

QUARTERLY REPORT

First Quarter ended June 30, 2022

(Results for the Period from April 1, 2022 to June 30, 2022)

Performance Outline (Consolidated)

	Three months ended June 30, 2021 Results	Three months ended June 30, 2022 Results	Change	(Billions of yen)	
				Year ending March 31, 2023 Forecast	Change
Domestic sales	171.3	163.7	(4.4%)	795.0	12.7%
Overseas sales	253.4	295.5	16.6%	1,255.0	19.1%
Sales	424.8	459.3	8.1%	2,050.0	16.6%
Gross profit	152.3	168.0	10.3%	735.0	18.0%
Operating profit (loss)	5.6	9.6	69.9%	90.0	124.7%
Profit (loss) before income tax expenses	7.6	11.2	45.8%	94.0	111.8%
Profit (loss) attributable to owners of the parent	4.7	7.5	58.6%	63.0	107.4%
Exchange rate (Yen/US\$)	109.50	129.51	20.01	126.13	13.77
Exchange rate (Yen/EURO)	131.92	138.02	6.10	135.76	5.21
Earnings per share attributable to owners of the parent-basic (yen)	6.77	11.98	5.21	102.11	56.76
Earnings per share attributable to owners of the parent-diluted (yen)	6.77	11.98	5.21	102.09	56.75
Cash flows from operating activities	47.8	19.8	(28.0)	—	—
Cash flows from investing activities	(14.0)	(14.5)	(0.4)	—	—
Cash flows from financing activities	(43.0)	(7.0)	35.9	—	—
Cash and cash equivalents at end of period *1	321.6	243.4	(78.2)	—	—
Capital expenditures *2	7.5	8.2	0.6	41.0	3.6
Depreciation *2	10.4	10.1	(0.3)	42.0	2.1
R&D expenditures	22.9	23.1	0.2	102.0	5.2
	March 31, 2022	June 30, 2022	Change		
Total assets	1,853.2	1,930.7	77.5		
Equity attributable to owners of the parent	902.0	933.4	31.4		
Interest-bearing debt *3	235.4	262.6	27.2		
Equity attributable to owners of the parent ratio (%)	48.7	48.3	(0.4)		
Equity per share attributable to owners of the parent (yen)	1,416.08	1,491.07	74.99		

*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.

Ricoh Company, Ltd.

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

Ricoh Company, Ltd. and its Consolidated Subsidiaries

Financial Highlights for the First Quarter Ended June 30, 2022

[Prepared on the basis of International Financial Reporting Standards]

1. Results for the Period from April 1, 2022 to June 30, 2022

(1) Operating Results

	(Millions of yen)	
	Three months ended June 30, 2021	Three months ended June 30, 2022
Sales	424,804	459,341
(% change from the previous corresponding period)	20.6	8.1
Operating profit (loss)	5,666	9,626
(% change from the previous corresponding period)	-	69.9
Profit (loss) before income tax expenses	7,682	11,201
(% change from the previous corresponding period)	-	45.8
Profit (loss) for the period	4,836	7,622
(% change from the previous corresponding period)	-	57.6
Profit (loss) attributable to owners of the parent	4,787	7,591
(% change from the previous corresponding period)	-	58.6
Comprehensive income (loss)	9,752	51,552
(% change from the previous corresponding period)	-	428.6
Earnings per share attributable to owners of the parent-basic (yen)	6.77	11.98
Earnings per share attributable to owners of the parent-diluted (yen)	6.77	11.98

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, 2022	June 30, 2022
Total assets	1,853,254	1,930,789
Total equity	905,825	937,257
Equity attributable to owners of the parent	902,042	933,469
Equity attributable to owners of the parent ratio (%)	48.7	48.3

2. Dividend Information

	Year ended March 31, 2022 (Actual)	Year ending March 31, 2023 (Forecast)
Cash dividends, applicable to the year (yen)	26.00	34.00
Interim (yen)	13.00	17.00
Year-end (yen)	13.00	17.00

Notes: Revision of expected dividends during this period: No

3. Forecast of Operating Results from April 1, 2022 to March 31, 2023

	(Millions of yen)
	Year ending March 31, 2023
Sales	2,050,000
(% change from the previous corresponding period)	16.6
Operating profit (loss)	90,000
(% change from the previous corresponding period)	124.7
Profit (loss) before income tax expenses	94,000
(% change from the previous corresponding period)	111.8
Profit (loss) for the period	63,800
(% change from the previous corresponding period)	108.3
Profit (loss) attributable to owners of the parent	63,000
(% change from the previous corresponding period)	107.4
Earnings per share attributable to owners of the parent-basic (yen)	102.11

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

4. Others

- (1) Changes in significant subsidiaries: No
New: - (Company name: -)
Exclusion: - (Company name: -)
- (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 June 30, 2022: 637,468,178 shares; As of March 31, 2022: 637,468,178 shares
- (4) Number of treasury stock:
As of June 30, 2022: 11,428,322 shares; As of March 31, 2022: 468,700 shares
- (5) Average number of common stock:
Three months ended June 30, 2022: 633,526,180 shares; Three months ended June 30, 2021: 706,901,957 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 June 30, 2022: 388,700 shares; As of March 31, 2022: 398,600 shares)

Qualitative Information on Consolidated Financial Results for the Quarter under Review

1. Qualitative Information on Consolidated Business Results

* Overview of the First Quarter of Fiscal 2022 (April 1 – June 30, 2022)

The Ricoh's goal under the two years of its 20th Mid-Term Management Plan is to become a digital services company that is a work productivity innovator.

In this last year of 20th Mid-Term Management Plan, under the business unit structure that we adopted in April 2021, each business unit will operate autonomously and accelerate efforts to reinforce its structure while swiftly tackling market changes. We will cultivate human resources to support our drive to become a digital services company and overhaul enterprise systems to unite our entire organization in transitioning to drive digital services growth.

Although COVID-19 infections continue to be a major concern, the global economy is on a gradual recovery path with economic activity resuming due to increased vaccination rates in major countries and elsewhere. On the other hand, prices are rising due to ongoing shortages of semiconductors and other materials, the prolonged Russia/Ukraine situation, and other factors.

In Japan, the number of COVID-19 cases has decreased and economic activity has recovered. On the other hand, prices are rising due to higher raw material prices and the depreciation of the yen. In the U.S., prices and wages are rising amid negative GDP growth, and the monetary authorities are taking tight monetary policy to control inflation. In Europe, the economy continues to recover, but the impact on the economy, including energy issues, has started to become apparent due to the prolonged Russia/Ukraine situation and deteriorating relations with Russia. In other regions, in China, the zero-COVID policy against the spread of COVID-19 infections led to a lockdown of Shanghai and other cities, halting economic activity, and production delays due to plant and port shutdowns affected the export to other countries. During this period, the average exchange rates of Japanese yen against U.S. dollar and Euro were ¥129.51 (up ¥20.01 from the previous corresponding period) and ¥138.02 (up ¥6.10 from the previous corresponding period) respectively.

Sales for the first quarter increased by 8.1% as compared to the previous corresponding period, to ¥459.3 billion. Growth and sales recovered moderately due to the continued impact of material shortages and COVID-19. However, sales increased mainly due to the impact of the depreciation of the yen.

In Japan, sales decreased by 4.4% as compared to the previous corresponding period. Our supply constraints on our products and ICT-based products due to a continuing shortage of parts and materials affected our sales activities in the office services and the office printing businesses. On the other hand, in the office services business, sales of the Scram series products, which we aim to grow, increased as security-related services for small and medium-sized companies that do not rely on ICT-based products, new services to comply with revisions to the Electronic Record Retention Law, and systems operations for medium-sized companies performed well.

Sales in the Americas increased by 24.6% (an increase of 5.3% excluding foreign currency exchange fluctuations) as compared to the previous corresponding period. Sales of edge devices in the office printing business increased, and the office services business, including IT-related services, performed well. Sales in the commercial printing business also recovered.

Sales in the Europe, the Middle East, and Africa increased by 13.9% (an increase of 8.9% excluding foreign currency exchange fluctuations) as compared to the previous corresponding period. Sales of edge devices decreased in the office printing business due to a shortage of materials, but sales of non-hardware increased. The effects of acquisitions and strong sales of package led strong performance of the office services business.

Sales in other regions increased by 2.8% (a decrease of 7.3% excluding foreign currency exchange fluctuations) as compared to the previous corresponding period. Sales declined due to the impact of strict activity restrictions accompanying China's zero-COVID policy, although the depreciation of the yen contributed to an increase of sales.

As a result, sales in the overseas market increased by 16.6% as compared to the previous corresponding period. Excluding effects of foreign currency fluctuations, sales in overseas would have increased by 4.8% as compared to the previous corresponding period.

Gross profit increased by 10.3% as compared to the previous corresponding period, to ¥168.0 billion. In response to rising commodity prices and rising procurement costs caused by shortages of materials, controlling price by individual business units such as the price pass-through kept margin and gross profit also improved by continuous effort of the structural reinforcement in development and manufacturing activities, as well as the depreciation of the yen.

Selling, general and administrative expenses increased by 6.2% as compared to the previous corresponding period, to ¥159.6 billion mainly due to the depreciation of the yen.

Other income decreased compared to the previous corresponding period primarily due to gain on the sale of U.S. subsidiary land in the previous first quarter.

Operating profit increased by ¥3.9 billion compared to the previous corresponding period, to ¥9.6 billion.

Net financial expenses were greater than in the previous corresponding period, reflecting lower foreign exchange gains. The share of profit of investments accounted for using the equity method was higher, reflecting better performances among equity-method affiliates such as Ricoh Leasing Co., Ltd.

Profit before income tax expenses increased by ¥3.5 billion as compared to the previous corresponding period, to ¥11.2 billion.

Income tax expenses increased by ¥0.7 billion as compared to the previous corresponding period mainly due to an increase in profit before income tax expenses.

As a result, profit attributable to owners of the parent increased by ¥2.8 billion as compared to the previous corresponding period, to ¥7.5 billion.

Comprehensive income increased to ¥51.5 billion, owing largely to an increase in profit attributable to owners of the parent and translation adjustments for foreign operations.

* Review by Business Segment

Digital Services

Digital Services sales were ¥368.5 billion and increased by 6.4% as compared to the previous corresponding period. In the office services business, sales of ICT-based products and related services in Japan were affected by a shortage of materials, but sales of the Scram series products increased. Overseas sales also contributed to increased sales, including sales of package in Europe and sales of acquired IT service companies. In the office printing business, sales of edge devices decreased due to a material shortage, but sales of non-hardware increased due to a rebound in economic activity and returns to offices. In response to rising costs, we secured profits by implementing pricing controls, such as the price pass-through and selling value-added products. At the same time, we implemented profit improvement measures such as structural reform of service activity.

As a result, Digital Services operating profit was ¥2.9 billion and increased by ¥1.5 billion as compared to the previous corresponding period.

Digital Products

Digital Products sales were ¥3.7 billion and increased by 11.6% (Sales including intersegment sales were ¥99.4 billion and increased by 11.1%) as compared to the previous corresponding period. Although production activities were affected by a shortage of materials and lockdown in Shanghai, sales increased due to increased production of A3 MFPs and parts & supplies compared to the previous corresponding period. While procurement costs rose due to the sharp rise in material prices, production of relatively high value-added products was increased and flexible production efforts were made including cost reduction activities through structural reforms of manufacturing.

As a result, Digital Products operating profit was ¥12.2 billion and increased by ¥3.2 billion as compared to the previous corresponding period.

Graphic Communications

Graphic Communications sales were ¥51.8 billion and increased by 22.0% as compared to the previous corresponding period. In the commercial printing business, sales increased as economic activities recovered in Europe and Americas. Despite the impact of material shortages, sales of production printers increased as we worked to secure production volumes, including procuring alternative components from the market. In Europe and Americas, non-hardware continued to recover, particularly in the printing industry. In the industrial printing business, sales increased due to strong sales of components mainly for sign graphics, despite the impact of lockdown in the mainland Chinese market. In the commercial printing business, although costs rose and profits were squeezed by the market procurement to secure production volumes, improvements in development, production, and service activities and the depreciation of the yen contributed to generate profit.

As a result, Graphic Communications operating profit was ¥2.4 billion and increased by ¥1.4 billion as compared to the previous corresponding period.

Industrial Solutions

Industrial Solutions sales were ¥30.3 billion and increased by 12.6% as compared to the previous corresponding period. In the thermal media business, sales of release paper-free labels increased and demand in the U.S. logistics industry expanded. In the industrial products business, sales were down caused by decrease in production by automotive-related customers due to lockdown in China. In the electronics business, sales to industrial robots were firm, despite a continuing shortage of materials.

As a result of absorbing the impact of the sharp rise in material prices through pricing control including price pass-through, Industrial Solutions operating profit (loss) was ¥0.7 billion (loss), improved by ¥0.2 billion as compared to the previous corresponding period.

Other

Other segment sales were ¥4.7 billion and decreased by 14.3% as compared to the previous corresponding period. We are promoting the creation of new businesses, including the development of new customers for RICOH 360 cloud services, the commencement of demonstration experiments for inspection services for social infrastructures, and the strengthening of our drug discovery support business. As a result of up-front investments to create new businesses, including these activities, Other segment operating profit (loss) was ¥3.0 billion (loss), improved by ¥0.2 billion from the previous corresponding period.

* 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 increased by ¥77.5 billion as compared to the end of the previous fiscal year, to ¥1,930.7 billion. The yen depreciated significantly from the end of the previous fiscal year, producing translation differences for foreign assets. After excluding the foreign exchange impact, total assets increased by ¥2.2 billion. The exchange rates for major currencies for the yen at end of the first quarter were ¥136.68 against the U.S. dollar (up ¥14.29 from the previous fiscal year) and ¥142.67 against the euro (up ¥5.97).

"Trade and other receivables" decreased by ¥9.7 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. On the other hand, "Inventories" increased by ¥32.0 billion due to inventory formation for sales and securing safe inventories.

Total liabilities increased by ¥46.1 billion as compared to the end of previous year, to ¥993.5 billion. While "Bonds and borrowings" in current liabilities decreased by ¥13.9 billion due to repayment of borrowings, those in non-current liabilities increased by ¥41.2 billion as a result of financing by syndicate loans.

Total equity increased by ¥31.4 billion as compared to the end of previous fiscal year, to ¥937.2 billion. "Treasury stock", a decreasing item in shareholders' equity, increased by ¥11.8 billion because of share repurchase to increase shareholder returns. In addition, exchange differences on translation of foreign operations rose by ¥44.9 billion due to the depreciation of the yen.

Equity attributable to owners of the parent therefore increased by ¥31.4 billion, to ¥933.4 billion. The equity attributable to owners of the parent ratio remained stable, at 48.3%, although it was down by 0.4 point from the end of the previous fiscal year due to capital policies such as share repurchase and new borrowings.

* Cash Flows (Three months from April 1, 2022 to June 30, 2022)

Net cash provided by operating activities decreased by ¥28.0 billion as compared to the previous corresponding period, to ¥19.8 billion. The expenditures increased mainly due to increase in inventories.

Net cash used in investing activities increased by ¥0.4 billion as compared to the previous corresponding period, to ¥14.5 billion.

Free cash flow (net cash provided by operating activities plus net cash used in investing activities) totaled ¥5.3 billion, down by ¥28.4 billion.

Net cash used in financing activities decreased by ¥35.9 billion as compared to the previous corresponding period, to ¥7.0 billion. During the first quarter of this fiscal year, the proceeds increased due to syndicate loans. On the other hand, the Company acquired ¥11.8 billion of treasury stock (¥25.2 billion during the previous corresponding period), decreasing in expenditures compared to the previous corresponding period. As a result, the balance of cash and cash equivalent at the end of period increased by ¥9.4 billion as compared to the end of previous fiscal year, to ¥243.4 billion.

3. Qualitative Information on Forecasted Consolidated Financial Results

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

Ricoh maintains the assumed exchange rates set forth in May of ¥125 against the U.S. dollar and of ¥135 against the euro in and after the second quarter while the actual exchange rates during the first quarter have been incorporated into exchange rate assumptions for the full year.

Exchange Rate Assumptions for the full year ending March 31, 2023

US\$ 1 = ¥126.13 (¥112.36 in previous fiscal year)

EURO 1 = ¥135.76 (¥130.55 in previous fiscal year)

	(Billions of yen)		
	Year ended March 31, 2022	Year ending March 31, 2023 (Forecast)	Change
Domestic sales	705.2	795.0	12.7%
Overseas sales	1,053.3	1,255.0	19.1%
Sales	1,758.5	2,050.0	16.6%
Gross profit	622.6	735.0	18.0%
Operating profit (loss)	40.0	90.0	124.7%
Profit (loss) before income tax expenses	44.3	94.0	111.8%
Profit (loss) attributable to owners of the parent	30.3	63.0	107.4%

* 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, 2022	June 30, 2022	Change
Current Assets			
Cash and cash equivalents	240,308	252,181	11,873
Time deposits	81	88	7
Trade and other receivables	397,148	387,358	(9,790)
Other financial assets	92,293	94,843	2,550
Inventories	232,558	264,563	32,005
Other current assets	50,034	65,575	15,541
Total Current Assets	1,012,422	1,064,608	52,186
Non-current assets			
Property, plant and equipment	188,439	188,935	496
Right-of-use assets	57,730	58,696	966
Goodwill and intangible assets	259,482	276,807	17,325
Other financial assets	128,321	132,125	3,804
Investments accounted for using the equity method	81,396	82,082	686
Other investments	12,329	12,162	(167)
Other non-current assets	31,942	33,725	1,783
Deferred tax assets	81,193	81,649	456
Total Non-current Assets	840,832	866,181	25,349
Total Assets	1,853,254	1,930,789	77,535

Liabilities and Equity

	(Millions of yen)		
	March 31, 2022	June 30, 2022	Change
Current Liabilities			
Bonds and borrowings	114,395	100,436	(13,959)
Trade and other payables	268,534	266,831	(1,703)
Lease liabilities	22,665	23,311	646
Other financial liabilities	2,079	1,987	(92)
Income tax payables	11,143	12,883	1,740
Provisions	9,941	10,744	803
Other current liabilities	264,691	280,867	16,176
Total Current Liabilities	693,448	697,059	3,611
Non-current Liabilities			
Bonds and borrowings	121,042	162,262	41,220
Lease liabilities	44,444	44,545	101
Accrued pension and retirement benefits	45,728	45,042	(686)
Provisions	9,607	8,981	(626)
Other non-current liabilities	29,029	30,395	1,366
Deferred tax liabilities	4,131	5,248	1,117
Total Non-current Liabilities	253,981	296,473	42,492
Total Liabilities	947,429	993,532	46,103
Equity			
Common stock	135,364	135,364	—
Additional paid-in capital	180,942	180,965	23
Treasury stock	(460)	(12,263)	(11,803)
Other components of equity	126,341	170,247	43,906
Retained earnings	459,855	459,156	(699)
Equity attributable to owners of the parent	902,042	933,469	31,427
Non-controlling interests	3,783	3,788	5
Total Equity	905,825	937,257	31,432
Total Liabilities and Equity	1,853,254	1,930,789	77,535

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

Condensed Consolidated Statement of Profit or Loss

	(Millions of yen)			
	Three months ended June 30, 2021	Three months ended June 30, 2022	Change	%
Sales	424,804	459,341	34,537	8.1
Cost of sales	272,441	291,336	18,895	6.9
Percentage of sales (%)	64.1	63.4		
Gross profit	152,363	168,005	15,642	10.3
Percentage of sales (%)	35.9	36.6		
Selling, general and administrative expenses	150,344	159,678	9,334	6.2
Percentage of sales (%)	35.4	34.8		
Other income	3,647	1,299	(2,348)	(64.4)
Percentage of sales (%)	0.9	0.3		
Operating profit (loss)	5,666	9,626	3,960	69.9
Percentage of sales (%)	1.3	2.1		
Finance income	1,071	603	(468)	(43.7)
Percentage of sales (%)	0.3	0.1		
Finance costs	882	1,091	209	23.7
Percentage of sales (%)	0.2	0.2		
Share of profit (loss) of investments accounted for using the equity method	1,827	2,063	236	12.9
Percentage of sales (%)	0.4	0.4		
Profit (loss) before income tax expenses	7,682	11,201	3,519	45.8
Percentage of sales (%)	1.8	2.4		
Income tax expenses	2,846	3,579	733	25.8
Percentage of sales (%)	0.7	0.8		
Profit (loss) for the period	4,836	7,622	2,786	57.6
Percentage of sales (%)	1.1	1.7		
Profit (loss) attributable to:				
Owners of the parent	4,787	7,591	2,804	58.6
Percentage of sales (%)	1.1	1.7		
Non-controlling interests	49	31	(18)	(36.7)
Percentage of sales (%)	0.0	0.0		

	Three months ended June 30, 2021	Three months ended June 30, 2022	Change
Earnings per share attributable to owners of the parent-basic (yen)	6.77	11.98	5.21
Earnings per share attributable to owners of the parent-diluted (yen)	6.77	11.98	5.21

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

Condensed Consolidated Statement of Comprehensive Income

	(Millions of yen)		
	Three months ended June 30, 2021	Three months ended June 30, 2022	Change
Profit (loss) for the period	4,836	7,622	2,786
Other comprehensive income (loss):			
Components that will not be reclassified subsequently to profit or loss:			
Remeasurement of defined benefit plan	981	-	(981)
Net changes in fair value of financial assets measured through other comprehensive income	207	(226)	(433)
Share of other comprehensive income of investments accounted for using equity method	114	(667)	(781)
Total components that will not be reclassified subsequently to profit or loss	1,302	(893)	(2,195)
Components that will be reclassified subsequently to profit or loss:			
Net changes in fair value of cash flow hedges	(128)	(77)	51
Exchange differences on translation of foreign operations	3,810	44,964	41,154
Share of other comprehensive income of investments accounted for using equity method	(68)	(64)	4
Total components that will be reclassified subsequently to profit or loss	3,614	44,823	41,209
Total other comprehensive income (loss)	4,916	43,930	39,014
Comprehensive income (loss)	9,752	51,552	41,800
Comprehensive income (loss) attributable to:			
Owners of the parent	9,695	51,488	41,793
Non-controlling interests	57	64	7

Consolidated Sales by Product Category

	(Millions of yen)			
	Three months ended June 30, 2021	Three months ended June 30, 2022	Change	%
<Digital Services>	346,395	368,579	22,184	6.4
Percentage of sales (%)	<i>81.5</i>	<i>80.2</i>		
<Digital Products>	3,397	3,792	395	11.6
Percentage of sales (%)	<i>0.8</i>	<i>0.8</i>		
<Graphic Communications>	42,550	51,899	9,349	22.0
Percentage of sales (%)	<i>10.0</i>	<i>11.3</i>		
<Industrial Solutions>	26,926	30,324	3,398	12.6
Percentage of sales (%)	<i>6.4</i>	<i>6.6</i>		
<Other>	5,536	4,747	(789)	(14.3)
Percentage of sales (%)	<i>1.3</i>	<i>1.0</i>		
Grand Total	424,804	459,341	34,537	8.1
Percentage of sales (%)	<i>100.0</i>	<i>100.0</i>		

* 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 13.

Consolidated Sales by Geographic Area

	(Millions of yen)			
	Three months ended June 30, 2021	Three months ended June 30, 2022	Change	%
<Domestic>	171,317	163,764	(7,553)	(4.4)
Percentage of sales (%)	<i>40.3</i>	<i>35.7</i>		
<Overseas>	253,487	295,577	42,090	16.6
Percentage of sales (%)	<i>59.7</i>	<i>64.3</i>		
The Americas	106,416	132,591	26,175	24.6
Percentage of sales (%)	<i>25.1</i>	<i>28.9</i>		
Europe, Middle East and Africa	106,310	121,064	14,754	13.9
Percentage of sales (%)	<i>25.0</i>	<i>26.4</i>		
Other	40,761	41,922	1,161	2.8
Percentage of sales (%)	<i>9.6</i>	<i>9.1</i>		
Grand Total	424,804	459,341	34,537	8.1
Percentage of sales (%)	<i>100.0</i>	<i>100.0</i>		

(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, 2021	135,364	186,231	(45,024)	—	7,807	(430)
Profit (loss) for the period						
Other comprehensive income (loss)				981	321	(197)
Comprehensive income (loss)	—	—	—	981	321	(197)
Net change in treasury stock			(25,260)			
Dividends declared and approved to owners						
Share-based payment transactions		11	4			
Transfer from other components of equity to retained earnings				(981)	60	
Total transactions with owners	—	11	(25,256)	(981)	60	—
Balance as of June 30, 2021	135,364	186,242	(70,280)	—	8,188	(627)

	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			4,787	4,787	49	4,836
Other comprehensive income (loss)	3,803	4,908		4,908	8	4,916
Comprehensive income (loss)	3,803	4,908	4,787	9,695	57	9,752
Net change in treasury stock				(25,260)		(25,260)
Dividends declared and approved to owners			(5,387)	(5,387)	(23)	(5,410)
Share-based payment transactions				15		15
Transfer from other components of equity to retained earnings		(921)	921	—		—
Total transactions with owners	—	(921)	(4,466)	(30,632)	(23)	(30,655)
Balance as of June 30, 2021	78,523	86,084	561,899	899,309	3,640	902,949

(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, 2022	135,364	180,942	(460)	—	4,540	246
Profit (loss) for the period						
Other comprehensive income (loss)					(893)	(150)
Comprehensive income (loss)	—	—	—	—	(893)	(150)
Net change in treasury stock			(11,812)			
Dividends declared and approved to owners						
Share-based payment transactions		23	9			
Transfer from other components of equity to retained earnings					9	
Total transactions with owners	—	23	(11,803)	—	9	—
Balance as of June 30, 2022	135,364	180,965	(12,263)	—	3,656	96

	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, 2022	121,555	126,341	459,855	902,042	3,783	905,825
Profit (loss) for the period			7,591	7,591	31	7,622
Other comprehensive income (loss)	44,940	43,897		43,897	33	43,930
Comprehensive income (loss)	44,940	43,897	7,591	51,488	64	51,552
Net change in treasury stock				(11,812)		(11,812)
Dividends declared and approved to owners			(8,281)	(8,281)	(59)	(8,340)
Share-based payment transactions				32		32
Transfer from other components of equity to retained earnings		9	(9)	—		—
Total transactions with owners	—	9	(8,290)	(20,061)	(59)	(20,120)
Balance as of June 30, 2022	166,495	170,247	459,156	933,469	3,788	937,257

(4) Condensed Consolidated Statement of Cash Flows

	(Millions of yen)	
	Three months ended June 30, 2021	Three months ended June 30, 2022
I. Cash Flows from Operating Activities:		
Profit (loss) for the period	4,836	7,622
Adjustments to reconcile profit for the period to net cash provided by operating activities—		
Depreciation and amortization	23,477	22,631
Other income	(2,712)	(20)
Share of (profit) loss of investments accounted for using the equity method	(1,827)	(2,063)
Finance income and costs	(189)	488
Income tax expenses	2,846	3,579
(Increase) decrease in trade and other receivables	51,714	28,725
(Increase) decrease in inventories	(1,199)	(20,383)
(Increase) decrease in lease receivables	5,976	7,702
Increase (decrease) in trade and other payables	(35,187)	(7,922)
Increase (decrease) in accrued pension and retirement benefits	(2,833)	(2,556)
Other, net	7,463	(14,527)
Interest and dividends received	1,011	1,212
Interest paid	(845)	(1,177)
Income taxes paid	(4,664)	(3,464)
Net cash provided by (used in) operating activities	47,867	19,847
II. Cash Flows from Investing Activities:		
Proceeds from sales of property, plant and equipment	3,329	1,658
Expenditures for property, plant and equipment	(7,584)	(8,282)
Expenditures for intangible assets	(7,349)	(6,921)
Payments for purchases of investment securities	(169)	(251)
Proceeds from sales of investment securities	13	40
Net (increase) decrease of time deposits	(36)	(4)
Purchase of business, net of cash acquired	(2,292)	(750)
Net cash provided by (used in) investing activities	(14,088)	(14,510)
III. Cash Flows from Financing Activities:		
Net increase (decrease) of short-term debt	(3,661)	(8,874)
Proceeds from long-term debt	1,134	50,928
Repayments of long-term debt	(927)	(20,991)
Repayments of lease liabilities	(8,906)	(7,950)
Dividends paid	(5,387)	(8,281)
Payments for purchase of treasury stock	(25,260)	(11,812)
Other, net	(23)	(59)
Net cash provided by (used in) financing activities	(43,030)	(7,039)
IV. Effect of Exchange Rate Changes on Cash and Cash Equivalents	604	11,103
V. Net Increase (decrease) in Cash and Cash Equivalents	(8,647)	9,401
VI. Cash and Cash Equivalents at Beginning of Year	330,344	234,020
VII. Cash and Cash Equivalents at End of Period	321,697	243,421

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

	(Millions of yen)			
	Three months ended June 30, 2021	Three months ended June 30, 2022	Change	%
Digital Services:				
Sales:				
Unaffiliated customers	346,395	368,579	22,184	6.4
Intersegment	—	—	—	—
Total	346,395	368,579	22,184	6.4
Operating expenses	345,064	365,649	20,585	6.0
Operating profit (loss)	1,331	2,930	1,599	120.1
Operating profit (loss) on sales in Digital Services (%)	<i>0.4</i>	<i>0.8</i>		
Digital Products:				
Sales:				
Unaffiliated customers	3,397	3,792	395	11.6
Intersegment	86,086	95,635	9,549	11.1
Total	89,483	99,427	9,944	11.1
Operating expenses	80,460	87,200	6,740	8.4
Operating profit (loss)	9,023	12,227	3,204	35.5
Operating profit (loss) on sales in Digital Products (%)	<i>10.1</i>	<i>12.3</i>		
Graphic Communications:				
Sales:				
Unaffiliated customers	42,550	51,899	9,349	22.0
Intersegment	—	—	—	—
Total	42,550	51,899	9,349	22.0
Operating expenses	41,502	49,449	7,947	19.1
Operating profit (loss)	1,048	2,450	1,402	133.8
Operating profit (loss) on sales in Graphic Communications (%)	<i>2.5</i>	<i>4.7</i>		
Industrial Solutions:				
Sales:				
Unaffiliated customers	26,926	30,324	3,398	12.6
Intersegment	1,752	1,765	13	0.7
Total	28,678	32,089	3,411	11.9
Operating expenses	29,651	32,826	3,175	10.7
Operating profit (loss)	(973)	(737)	236	—
Operating profit (loss) on sales in Industrial Solutions (%)	<i>(3.4)</i>	<i>(2.3)</i>		
Other:				
Sales:				
Unaffiliated customers	5,536	4,747	(789)	(14.3)
Intersegment	2,916	3,665	749	25.7
Total	8,452	8,412	(40)	(0.5)
Operating expenses	11,716	11,434	(282)	(2.4)
Operating profit (loss)	(3,264)	(3,022)	242	—
Operating profit (loss) on sales in Other (%)	<i>(38.6)</i>	<i>(35.9)</i>		
Eliminations and Corporate:				
Sales:				
Intersegment	(90,754)	(101,065)	(10,311)	
Total	(90,754)	(101,065)	(10,311)	—
Operating expenses:				
Intersegment	(90,754)	(101,065)	(10,311)	
Corporate	1,499	4,222	2,723	
Total	(89,255)	(96,843)	(7,588)	—
Operating profit (loss)	(1,499)	(4,222)	(2,723)	—
Consolidated:				
Sales:				
Unaffiliated customers	424,804	459,341	34,537	8.1
Intersegment	—	—	—	—
Total	424,804	459,341	34,537	8.1
Operating expenses	419,138	449,715	30,577	7.3
Operating profit (loss)	5,666	9,626	3,960	69.9
Operating profit (loss) on consolidated sales (%)	<i>1.3</i>	<i>2.1</i>		

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

Digital Services	Sales 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

* 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

(Share Repurchase)

At the meeting of the Board of Directors of the Company held on May 10, 2022, the Company resolved a share repurchase. The status of share repurchase after June 30, 2022 is as follows.

The status of share repurchase

(1) Share category	Common stock
(2) Number of shares	8,914,500 shares
(3) Repurchase cost	¥9,393,927,800
(4) Period	July 1, 2022, through August 2, 2022
(5) Method	Open market purchase on Tokyo Stock Exchange

(Reference)

1. The matters for resolution at the Board of Directors meeting held on May 10, 2022

(1) Share category	Common stock
(2) Number of shares	Up to 48,000,000 shares (representing 7.5% of issued and outstanding shares excluding treasury shares)
(3) Repurchase ceiling	¥30 billion
(4) Period	May 11, 2022, through September 30, 2022
(5) Method	Open market purchase on Tokyo Stock Exchange

2. Total number of shares repurchase (as of August 2, 2022)

(1) Total number of shares repurchase	19,882,700 shares
(2) Total repurchase cost	¥21,204,976,000

-APPENDIX- (Three months ended June 30, 2022)

1. Consolidated Sales by Product Category

	(Millions of yen)					
	Three months ended June 30, 2021	Three months ended June 30, 2022	Change	%	Change excluding exchange impact	%
<Digital Services>	346,395	368,579	22,184	6.4	(182)	(0.1)
Percentage of sales (%)	81.5	80.2				
Domestic	148,219	142,861	(5,358)	(3.6)	(5,358)	(3.6)
Overseas	198,176	225,718	27,542	13.9	5,176	2.6
The Americas	80,727	97,730	17,003	21.1	1,904	2.4
Europe, Middle East and Africa	90,420	101,544	11,124	12.3	6,621	7.3
Other	27,029	26,444	(585)	(2.2)	(3,349)	(12.4)
<Digital Products>	3,397	3,792	395	11.6	(66)	(1.9)
Percentage of sales (%)	0.8	0.8				
Domestic	1,527	1,800	273	17.9	273	17.9
Overseas	1,870	1,992	122	6.5	(339)	(18.1)
The Americas	170	261	91	53.5	50	29.4
Europe, Middle East and Africa	—	—	—	—	—	—
Other	1,700	1,731	31	1.8	(389)	(22.9)
<Graphic Communications>	42,550	51,899	9,349	22.0	4,430	10.4
Percentage of sales (%)	10.0	11.3				
Domestic	6,638	6,578	(60)	(0.9)	(60)	(0.9)
Overseas	35,912	45,321	9,409	26.2	4,490	12.5
The Americas	19,569	25,116	5,547	28.3	1,600	8.2
Europe, Middle East and Africa	10,705	13,138	2,433	22.7	1,871	17.5
Other	5,638	7,067	1,429	25.3	1,019	18.1
<Industrial Solutions>	26,926	30,324	3,398	12.6	1,412	5.2
Percentage of sales (%)	6.4	6.6				
Domestic	12,260	10,774	(1,486)	(12.1)	(1,486)	(12.1)
Overseas	14,666	19,550	4,884	33.3	2,898	19.8
The Americas	4,726	8,328	3,602	76.2	2,318	49.0
Europe, Middle East and Africa	4,164	5,492	1,328	31.9	1,087	26.1
Other	5,776	5,730	(46)	(0.8)	(507)	(8.8)
<Other>	5,536	4,747	(789)	(14.3)	(1,078)	(19.5)
Percentage of sales (%)	1.3	1.0				
Domestic	2,673	1,751	(922)	(34.5)	(922)	(34.5)
Overseas	2,863	2,996	133	4.6	(156)	(5.4)
The Americas	1,224	1,156	(68)	(5.6)	(229)	(18.7)
Europe, Middle East and Africa	1,021	890	(131)	(12.8)	(170)	(16.7)
Other	618	950	332	53.7	243	39.3
Total	424,804	459,341	34,537	8.1	4,516	1.1
Percentage of sales (%)	100.0	100.0				
Domestic	171,317	163,764	(7,553)	(4.4)	(7,553)	(4.4)
Percentage of sales (%)	40.3	35.7				
Overseas	253,487	295,577	42,090	16.6	12,069	4.8
Percentage of sales (%)	59.7	64.3				
The Americas	106,416	132,591	26,175	24.6	5,643	5.3
Percentage of sales (%)	25.1	28.9				
Europe, Middle East and Africa	106,310	121,064	14,754	13.9	9,409	8.9
Percentage of sales (%)	25.0	26.4				
Other	40,761	41,922	1,161	2.8	(2,983)	(7.3)
Percentage of sales (%)	9.6	9.1				

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

Digital Services	Sales 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
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* 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. Forecast of Consolidated Performance

(Billions of yen)

	Three months ended June 30, 2022	Change	Year ending March 31, 2023	Change
	Results	%	Forecast	%
Sales	459.3	8.1	2,050.0	16.6
Gross profit	168.0	10.3	735.0	18.0
Operating profit	9.6	69.9	90.0	124.7
Profit before income tax expenses	11.2	45.8	94.0	111.8
Profit attributable to owners of the parent	7.5	58.6	63.0	107.4
Earnings per share attributable to owners of the parent-basic (yen)	11.98	5.21	102.11	56.76
Earnings per share attributable to owners of the parent- diluted (yen)	11.98	5.21	102.09	56.75
Capital expenditures	8.2		41.0	
Depreciation	10.1		42.0	
R&D expenditures	23.1		102.0	
Exchange rate (Yen/US\$)	129.51		126.13	
Exchange rate (Yen/EURO)	138.02		135.76	

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

3. Forecast of Consolidated Sales by Product Category

(Billions of yen)

	Year ended March 31, 2022		Year ending March 31, 2023		
	Results	Forecast	Change %	Forecast excluding exchange impact	Change %
<Digital Services>	1,428.1	1,572.0	10.1	1,508.3	5.6
Domestic	615.8	643.3	4.5	643.3	4.5
Overseas	812.3	928.7	14.3	865.0	6.5
The Americas	329.9	378.6	14.7	343.3	4.0
Europe, Middle East and Africa	380.3	434.0	14.1	416.3	9.4
Other	102.0	116.1	13.8	105.4	3.3
<Digital Products>	13.1	15.0	13.9	14.3	8.6
Domestic	6.6	7.4	12.1	7.4	12.1
Overseas	6.5	7.6	15.7	6.9	5.1
The Americas	0.6	0.8	25.2	0.8	25.2
Europe, Middle East and Africa	0.0	—	—	—	—
Other	5.9	6.8	14.7	6.1	2.9
<Graphic Communications>	187.0	234.0	25.1	218.2	16.6
Domestic	26.3	29.9	13.3	29.9	13.3
Overseas	160.7	204.1	27.0	188.3	17.2
The Americas	86.8	113.3	30.5	102.9	18.5
Europe, Middle East and Africa	48.5	57.2	17.9	54.9	13.1
Other	25.3	33.6	32.5	30.5	20.3
<Industrial Solutions>	110.7	130.0	17.3	123.8	11.7
Domestic	47.7	51.8	8.4	51.8	8.4
Overseas	63.0	78.2	24.1	72.0	14.3
The Americas	22.1	26.4	19.2	23.9	7.9
Europe, Middle East and Africa	17.6	20.9	18.3	20.0	13.2
Other	23.2	30.9	33.2	28.1	21.1
<Other>	19.3	99.0	411.6	96.2	397.2
Domestic	8.6	62.6	621.9	62.6	621.9
Overseas	10.6	36.4	240.9	33.6	214.6
The Americas	4.0	19.0	365.5	17.3	323.8
Europe, Middle East and Africa	3.6	9.6	166.1	9.2	155.0
Other	2.9	7.8	161.0	7.1	137.5
Total	1,758.5	2,050.0	16.6	1,960.8	11.5
Domestic	705.2	795.0	12.7	795.0	12.7
Overseas	1,053.3	1,255.0	19.1	1,165.8	10.7
The Americas	443.6	538.1	21.3	488.2	10.0
Europe, Middle East and Africa	450.1	521.7	15.9	500.4	11.2
Other	159.5	195.2	22.4	177.2	11.1

* 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.