decrease in lease receivables	13,061	18,965
Increase (decrease) in trade and other payables	(33,268)	(57,771)
Increase (decrease) in accrued pension and retirement benefits	(5,559)	(7,596)
Other, net	(13,092)	(913)
Interest and dividends received	3,393	2,362
Interest paid	(1,861)	(1,740)
Income taxes paid	(14,832)	(15,081)
Net cash provided by (used in) operating activities	72,689	38,603
II. Cash Flows from Investing Activities:		
Proceeds from sales of property, plant and equipment	2,427	13,352
Expenditures for property, plant and equipment	(29,941)	(22,685)
Proceeds from sales of intangible assets	60	-
Expenditures for intangible assets	(16,796)	(24,527)
Payments for purchases of investment securities	(594)	(440)
Proceeds from sales of investment securities	336	4,103
Net (increase) decrease in time deposits	(89)	40
Purchase of business, net of cash acquired	(8,431)	(3,837)
Net increase (decrease) due to loss of control of subsidiaries	7,846	-
Other, net	(280)	-
Net cash provided by (used in) investing activities	(45,462)	(33,994)
III. Cash Flows from Financing Activities:		
Net increase (decrease) of short-term debt	2,871	6,431
Proceeds from long-term debt	97,037	16,143
Repayments of long-term debt	(11,554)	(15,712)
Repayments of bonds	(12,413)	-
Repayments of lease liabilities	(26,293)	(23,382)
Dividends paid	(14,851)	(14,058)
Payments for purchase of treasury stock	(3)	(92,716)
Other, net	(34)	(230)
Net cash provided by (used in) financing activities	34,760	(123,524)
IV. Effect of Exchange Rate Changes on Cash and Cash Equivalents	212	3,070
V. Net Increase (decrease) in Cash and Cash Equivalents	62,199	(115,845)
VI. Cash and Cash Equivalents at Beginning of Year	263,688	330,344
VII. Cash and Cash Equivalents at End of Period	325,887	214,499

Notes: The difference in the amount of "Cash and cash equivalents" between condensed consolidated statement of financial position and condensed consolidated statement of cash flows represents bank overdrafts.

(5) Notes on premise going concern

Not applicable

(6) Changes in accounting policies

Significant accounting policies which apply in the Condensed Consolidated Financial Statements are the same as those in the previous fiscal year.

(7) Segment Information

Operating Segment Information

Nine months ended December 31, 2020 and 2021

(Millions of yen)

	Nine months ended December 31, 2020	Nine months ended December 31, 2021	Change	%
Digital Services:				
Sales:				
Unaffiliated customers	970,723	1,037,069	66,346	6.8
Intersegment	-	-	-	-
Total	970,723	1,037,069	66,346	6.8
Operating expenses	972,177	1,028,287	56,110	5.8
Operating profit (loss)	(1,454)	8,782	10,236	-
Operating profit (loss) on sales in Digital Services (%)	(0.1)	0.8		
Digital Products:				
Sales:				
Unaffiliated customers	9,272	10,353	1,081	11.7
Intersegment	246,067	262,697	16,630	6.8
Total	255,339	273,050	17,711	6.9
Operating expenses	247,902	240,000	(7,902)	(3.2)
Operating profit (loss)	7,437	33,050	25,613	344.4
Operating profit (loss) on sales in Digital Products (%)	2.9	12.1		
Graphic Communications:				
Sales:				
Unaffiliated customers	115,184	135,548	20,364	17.7
Intersegment	-	-	-	-
Total	115,184	135,548	20,364	17.7
Operating expenses	143,009	133,658	(9,351)	(6.5)
Operating profit (loss)	(27,825)	1,890	29,715	-
Operating profit (loss) on sales in Graphic Communications (%)	(24.2)	1.4		
Industrial Solutions:				
Sales:				
Unaffiliated customers	77,486	78,164	678	0.9
Intersegment	4,533	5,331	798	17.6
Total	82,019	83,495	1,476	1.8
Operating expenses	84,349	84,497	148	0.2
Operating profit (loss)	(2,330)	(1,002)	1,328	-
Operating profit (loss) on sales in Industrial Solutions (%)	(2.8)	(1.2)		
Other:				
Sales:				
Unaffiliated customers	20,406	15,061	(5,345)	(26.2)
Intersegment	10,107	9,843	(264)	(2.6)
Total	30,513	24,904	(5,609)	(18.4)
Operating expenses	39,927	36,021	(3,906)	(9.8)
Operating profit (loss)	(9,414)	(11,117)	(1,703)	-
Operating profit (loss) on sales in Other (%)	(30.9)	(44.6)		
Eliminations and Corporate:				
Sales:				
Intersegment	(260,707)	(277,871)	(17,164)	-
Total	(260,707)	(277,871)	(17,164)	-
Operating expenses:				
Intersegment	(260,707)	(277,871)	(17,164)	-
Corporate	(3,848)	5,894	9,742	-
Total	(264,555)	(271,977)	(7,422)	-
Operating profit (loss)	3,848	(5,894)	(9,742)	-
Consolidated:				
Sales:				
Unaffiliated customers	1,193,071	1,276,195	83,124	7.0
Intersegment	-	-	-	-
Total	1,193,071	1,276,195	83,124	7.0
Operating expenses	1,222,809	1,250,486	27,677	2.3
Operating profit (loss)	(29,738)	25,709	55,447	-
Operating profit (loss) on consolidated sales (%)	(2.5)	2.0		

Three months ended December 31, 2020 and 2021

	(Millions of yen)			
	Three months ended December 31, 2020	Three months ended December 31, 2021	Change	%
Digital Services:				
Sales:				
Unaffiliated customers	351,369	348,599	(2,770)	(0.8)
Intersegment	-	-	-	-
Total	351,369	348,599	(2,770)	(0.8)
Operating expenses	342,899	344,655	1,756	0.5
Operating profit (loss)	8,470	3,944	(4,526)	(53.4)
Operating profit (loss) on sales in Digital Services (%)	2.4	1.1		
Digital Products:				
Sales:				
Unaffiliated customers	3,966	3,270	(696)	(17.5)
Intersegment	90,128	91,082	954	1.1
Total	94,094	94,352	258	0.3
Operating expenses	86,841	78,419	(8,422)	(9.7)
Operating profit (loss)	7,253	15,933	8,680	119.7
Operating profit (loss) on sales in Digital Products (%)	7.7	16.9		
Graphic Communications:				
Sales:				
Unaffiliated customers	41,972	48,518	6,546	15.6
Intersegment	-	-	-	-
Total	41,972	48,518	6,546	15.6
Operating expenses	55,489	46,959	(8,530)	(15.4)
Operating profit (loss)	(13,517)	1,559	15,076	-
Operating profit (loss) on sales in Graphic Communications (%)	(32.2)	3.2		
Industrial Solutions:				
Sales:				
Unaffiliated customers	28,302	27,441	(861)	(3.0)
Intersegment	1,644	1,839	195	11.9
Total	29,946	29,280	(666)	(2.2)
Operating expenses	29,879	29,519	(360)	(1.2)
Operating profit (loss)	67	(239)	(306)	-
Operating profit (loss) on sales in Industrial Solutions (%)	0.2	(0.8)		
Other:				
Sales:				
Unaffiliated customers	5,514	4,904	(610)	(11.1)
Intersegment	3,215	3,299	84	2.6
Total	8,729	8,203	(526)	(6.0)
Operating expenses	11,414	11,903	489	4.3
Operating profit (loss)	(2,685)	(3,700)	(1,015)	-
Operating profit (loss) on sales in Other (%)	(30.8)	(45.1)		
Eliminations and Corporate:				
Sales:				
Intersegment	(94,987)	(96,220)	(1,233)	
Total	(94,987)	(96,220)	(1,233)	-
Operating expenses:				
Intersegment	(94,987)	(96,220)	(1,233)	
Corporate	(1,292)	4,888	6,180	
Total	(96,279)	(91,332)	4,947	-
Operating profit (loss)	1,292	(4,888)	(6,180)	-
Consolidated:				
Sales:				
Unaffiliated customers	431,123	432,732	1,609	0.4
Intersegment	-	-	-	-
Total	431,123	432,732	1,609	0.4
Operating expenses	430,243	420,123	(10,120)	(2.4)
Operating profit (loss)	880	12,609	11,729	-
Operating profit (loss) on consolidated sales (%)	0.2	2.9		

* Ricoh adopted a business unit structure from April 1, 2021. Based on this new business unit structure, Ricoh changed Operating Segment Information from this fiscal year. Prior year comparative figures have also been reclassified to conform to the current year's presentation.

Intersegment sales are primarily for Digital Services. Each category includes the following product line:

Digital Services	Sale of MFPs (multifunctional printers), laser printers, digital duplicators, wide format printers, facsimile machine, scanners, personal computers, servers, network equipment,
Digital Products	related parts & supplies, services, support, software and service & solutions related to documents Production and OEM of MFPs (multifunctional printers), laser printers, digital duplicators, wide format printers, facsimile machine, scanners, network equipment, and related parts & supplies
Graphic Communications	Production and sales of cut sheet printers, continuous feed printers, inkjet heads, imaging systems, industrial printers, related parts & supplies, services, support and software
Industrial Solutions	Production and sales of thermal paper and thermal media, industrial optical component/module, electronic components and precision mechanical component
Other	Digital cameras, 360°cameras, environment, healthcare

* Digital services as a business segment is mainly limited to the office services business and the office printing sales business. This segment does not include all digital services, which Ricoh aims to transform into "a digital services company" that connects workplaces and support

worker's creativity. "Digital Services" provided as "a digital services company" is included in all the business segments as well as Digital Services business segment.

(8) Subsequent events

(Retirement of treasury shares)

At the meeting of the Board of Directors of the Company held on March 3, 2021, the Company resolved a retirement of treasury shares pursuant to Article 178 of the Companies Act of Japan. However, at the meeting of the Board of Directors of the Company held on February 4, 2022, the Company partially revised the resolution.

Revisions to treasury share retirement plan

	Before changes	After changes (underlined)
(1) Share class	Common shares of Ricoh	Common shares of Ricoh
(2) Number of shares to be retired	20,000,000 shares and all shares repurchased under March 3, 2021, resolution of Board of Directors	<u>107,443,900</u>
(3) Scheduled retirement date	April 30, 2022	<u>February 28, 2022</u>

(Reference)

Number of issued and outstanding shares after retirement : 637,468,178

Number of treasury shares after retirement : 69,075

Note: The number of treasury shares above excludes Ricoh shares in board, executive officer, and other benefit trusts. The number of shares to be retired is deducted from the number of treasury shares as of December 31, 2021.

-APPENDIX- (Nine months ended December 31, 2021)

1. Consolidated Sales by Product Category

Nine months ended December 31, 2020 and 2021

	(Millions of yen)					
	Nine months ended December 31, 2020	Nine months ended December 31, 2021	Change	%	Change excluding exchange impact	%
<Digital Services>	970,723	1,037,069	66,346	6.8	32,282	3.3
Percentage of sales (%)	81.4	81.3				
Domestic	443,009	439,134	(3,875)	(0.9)	(3,875)	(0.9)
Overseas	527,714	597,935	70,221	13.3	36,157	6.9
The Americas	215,592	241,092	25,500	11.8	14,617	6.8
Europe, Middle East and Africa	240,401	278,125	37,724	15.7	20,195	8.4
Other	71,721	78,718	6,997	9.8	1,345	1.9
<Digital Products>	9,272	10,353	1,081	11.7	561	6.1
Percentage of sales (%)	0.8	0.8				
Domestic	4,761	5,129	368	7.7	368	7.7
Overseas	4,511	5,224	713	15.8	193	4.3
The Americas	359	528	169	47.1	145	40.4
Europe, Middle East and Africa	-	-	-	-	-	-
Other	4,152	4,696	544	13.1	48	1.2
<Graphic Communications>	115,184	135,548	20,364	17.7	14,449	12.5
Percentage of sales (%)	9.7	10.6				
Domestic	19,311	19,301	(10)	(0.1)	(10)	(0.1)
Overseas	95,873	116,247	20,374	21.3	14,459	15.1
The Americas	53,068	62,557	9,489	17.9	6,617	12.5
Europe, Middle East and Africa	28,241	35,297	7,056	25.0	4,879	17.3
Other	14,564	18,393	3,829	26.3	2,963	20.3
<Industrial Solutions>	77,486	78,164	678	0.9	(1,848)	(2.4)
Percentage of sales (%)	6.5	6.1				
Domestic	37,982	31,473	(6,509)	(17.1)	(6,509)	(17.1)
Overseas	39,504	46,691	7,187	18.2	4,661	11.8
The Americas	13,303	15,888	2,585	19.4	1,871	14.1
Europe, Middle East and Africa	10,855	12,839	1,984	18.3	1,184	10.9
Other	15,346	17,964	2,618	17.1	1,606	10.5
<Other>	20,406	15,061	(5,345)	(26.2)	(5,823)	(28.5)
Percentage of sales (%)	1.7	1.2				
Domestic	11,726	7,073	(4,653)	(39.7)	(4,653)	(39.7)
Overseas	8,680	7,988	(692)	(8.0)	(1,170)	(13.5)
The Americas	2,353	3,166	813	34.6	650	27.6
Europe, Middle East and Africa	2,295	2,716	421	18.3	249	10.8
Other	4,032	2,106	(1,926)	(47.8)	(2,069)	(51.3)
Total	1,193,071	1,276,195	83,124	7.0	39,621	3.3
Percentage of sales (%)	100.0	100.0				
Domestic	516,789	502,110	(14,679)	(2.8)	(14,679)	(2.8)
Percentage of sales (%)	43.3	39.3				
Overseas	676,282	774,085	97,803	14.5	54,300	8.0
Percentage of sales (%)	56.7	60.7				
The Americas	284,675	323,231	38,556	13.5	23,900	8.4
Percentage of sales (%)	23.9	25.3				
Europe, Middle East and Africa	281,792	328,977	47,185	16.7	26,507	9.4
Percentage of sales (%)	23.6	25.8				
Other	109,815	121,877	12,062	11.0	3,893	3.5
Percentage of sales (%)	9.2	9.6				

* Each category includes the following product line:

Digital Services	Sale of MFPs (multifunctional printers), laser printers, digital duplicators, wide format printers, facsimile machine, scanners, personal computers, servers, network equipment, related parts & supplies, services, support, software and service & solutions related to documents
Digital Products	Production and OEM of MFPs (multifunctional printers), laser printers, digital duplicators, wide format printers, facsimile machine, scanners, network equipment, and related parts & supplies
Graphic Communications	Production and sales of cut sheet printers, continuous feed printers, inkjet heads, imaging systems, industrial printers, related parts & supplies, services, support and software
Industrial Solutions	Production and sales of thermal paper and thermal media, industrial optical component/module, electronic components and precision mechanical component
Other	Digital cameras, 360° cameras, environment, healthcare

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2. Consolidated Sales by Product Category

Three months ended December 31, 2020 and 2021

	(Millions of yen)					
	Three months ended December 31, 2020	Three months ended December 31, 2021	Change	%	Change excluding exchange impact	%
<Digital Services>	351,369	348,599	(2,770)	(0.8)	(15,626)	(4.4)
Percentage of sales (%)	81.5	80.6				
Domestic	155,571	144,822	(10,749)	(6.9)	(10,749)	(6.9)
Overseas	195,798	203,777	7,979	4.1	(4,877)	(2.5)
The Americas	73,773	79,387	5,614	7.6	(1,002)	(1.4)
Europe, Middle East and Africa	96,625	98,068	1,443	1.5	(2,929)	(3.0)
Other	25,400	26,322	922	3.6	(946)	(3.7)
<Digital Products>	3,966	3,270	(696)	(17.5)	(913)	(23.0)
Percentage of sales (%)	0.9	0.8				
Domestic	2,280	1,708	(572)	(25.1)	(572)	(25.1)
Overseas	1,686	1,562	(124)	(7.4)	(341)	(20.2)
The Americas	111	229	118	106.3	101	91.0
Europe, Middle East and Africa	-	-	-	-	-	-
Other	1,575	1,333	(242)	(15.4)	(442)	(28.1)
<Graphic Communications>	41,972	48,518	6,546	15.6	3,861	9.2
Percentage of sales (%)	9.7	11.2				
Domestic	6,619	6,631	12	0.2	12	0.2
Overseas	35,353	41,887	6,534	18.5	3,849	10.9
The Americas	18,871	21,894	3,023	16.0	1,248	6.6
Europe, Middle East and Africa	10,885	13,218	2,333	21.4	1,735	15.9
Other	5,597	6,775	1,178	21.0	866	15.5
<Industrial Solutions>	28,302	27,441	(861)	(3.0)	(1,923)	(6.8)
Percentage of sales (%)	6.6	6.3				
Domestic	14,309	10,589	(3,720)	(26.0)	(3,720)	(26.0)
Overseas	13,993	16,852	2,859	20.4	1,797	12.8
The Americas	4,490	5,988	1,498	33.4	1,044	23.3
Europe, Middle East and Africa	3,905	4,455	550	14.1	357	9.1
Other	5,598	6,409	811	14.5	396	7.1
<Other>	5,514	4,904	(610)	(11.1)	(802)	(14.5)
Percentage of sales (%)	1.3	1.1				
Domestic	2,593	2,204	(389)	(15.0)	(389)	(15.0)
Overseas	2,921	2,700	(221)	(7.6)	(413)	(14.1)
The Americas	733	1,061	328	44.7	238	32.5
Europe, Middle East and Africa	896	914	18	2.0	(23)	(2.6)
Other	1,292	725	(567)	(43.9)	(628)	(48.6)
Total	431,123	432,732	1,609	0.4	(15,403)	(3.6)
Percentage of sales (%)	100.0	100.0				
Domestic	181,372	165,954	(15,418)	(8.5)	(15,418)	(8.5)
Percentage of sales (%)	42.1	38.4				
Overseas	249,751	266,778	17,027	6.8	15	0.0
Percentage of sales (%)	57.9	61.6				
The Americas	97,978	108,559	10,581	10.8	1,629	1.7
Percentage of sales (%)	22.7	25.1				
Europe, Middle East and Africa	112,311	116,655	4,344	3.9	(860)	(0.8)
Percentage of sales (%)	26.1	27.0				
Other	39,462	41,564	2,102	5.3	(754)	(1.9)
Percentage of sales (%)	9.2	9.6				

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Digital Products	Production and OEM of MFPs (multifunctional printers), laser printers, digital duplicators, wide format printers, facsimile machine, scanners, network equipment, and related parts & supplies
Graphic Communications	Production and sales of cut sheet printers, continuous feed printers, inkjet heads, imaging systems, industrial printers, related parts & supplies, services, support and software
Industrial Solutions	Production and sales of thermal paper and thermal media, industrial optical component/module, electronic components and precision mechanical component
Other	Digital cameras, 360°cameras, environment, healthcare

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3. Forecast of Consolidated Performance

(Billions of yen)

	Nine months ended December 31, 2021 Results	Change %	Three months ending March 31, 2022 Forecast	Change %	Year ending March 31, 2022 Forecast	Change %
Sales	1,276.1	7.0	633.8	29.6	1,910.0	13.6
Gross profit	461.8	11.1	199.5	27.4	661.4	15.6
Operating profit (loss)	25.7	-	24.2	-	50.0	-
Profit (loss) before income tax expenses	30.7	-	23.5	-	54.3	-
Profit (loss) attributable to owners of the parent	23.1	-	12.2	-	35.4	-
Earnings per share attributable to owners of the parent-basic (yen)	34.07	65.09	18.45	32.63	52.52	97.72
Earnings per share attributable to owners of the parent- diluted (yen)	34.06	65.08	18.45	32.63	52.52	97.72
Capital expenditures *1	22.6		20.3		43.0	
Depreciation *1	30.2		13.7		44.0	
R&D expenditures	71.0		18.9		90.0	
Exchange rate (Yen/US\$)	111.10		105.00		109.58	
Exchange rate (Yen/EURO)	130.59		125.00		129.19	

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

4. Forecast of Consolidated Sales by Product Category

(Billions of yen)

	Year ended March 31, 2021	Three months ending March 31, 2022		Year ending March 31, 2022			
	Results	Forecast	Forecast excluding exchange impact	Forecast	Change %	Forecast excluding exchange impact	Change %
<Digital Services>	1,376.6	504.9	506.5	1,542.0	12.0	1,509.5	9.7
Domestic	651.1	239.2	239.2	678.4	4.2	678.4	4.2
Overseas	725.4	265.6	267.2	863.6	19.0	831.1	14.6
The Americas	293.8	95.4	95.3	336.5	14.5	325.5	10.8
Europe, Middle East and Africa	335.1	146.0	147.7	424.2	26.6	408.3	21.8
Other	96.5	24.1	24.1	102.9	6.6	97.1	0.7
<Digital Products>	12.1	2.6	2.7	13.0	7.3	12.5	3.8
Domestic	5.9	0.8	0.8	6.0	1.4	6.0	1.4
Overseas	6.1	1.7	1.8	7.0	13.0	6.5	6.1
The Americas	0.4	0.3	0.3	0.9	97.4	0.8	90.8
Europe, Middle East and Africa	-	-	-	-	-	-	-
Other	5.7	1.4	1.5	6.1	6.3	5.7	(0.7)
<Graphic Communications>	159.9	60.4	60.5	196.0	22.6	190.2	18.9
Domestic	26.6	9.4	9.4	28.8	7.9	28.8	7.9
Overseas	133.2	50.9	51.0	167.2	25.5	161.4	21.2
The Americas	72.1	23.6	23.6	86.2	19.4	83.3	15.5
Europe, Middle East and Africa	40.0	22.5	22.7	57.8	44.2	55.8	39.2
Other	20.9	4.8	4.6	23.2	10.9	22.2	6.1
<Industrial Solutions>	108.8	61.8	61.6	140.0	28.6	137.2	26.1
Domestic	55.6	38.0	38.0	69.5	24.8	69.5	24.8
Overseas	53.2	23.8	23.6	70.5	32.5	67.7	27.4
The Americas	17.2	6.2	6.2	22.1	28.1	21.3	23.9
Europe, Middle East and Africa	15.0	5.9	6.0	18.8	25.3	18.0	20.5
Other	20.9	11.6	11.3	29.6	41.3	28.3	35.2
<Other>	24.5	3.9	3.9	19.0	(22.6)	18.5	(24.6)
Domestic	13.6	0.2	0.2	7.3	(46.5)	7.3	(46.5)
Overseas	10.9	3.7	3.7	11.7	7.1	11.2	2.7
The Americas	2.8	0.0	0.0	3.2	10.5	3.0	6.5
Europe, Middle East and Africa	3.1	0.7	0.8	3.5	10.8	3.3	6.1
Other	4.8	2.8	2.8	5.0	2.7	4.7	(1.8)
Total	1,682.0	633.8	635.4	1,910.0	13.6	1,868.0	11.1
Domestic	753.0	287.8	287.8	790.0	4.9	790.0	4.9
Overseas	929.0	345.9	347.5	1,120.0	20.6	1,078.0	16.0
The Americas	386.6	125.6	125.7	448.9	16.1	434.3	12.3
Europe, Middle East and Africa	393.4	175.3	177.2	504.3	28.2	485.5	23.4
Other	149.0	44.9	44.4	166.8	11.9	158.2	6.2

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