

QUARTERLY REPORT

Half year ended September 30, 2022

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

Performance Outline (Consolidated)

(1) Half year ended September 30, 2021 and 2022 (Actual result) and Year ending March 31, 2023 (Forecast)

	Half year ended	Half year ended	Change	(Billions of yen)	
	September 30, 2021 Results	September 30, 2022 Results		Year ending March 31, 2023 Forecast	Change
Domestic sales	336.1	351.5	4.6%	795.0	12.7%
Overseas sales	507.3	621.9	22.6%	1,305.0	23.9%
Sales	843.4	973.5	15.4%	2,100.0	19.4%
Gross profit	304.9	346.2	13.6%	727.0	16.8%
Operating profit (loss)	13.1	23.4	79.0%	85.0	112.2%
Profit (loss) before income tax expenses	15.9	24.6	54.0%	87.7	97.6%
Profit (loss) attributable to owners of the parent	11.1	14.9	33.7%	57.0	87.7%
Exchange rate (Yen/US\$)	109.79	133.92	24.13	129.46	17.10
Exchange rate (Yen/EURO)	130.86	138.70	7.84	136.85	6.30
Earnings per share attributable to owners of the parent-basic (yen)	16.07	23.87	7.80	92.40	47.05
Earnings per share attributable to owners of the parent-diluted (yen)	16.06	23.87	7.81	92.37	47.03
Cash flows from operating activities	40.7	(3.7)	(44.4)	—	—
Cash flows from investing activities	(29.8)	(81.7)	(51.8)	—	—
Cash flows from financing activities	(73.3)	44.0	117.4	—	—
Cash and cash equivalents at end of period *1	267.7	204.1	(63.5)	—	—
Capital expenditures *2	15.2	18.4	3.2	41.0	3.6
Depreciation *2	20.7	20.4	(0.3)	42.0	2.1
R&D expenditures	47.9	49.7	1.8	102.0	5.2

	March 31, 2022	September 30, 2022	Change
Total assets	1,853.2	2,060.0	206.8
Equity attributable to owners of the parent	902.0	916.0	14.0
Interest-bearing debt *3	235.4	342.2	106.7
Equity attributable to owners of the parent ratio (%)	48.7	44.5	(4.2)
Equity per share attributable to owners of the parent (yen)	1,416.08	1,504.02	87.94

*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 September 30, 2021 and 2022

(Billions of yen)

	Three months ended September 30, 2021	Three months ended September 30, 2022	Change
	Results	Results	
Domestic sales	164.8	187.8	13.9%
Overseas sales	253.8	326.3	28.6%
Sales	418.6	514.1	22.8%
Gross profit	152.5	178.2	16.8%
Operating profit (loss)	7.4	13.8	85.9%
Profit (loss) before income tax expenses	8.2	13.4	61.6%
Profit (loss) attributable to owners of the parent	6.3	7.3	15.0%
Exchange rate (Yen/US\$)	110.08	138.29	28.21
Exchange rate (Yen/EURO)	129.81	139.39	9.58
Earnings per share attributable to owners of the parent-basic (yen)	9.34	11.89	2.55
Earnings per share attributable to owners of the parent-diluted (yen)	9.34	11.89	2.55
Capital expenditures *1	7.6	10.2	2.5
Depreciation *1	10.2	10.2	0.0
R&D expenditures	24.9	26.5	1.6

*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 Half Year Ended September 30, 2022

[Prepared on the basis of International Financial Reporting Standards]

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

(1) Operating Results

	(Millions of yen)	
	Half year ended September 30, 2021	Half year ended September 30, 2022
Sales	843,463	973,536
(% change from the previous corresponding period)	10.7	15.4
Operating profit (loss)	13,100	23,448
(% change from the previous corresponding period)	—	79.0
Profit (loss) before income tax expenses	15,974	24,604
(% change from the previous corresponding period)	—	54.0
Profit (loss) for the period	11,262	15,342
(% change from the previous corresponding period)	—	36.2
Profit (loss) attributable to owners of the parent	11,157	14,914
(% change from the previous corresponding period)	—	33.7
Comprehensive income (loss)	16,194	73,716
(% change from the previous corresponding period)	—	355.2
Earnings per share attributable to owners of the parent-basic (yen)	16.07	23.87
Earnings per share attributable to owners of the parent-diluted (yen)	16.06	23.87

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	September 30, 2022
Total assets	1,853,254	2,060,087
Total equity	905,825	935,048
Equity attributable to owners of the parent	902,042	916,048
Equity attributable to owners of the parent ratio (%)	48.7	44.5

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	2,100,000
(% change from the previous corresponding period)	19.4
Operating profit (loss)	85,000
(% change from the previous corresponding period)	112.2
Profit (loss) before income tax expenses	87,700
(% change from the previous corresponding period)	97.6
Profit (loss) for the period	57,800
(% change from the previous corresponding period)	88.7
Profit (loss) attributable to owners of the parent	57,000
(% change from the previous corresponding period)	87.7
Earnings per share attributable to owners of the parent-basic (yen)	92.40

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

4. Others

- (1) Changes in significant subsidiaries: Yes
New: 1 (Company name: PFU Limited)
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 September 30, 2022: 637,468,178 shares; As of March 31, 2022: 637,468,178 shares
- (4) Number of treasury stock:
As of September 30, 2022: 28,402,132 shares; As of March 31, 2022: 468,700 shares
- (5) Average number of common stock:
Half year ended September 30, 2022: 624,766,306 shares; Half year ended September 30, 2021: 694,487,850 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 September 30, 2022: 382,900 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 Half of Fiscal 2022 (April 1 – September 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.

The world economy resumed its economic activities compared to the previous corresponding period, when had been greatly affected by the expansion of COVID-19 infection. On the other hand, prices have been rising and inflation is accelerating due to ongoing shortage of materials and the prolonged Russia/Ukraine situation, and growth slowed as a result of tight monetary policy. During this period, the number of people infected with COVID-19 temporarily reached a record high in Japan. However, the number of people infected subsequently decreased and economic activities resumed. On the other hand, prices have been rising due to higher raw material prices and the depreciation of the yen. In the U.S., prices and wages have been rising amid negative GDP growth, and the monetary authorities have been taking tightening policy to control inflation. In Europe, due to the prolonged Russia/Ukraine situation and the deterioration of relations with Russia, price increases have spread to a wide range of items due to the soaring energy and food prices, and the impact on the economy is becoming apparent. In other regions, in China, the zero-COVID policy against the spread of COVID-19 infections led to lockdown in Shanghai and other cities, caused economic activity to stagnate and economic growth to slow down.

During this period, the average exchange rates of Japanese yen against U.S. dollar and Euro were ¥133.92 (up ¥24.13 from the previous corresponding period) and ¥138.70 (up ¥7.84 from the previous corresponding period) respectively.

Sales for the half of this fiscal year were ¥973.5 billion. Business growth and sales recovery were modest due to the continued impact of some material shortages and slowdown in production due to lockdown in Shanghai. However, sales increased mainly due to the impact of the depreciation of the yen and the contribution of PFU Limited (hereinafter, PFU), which became a consolidated subsidiary during this fiscal year. As a result, sales increased by 15.4% as compared to the previous corresponding period.

In Japan, sales increased only by 4.6% as compared to the previous corresponding period. In the office services business, 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, also the acquisition of PFU contributed sales increase, but 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.

Sales in the Americas increased by 32.1% (an increase of 8.7% excluding foreign currency exchange fluctuations) as compared to the previous corresponding period. Sales of edge devices in the office printing business increased. The office services business performed well including enhancement of new solution services to existing managed service customers, and completed the acquisition of Cenero, LLC. (hereinafter, Cenero) in the communications services field. Sales in the commercial printing business also recovered, particularly non-hardware.

Sales in Europe, Middle East, and Africa increased by 17.0% (an increase of 10.4% 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 products, but sales of non-hardware increased. The effects of acquisitions and sales of package led strong performance of the office services business. Sales in other regions increased by 12.0% (a decrease of 1.3% excluding foreign currency exchange fluctuations) as compared to the previous corresponding period. Sales increased mainly due to the depreciation of the yen, although sales declined due to the impact of strict activity restrictions accompanying China's zero-COVID policy.

As a result, sales in the overseas market increased by 22.6% as compared to the previous corresponding period. Excluding effects of foreign currency fluctuations, sales in overseas would have increased by 7.8% as compared to the previous corresponding period.

Gross profit increased by 13.6% as compared to the previous corresponding period, to ¥346.2 billion. In addition to increasing profit due to increased sales, controlling price by individual business units such as the price pass-through ensured the profit in response to rising commodity prices and rising procurement costs caused by shortages of materials, 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 9.9% as compared to the previous corresponding period, to ¥326.5 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 corresponding period.

Operating profit increased by ¥10.3 billion compared to the previous corresponding period, to ¥23.4 billion.

Net financial expenses were greater than in the previous corresponding period, reflecting higher interest expense and foreign exchange losses. The share of profit of investments accounted for using the equity method was higher, reflecting better performances among equity-method affiliates.

Profit before income tax expenses increased by ¥8.6 billion as compared to the previous corresponding period, to ¥24.6 billion.

Income tax expenses increased by ¥4.5 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 ¥3.7 billion as compared to the previous corresponding period, to ¥14.9 billion.

Comprehensive income increased to ¥73.7 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 ¥768.2 billion and increased by 11.6% (an increase of 3.5% excluding foreign currency exchange fluctuations) as compared to the previous corresponding period. In the office services business, sales of ICT-based products and related services in Japan were impacted by a shortage of parts and materials. However, we introduced full-scale solutions that do not depend on ICT-based products, such as new services to comply with revisions to the Electronic Record Retention Law and invoicing system, and strengthened our ability to propose products through training. As a result, sales of Scrum series increased by 15% compared to the previous corresponding period, especially Scram Asset grew by 69% compared to the previous corresponding period thanks to the good performances of the operation management after system installation, virtualization consolidation, and security-related services. In the Americas, sales of security-related services continue to be robust, and we have completed the acquisition of Cenero, which provides communications services, in an effort to strengthen our ability to propose the office services businesses. In Europe, mainly sales of package and increased sales of acquired IT service companies continued to contribute to higher sales. In the office printing business, recovery of edge devices sales slowed due to shortages of A4 MFPs that caused delays in deliveries at the time of bulk sales. However, sales of non-hardware continued to recover moderately in line with the return to offices in various regions.

In response to rising costs mainly due to ocean freight, 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 ¥9.8 billion and increased by ¥5.0 billion as compared to the previous corresponding period.

Digital Products

Digital Products sales were ¥8.5 billion and increased by 20.1% (an increase of 3.7% excluding foreign currency exchange fluctuations) as compared to the previous corresponding period. Sales including intersegment sales were ¥212.4 billion and increased by 18.9%. 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 by flexible production measures. While procurement costs rose due to the sharp rise in material prices, production of relatively high value-added products was increased and flexible production measures were made including cost reduction activities through structural reforms of manufacturing.

As a result, Digital Products operating profit was ¥22.0 billion and increased by ¥4.8 billion as compared to the previous corresponding period.

Graphic Communications

Graphic Communications sales were ¥108.8 billion and increased by 25.1% (an increase of 10.7% excluding foreign currency exchange fluctuations) 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. Sales of non-hardware continued to recover, and it recovered to the level before the spread of COVID-19 infection. In the industrial printing business, sales increased due to strong sales of components such as inkjet heads and textile printers, despite the impact of lockdown in the mainstay Chinese market. In the commercial printing business, although costs rose and profits were squeezed by procuring alternative components from the market 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 ¥3.8 billion and increased by ¥3.5 billion as compared to the previous corresponding period.

Industrial Solutions

Industrial Solutions sales were ¥62.4 billion and increased by 23.1% (an increase of 13.9% excluding foreign currency exchange fluctuations) as compared to the previous corresponding period. In the thermal media business, we implemented flexible pricing controls, including price pass-through, in response to cost increases for raw materials, transportation costs, etc. In addition, increased sales of release paper-free labels and expanded demand in the U.S. logistics industry led to higher sales. In the industrial products business, the impact of production reduction by automobile-related customers continued due to lockdown in China. In the electronics business, demand for industrial robots was strong, and sales remained steady, despite a continuing shortage of materials.

Costs have risen due to the impact of rising material, energy and transportation costs. However, these costs have been absorbed by pricing controls and other factors. As a result, Industrial Solutions operating profit (loss) was ¥0.3 billion (loss), improved by ¥0.3 billion as compared to the previous corresponding period.

Other

Other segment sales were ¥25.4 billion and increased by 150.9% (an increase of 144.0% excluding foreign currency exchange fluctuations) as compared to the previous corresponding period mainly due to contribution of increased sales from the acquisition of PFU that has the largest market share globally for document scanners and is a company that develops cloud services and managed security services in Japan. We also have steadily advanced our cloud services for RICOH360 and Social Infrastructure's inspection services to expand our business. In addition, we are promoting the creation of new businesses, including additional investments in Elixirgen Scientific Inc. to strengthen 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 ¥4.0 billion (loss), improved by ¥3.4 billion from the previous corresponding period partly due to the contribution from the acquisition of PFU.

* 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 ¥206.8 billion as compared to the end of the previous fiscal year, to ¥2,060.0 billion. The acquisition of PFU and other companies and the significant yen depreciation from the end of the previous fiscal year, which resulted in exchange difference of foreign assets, led a significant increase in assets. After excluding the foreign exchange impact, total assets increased by ¥107.3 billion. The exchange rates for major currencies for the yen at end of the half of this fiscal year were ¥144.81 against the U.S. dollar (up ¥22.42 from the previous fiscal year) and ¥142.32 against the euro (up ¥5.62).

"Inventories" increased by ¥79.9 billion from the end of the previous fiscal year, mainly due to increases in sales inventories, securement of safe inventories, acquisitions and the depreciation of the yen. In addition, "Goodwill and intangible assets" increased by ¥70.5 billion mainly due to the acquisition of PFU and Cenero, as well as the depreciation of the yen.

Total liabilities increased by ¥177.6 billion as compared to the end of previous year, to ¥1,125.0 billion. “Bonds and borrowings” increased by ¥106.7 billion, combining current liabilities with non-current liabilities, as a result of financing mainly through syndicated loans. Total equity increased by ¥29.2 billion as compared to the end of previous fiscal year, to ¥935.0 billion. “Treasury stock”, a decreasing item in shareholders' equity, increased by ¥29.9 billion because of share repurchase to increase shareholder returns. On the other hand, exchange differences on translation of foreign operations increased by ¥59.7 billion due to the depreciation of the yen. Equity attributable to owners of the parent therefore increased by ¥14.0 billion, to ¥916.0 billion. The equity attributable to owners of the parent ratio remained stable, at 44.5%, although it was down by 4.2 point from the end of the previous fiscal year due to capital policies such as share repurchase and due to new borrowings.

* Cash Flows (Half year from April 1, 2022 to September 30, 2022)

Net cash used in operating activities was ¥3.7 billion, down by ¥44.4 billion as compared to the previous corresponding period. Cash increased due to improvements in profit for the period, but declined mainly due to increases in inventories.

Net cash used in investing activities increased by ¥51.8 billion as compared to the previous corresponding period, to ¥81.7 billion. Cash expenditures increased due to the acquisition of PFU and other companies during the half of this fiscal year.

Free cash flow (net cash used in operating activities plus net cash used in investing activities) totaled ¥85.4 billion in expenditures, increased by ¥96.3 billion in expenditures.

Net cash provided in financing activities was ¥44.0 billion, up by ¥117.4 billion as compared to the previous corresponding period. During the half of this fiscal year, cash expenditures increased due to the share repurchase amounted to ¥30.0 billion. However, the proceeds increased due to financing of borrowings and other funds.

As a result, the balance of cash and cash equivalent at the end of period decreased by ¥29.8 billion as compared to the end of previous fiscal year, to ¥204.1 billion.

3. Qualitative Information on Forecasted Consolidated Financial Results

During the half of this fiscal year, while sales increased because the yen depreciated faster than expected, the purchase costs in the U.S. dollars also increased. The pricing controls absorbed the prices increase of raw materials or the purchased products caused by inflation. However, the pace of recovery became slower than expected due to the impact on production by lockdown in Shanghai and continued difficulties in procuring ICT commercial materials.

From the third quarter of this fiscal year, we expect sales, particularly in overseas, steadily grow, but there will also be a certain impact on our business performance due to a slowdown in manufacturing activities and delays in deliveries to customers caused by the unstable supply of materials.

In addition, taking into account the rise in interest expenses due to the rise in interest rates and the effective tax rate, we revised upwards the outlook for sales announced in the quarterly report in August this year and lowered the outlook for gross profit, operating profit, profit before income tax expenses and profit attributable to owners of the parent respectively.

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

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

US\$ 1 = ¥129.46 (¥112.36 in previous fiscal year)

EURO 1 = ¥136.85 (¥130.55 in previous fiscal year)

	Year ending	Year ending	Change	Year ended	Change
	March 31, 2023	March 31, 2023		March 31, 2022	
	(Previous forecast)	(Revised forecast)	(B-A)	(C)	(B-C)/C
	(A)	(B)			
Domestic sales	795.0	795.0	—	705.2	12.7%
Overseas sales	1,255.0	1,305.0	50.0	1,053.3	23.9%
Sales	2,050.0	2,100.0	50.0	1,758.5	19.4%
Gross profit	735.0	727.0	(8.0)	622.6	16.8%
Operating profit (loss)	90.0	85.0	(5.0)	40.0	112.2%
Profit (loss) before income tax expenses	94.0	87.7	(6.3)	44.3	97.6%
Profit (loss) attributable to owners of the parent	63.0	57.0	(6.0)	30.3	87.7%

* 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	September 30, 2022	Change
Current Assets			
Cash and cash equivalents	240,308	214,647	(25,661)
Time deposits	81	109	28
Trade and other receivables	397,148	435,497	38,349
Other financial assets	92,293	96,321	4,028
Inventories	232,558	312,472	79,914
Other current assets	50,034	64,719	14,685
Total Current Assets	1,012,422	1,123,765	111,343
Non-current assets			
Property, plant and equipment	188,439	197,970	9,531
Right-of-use assets	57,730	60,635	2,905
Goodwill and intangible assets	259,482	330,060	70,578
Other financial assets	128,321	131,305	2,984
Investments accounted for using the equity method	81,396	81,709	313
Other investments	12,329	12,168	(161)
Other non-current assets	31,942	35,480	3,538
Deferred tax assets	81,193	86,995	5,802
Total Non-current Assets	840,832	936,322	95,490
Total Assets	1,853,254	2,060,087	206,833

Liabilities and Equity

	(Millions of yen)		
	March 31, 2022	September 30, 2022	Change
Current Liabilities			
Bonds and borrowings	114,395	147,099	32,704
Trade and other payables	268,534	275,840	7,306
Lease liabilities	22,665	24,453	1,788
Other financial liabilities	2,079	1,839	(240)
Income tax payables	11,143	12,802	1,659
Provisions	9,941	13,131	3,190
Other current liabilities	264,691	293,772	29,081
Total Current Liabilities	693,448	768,936	75,488
Non-current Liabilities			
Bonds and borrowings	121,042	195,102	74,060
Lease liabilities	44,444	45,446	1,002
Other financial liabilities	—	26,412	26,412
Accrued pension and retirement benefits	45,728	46,028	300
Provisions	9,607	9,260	(347)
Other non-current liabilities	29,029	28,352	(677)
Deferred tax liabilities	4,131	5,503	1,372
Total Non-current Liabilities	253,981	356,103	102,122
Total Liabilities	947,429	1,125,039	177,610
Equity			
Common stock	135,364	135,364	—
Additional paid-in capital	180,942	160,137	(20,805)
Treasury stock	(460)	(30,448)	(29,988)
Other components of equity	126,341	185,026	58,685
Retained earnings	459,855	465,969	6,114
Equity attributable to owners of the parent	902,042	916,048	14,006
Non-controlling interests	3,783	19,000	15,217
Total Equity	905,825	935,048	29,223
Total Liabilities and Equity	1,853,254	2,060,087	206,833

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

Condensed Consolidated Statement of Profit or Loss

Half year ended September 30, 2021 and 2022

	(Millions of yen)			
	Half year ended September 30, 2021	Half year ended September 30, 2022	Change	%
Sales	843,463	973,536	130,073	15.4
Cost of sales	538,505	627,250	88,745	16.5
Percentage of sales (%)	<i>63.8</i>	<i>64.4</i>		
Gross profit	304,958	346,286	41,328	13.6
Percentage of sales (%)	<i>36.2</i>	<i>35.6</i>		
Selling, general and administrative expenses	297,024	326,520	29,496	9.9
Percentage of sales (%)	<i>35.2</i>	<i>33.5</i>		
Other income	5,166	3,682	(1,484)	(28.7)
Percentage of sales (%)	<i>0.6</i>	<i>0.4</i>		
Operating profit (loss)	13,100	23,448	10,348	79.0
Percentage of sales (%)	<i>1.6</i>	<i>2.4</i>		
Finance income	983	1,347	364	37.0
Percentage of sales (%)	<i>0.1</i>	<i>0.1</i>		
Finance costs	1,838	4,082	2,244	122.1
Percentage of sales (%)	<i>0.2</i>	<i>0.4</i>		
Share of profit (loss) of investments accounted for using the equity method	3,729	3,891	162	4.3
Percentage of sales (%)	<i>0.4</i>	<i>0.4</i>		
Profit (loss) before income tax expenses	15,974	24,604	8,630	54.0
Percentage of sales (%)	<i>1.9</i>	<i>2.5</i>		
Income tax expenses	4,712	9,262	4,550	96.6
Percentage of sales (%)	<i>0.6</i>	<i>1.0</i>		
Profit (loss) for the period	11,262	15,342	4,080	36.2
Percentage of sales (%)	<i>1.3</i>	<i>1.6</i>		
Profit (loss) attributable to:				
Owners of the parent	11,157	14,914	3,757	33.7
Percentage of sales (%)	<i>1.3</i>	<i>1.5</i>		
Non-controlling interests	105	428	323	307.6
Percentage of sales (%)	<i>0.0</i>	<i>0.0</i>		

	Half year ended September 30, 2021	Half year ended September 30, 2022	Change
Earnings per share attributable to owners of the parent-basic (yen)	16.07	23.87	7.80
Earnings per share attributable to owners of the parent-diluted (yen)	16.06	23.87	7.81

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

Three months ended September 30, 2021 and 2022

(Millions of yen)

	Three months ended September 30, 2021	Three months ended September 30, 2022	Change	%
Sales	418,659	514,195	95,536	22.8
Cost of sales	266,064	335,914	69,850	26.3
Percentage of sales (%)	63.6	65.3		
Gross profit	152,595	178,281	25,686	16.8
Percentage of sales (%)	36.4	34.7		
Selling, general and administrative expenses	146,680	166,842	20,162	13.7
Percentage of sales (%)	35.0	32.4		
Other income	1,519	2,383	864	56.9
Percentage of sales (%)	0.4	0.5		
Operating profit (loss)	7,434	13,822	6,388	85.9
Percentage of sales (%)	1.8	2.7		
Finance income	411	744	333	81.0
Percentage of sales (%)	0.1	0.1		
Finance costs	1,455	2,991	1,536	105.6
Percentage of sales (%)	0.3	0.6		
Share of profit (loss) of investments accounted for using the equity method	1,902	1,828	(74)	(3.9)
Percentage of sales (%)	0.5	0.4		
Profit (loss) before income tax expenses	8,292	13,403	5,111	61.6
Percentage of sales (%)	2.0	2.6		
Income tax expenses	1,866	5,683	3,817	204.6
Percentage of sales (%)	0.4	1.1		
Profit (loss) for the period	6,426	7,720	1,294	20.1
Percentage of sales (%)	1.5	1.5		
Profit (loss) attributable to:				
Owners of the parent	6,370	7,323	953	15.0
Percentage of sales (%)	1.5	1.4		
Non-controlling interests	56	397	341	608.9
Percentage of sales (%)	0.0	0.1		

	Three months ended September 30, 2021	Three months ended September 30, 2022	Change
Earnings per share attributable to owners of the parent-basic (yen)	9.34	11.89	2.55
Earnings per share attributable to owners of the parent-diluted (yen)	9.34	11.89	2.55

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

Condensed Consolidated Statement of Comprehensive Income

Half year ended September 30, 2021 and 2022

	(Millions of yen)		
	Half year ended September 30, 2021	Half year ended September 30, 2022	Change
Profit (loss) for the period	11,262	15,342	4,080
Other comprehensive income (loss):			
Components that will not be reclassified subsequently to profit or loss:			
Remeasurements of defined benefit plans	2,581	(570)	(3,151)
Net changes in fair value of financial assets measured through other comprehensive income	(89)	(143)	(54)
Share of other comprehensive income of investments accounted for using equity method	150	(768)	(918)
Total components that will not be reclassified subsequently to profit or loss	2,642	(1,481)	(4,123)
Components that will be reclassified subsequently to profit or loss:			
Net changes in fair value of cash flow hedges	405	(147)	(552)
Exchange differences on translation of foreign operations	1,900	59,936	58,036
Share of other comprehensive income of investments accounted for using equity method	(15)	66	81
Total components that will be reclassified subsequently to profit or loss	2,290	59,855	57,565
Total other comprehensive income (loss)	4,932	58,374	53,442
Comprehensive income (loss)	16,194	73,716	57,522
Comprehensive income (loss) attributable to:			
Owners of the parent	16,086	73,080	56,994
Non-controlling interests	108	636	528

Three months ended September 30, 2021 and 2022

	(Millions of yen)		
	Three months ended September 30, 2021	Three months ended September 30, 2022	Change
Profit (loss) for the period	6,426	7,720	1,294
Other comprehensive income (loss):			
Components that will not be reclassified subsequently to profit or loss:			
Remeasurements of defined benefit plans	1,600	(570)	(2,170)
Net changes in fair value of financial assets measured through other comprehensive income	(296)	83	379
Share of other comprehensive income of investments accounted for using equity method	36	(101)	(137)
Total components that will not be reclassified subsequently to profit or loss	1,340	(588)	(1,928)
Components that will be reclassified subsequently to profit or loss:			
Net changes in fair value of cash flow hedges	533	(70)	(603)
Exchange differences on translation of foreign operations	(1,910)	14,972	16,882
Share of other comprehensive income of investments accounted for using equity method	53	130	77
Total components that will be reclassified subsequently to profit or loss	(1,324)	15,032	16,356
Total other comprehensive income (loss)	16	14,444	14,428
Comprehensive income (loss)	6,442	22,164	15,722
Comprehensive income (loss) attributable to:			
Owners of the parent	6,391	21,592	15,201
Non-controlling interests	51	572	521

Consolidated Sales by Product Category

Half year ended September 30, 2021 and 2022

(Millions of yen)				
	Half year ended September 30, 2021	Half year ended September 30, 2022	Change	%
<Digital Services>	688,470	768,240	79,770	11.6
Percentage of sales (%)	81.6	78.9		
<Digital Products>	7,083	8,507	1,424	20.1
Percentage of sales (%)	0.8	0.9		
<Graphic Communications>	87,030	108,882	21,852	25.1
Percentage of sales (%)	10.3	11.2		
<Industrial Solutions>	50,723	62,422	11,699	23.1
Percentage of sales (%)	6.0	6.4		
<Other>	10,157	25,485	15,328	150.9
Percentage of sales (%)	1.2	2.6		
Grand Total	843,463	973,536	130,073	15.4
Percentage of sales (%)	100.0	100.0		

Three months ended September 30, 2021 and 2022

(Millions of yen)				
	Three months ended September 30, 2021	Three months ended September 30, 2022	Change	%
<Digital Services>	342,075	399,661	57,586	16.8
Percentage of sales (%)	81.7	77.7		
<Digital Products>	3,686	4,715	1,029	27.9
Percentage of sales (%)	0.9	0.9		
<Graphic Communications>	44,480	56,983	12,503	28.1
Percentage of sales (%)	10.6	11.1		
<Industrial Solutions>	23,797	32,098	8,301	34.9
Percentage of sales (%)	5.7	6.2		
<Other>	4,621	20,738	16,117	348.8
Percentage of sales (%)	1.1	4.0		
Grand Total	418,659	514,195	95,536	22.8
Percentage of sales (%)	100.0	100.0		

* Sales of PFU is included in Other.

(Note) 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

Half year ended September 30, 2021 and 2022

(Millions of yen)				
	Half year ended September 30, 2021	Half year ended September 30, 2022	Change	%
<Domestic>	336,156	351,586	15,430	4.6
Percentage of sales (%)	39.9	36.1		
<Overseas>	507,307	621,950	114,643	22.6
Percentage of sales (%)	60.1	63.9		
The Americas	214,672	283,674	69,002	32.1
Percentage of sales (%)	25.5	29.1		
Europe, Middle East and Africa	212,322	248,344	36,022	17.0
Percentage of sales (%)	25.2	25.5		
Other	80,313	89,932	9,619	12.0
Percentage of sales (%)	9.5	9.2		
Grand Total	843,463	973,536	130,073	15.4
Percentage of sales (%)	100.0	100.0		

Three months ended September 30, 2021 and 2022

(Millions of yen)				
	Three months ended September 30, 2021	Three months ended September 30, 2022	Change	%
<Domestic>	164,839	187,822	22,983	13.9
Percentage of sales (%)	39.4	36.5		
<Overseas>	253,820	326,373	72,553	28.6
Percentage of sales (%)	60.6	63.5		
The Americas	108,256	151,083	42,827	39.6
Percentage of sales (%)	25.9	29.4		
Europe, Middle East and Africa	106,012	127,280	21,268	20.1
Percentage of sales (%)	25.3	24.8		
Other	39,552	48,010	8,458	21.4
Percentage of sales (%)	9.4	9.3		
Grand Total	418,659	514,195	95,536	22.8
Percentage of sales (%)	100.0	100.0		

(3) Condensed Consolidated Statement of Changes in Equity

(Millions of Yen)

	Common Stock	Additional paid-in capital	Treasury stock	Other components of equity		
				Remeasurements of defined benefit plans	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)				2,581	61	387
Comprehensive income (loss)	—	—	—	2,581	61	387
Net change in treasury stock		(69)	(60,311)			
Dividends declared and approved to owners						
Share-based payment transactions		15	14			
Transfer from other components of equity to retained earnings				(2,581)	183	
Other						
Total transactions with owners	—	(54)	(60,297)	(2,581)	183	—
Balance as of September 30, 2021	135,364	186,177	(105,321)	—	8,051	(43)

	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			11,157	11,157	105	11,262
Other comprehensive income (loss)	1,900	4,929		4,929	3	4,932
Comprehensive income (loss)	1,900	4,929	11,157	16,086	108	16,194
Net change in treasury stock				(60,380)		(60,380)
Dividends declared and approved to owners			(5,387)	(5,387)	(30)	(5,417)
Share-based payment transactions				29		29
Transfer from other components of equity to retained earnings		(2,398)	2,398	—		—
Other			(2,077)	(2,077)		(2,077)
Total transactions with owners	—	(2,398)	(5,066)	(67,815)	(30)	(67,845)
Balance as of September 30, 2021	76,620	84,628	567,669	868,517	3,684	872,201

(Millions of Yen)

	Common Stock	Additional paid-in capital	Treasury stock	Other components of equity		
				Remeasurements of defined benefit plans	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)				(570)	(907)	(71)
Comprehensive income (loss)	—	—	—	(570)	(907)	(71)
Net change in treasury stock		(21)	(30,003)			
Dividends declared and approved to owners						
Share-based payment transactions		45	15			
Change in scope of consolidation						
Written put options over non-controlling interests		(20,829)				
Transfer from other components of equity to retained earnings				570	(51)	
Total transactions with owners	—	(20,805)	(29,988)	570	(51)	—
Balance as of September 30, 2022	135,364	160,137	(30,448)	—	3,582	175

	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			14,914	14,914	428	15,342
Other comprehensive income (loss)	59,714	58,166		58,166	208	58,374
Comprehensive income (loss)	59,714	58,166	14,914	73,080	636	73,716
Net change in treasury stock				(30,024)		(30,024)
Dividends declared and approved to owners			(8,281)	(8,281)	(75)	(8,356)
Share-based payment transactions				60		60
Change in scope of consolidation				—	14,656	14,656
Written put options over non-controlling interests				(20,829)		(20,829)
Transfer from other components of equity to retained earnings		519	(519)	—		—
Total transactions with owners	—	519	(8,800)	(59,074)	14,581	(44,493)
Balance as of September 30, 2022	181,269	185,026	465,969	916,048	19,000	935,048

(4) Condensed Consolidated Statement of Cash Flows

	(Millions of yen)	
	Half year ended September 30, 2021	Half year ended September 30, 2022
I. Cash Flows from Operating Activities:		
Profit (loss) for the period	11,262	15,342
Adjustments to reconcile profit for the period to net cash provided by (used in) operating activities—		
Depreciation and amortization	46,503	45,052
Other income	(3,043)	(42)
Share of (profit) loss of investments accounted for using the equity method	(3,729)	(3,891)
Finance income and costs	855	2,735
Income tax expenses	4,712	9,262
(Increase) decrease in trade and other receivables	50,715	4,245
(Increase) decrease in inventories	(13,933)	(36,995)
(Increase) decrease in lease receivables	12,985	11,949
Increase (decrease) in trade and other payables	(46,575)	(15,926)
Increase (decrease) in accrued pension and retirement benefits	(6,205)	(4,795)
Other, net	(3,098)	(19,570)
Interest and dividends received	1,341	2,074
Interest paid	(1,140)	(2,245)
Income taxes paid	(9,903)	(10,910)
Net cash provided by (used in) operating activities	40,747	(3,715)
II. Cash Flows from Investing Activities:		
Proceeds from sales of property, plant and equipment	3,400	1,773
Expenditures for property, plant and equipment	(15,209)	(18,494)
Expenditures for intangible assets	(16,069)	(16,496)
Payments for purchases of investment securities	(185)	(255)
Proceeds from sales of investment securities	1,025	396
Net (increase) decrease of time deposits	(36)	(27)
Purchase of business, net of cash acquired	(2,805)	(48,626)
Net cash provided by (used in) investing activities	(29,879)	(81,729)
III. Cash Flows from Financing Activities:		
Net increase (decrease) of short-term debt	7,954	26,019
Proceeds from long-term debt	16,055	108,091
Repayments of long-term debt	(14,827)	(21,999)
Repayments of bonds	—	(13,725)
Repayments of lease liabilities	(16,800)	(15,917)
Dividends paid	(5,387)	(8,281)
Payments for purchase of treasury stock	(60,311)	(30,003)
Other, net	(30)	(105)
Net cash provided by (used in) financing activities	(73,346)	44,080
IV. Effect of Exchange Rate Changes on Cash and Cash Equivalents	(87)	11,539
V. Net Increase (decrease) in Cash and Cash Equivalents	(62,565)	(29,825)
VI. Cash and Cash Equivalents at Beginning of Year	330,344	234,020
VII. Cash and Cash Equivalents at End of Period	267,779	204,195

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
Half year ended September 30, 2021 and 2022

	(Millions of yen)			
	Half year ended September 30, 2021	Half year ended September 30, 2022	Change	%
Digital Services:				
Sales:				
Unaffiliated customers	688,470	768,240	79,770	11.6
Intersegment	—	—	—	—
Total	688,470	768,240	79,770	11.6
Operating expenses	683,632	758,348	74,716	10.9
Operating profit (loss)	4,838	9,892	5,054	104.5
Operating profit (loss) on sales in Digital Services (%)	0.7	1.3		
Digital Products:				
Sales:				
Unaffiliated customers	7,083	8,507	1,424	20.1
Intersegment	171,615	203,910	32,295	18.8
Total	178,698	212,417	33,719	18.9
Operating expenses	161,581	190,410	28,829	17.8
Operating profit (loss)	17,117	22,007	4,890	28.6
Operating profit (loss) on sales in Digital Products (%)	9.6	10.4		
Graphic Communications:				
Sales:				
Unaffiliated customers	87,030	108,882	21,852	25.1
Intersegment	—	—	—	—
Total	87,030	108,882	21,852	25.1
Operating expenses	86,699	105,018	18,319	21.1
Operating profit (loss)	331	3,864	3,533	—
Operating profit (loss) on sales in Graphic Communications (%)	0.4	3.5		
Industrial Solutions:				
Sales:				
Unaffiliated customers	50,723	62,422	11,699	23.1
Intersegment	3,492	3,940	448	12.8
Total	54,215	66,362	12,147	22.4
Operating expenses	54,978	66,736	11,758	21.4
Operating profit (loss)	(763)	(374)	389	—
Operating profit (loss) on sales in Industrial Solutions (%)	(1.4)	(0.6)		
Other:				
Sales:				
Unaffiliated customers	10,157	25,485	15,328	150.9
Intersegment	6,544	8,233	1,689	25.8
Total	16,701	33,718	17,017	101.9
Operating expenses	24,118	37,729	13,611	56.4
Operating profit (loss)	(7,417)	(4,011)	3,406	—
Operating profit (loss) on sales in Other (%)	(44.4)	(11.9)		
Eliminations and Corporate:				
Sales:				
Intersegment	(181,651)	(216,083)	(34,432)	
Total	(181,651)	(216,083)	(34,432)	—
Operating expenses:				
Intersegment	(181,651)	(216,083)	(34,432)	
Corporate	1,006	7,930	6,924	
Total	(180,645)	(208,153)	(27,508)	—
Operating profit (loss)	(1,006)	(7,930)	(6,924)	—
Consolidated:				
Sales:				
Unaffiliated customers	843,463	973,536	130,073	15.4
Intersegment	—	—	—	—
Total	843,463	973,536	130,073	15.4
Operating expenses	830,363	950,088	119,725	14.4
Operating profit (loss)	13,100	23,448	10,348	79.0
Operating profit (loss) on consolidated sales (%)	1.6	2.4		

Three months ended September 30, 2021 and 2022

(Millions of yen)

	Three months ended September 30, 2021	Three months ended September 30, 2022	Change	%
Digital Services:				
Sales:				
Unaffiliated customers	342,075	399,661	57,586	16.8
Intersegment	—	—	—	—
Total	342,075	399,661	57,586	16.8
Operating expenses	338,568	392,699	54,131	16.0
Operating profit (loss)	3,507	6,962	3,455	98.5
Operating profit (loss) on sales in Digital Services (%)	1.0	1.7		
Digital Products:				
Sales:				
Unaffiliated customers	3,686	4,715	1,029	27.9
Intersegment	85,529	108,275	22,746	26.6
Total	89,215	112,990	23,775	26.6
Operating expenses	81,121	103,210	22,089	27.2
Operating profit (loss)	8,094	9,780	1,686	20.8
Operating profit (loss) on sales in Digital Products (%)	9.1	8.7		
Graphic Communications:				
Sales:				
Unaffiliated customers	44,480	56,983	12,503	28.1
Intersegment	—	—	—	—
Total	44,480	56,983	12,503	28.1
Operating expenses	45,197	55,569	10,372	22.9
Operating profit (loss)	(717)	1,414	2,131	—
Operating profit (loss) on sales in Graphic Communications (%)	(1.6)	2.5		
Industrial Solutions:				
Sales:				
Unaffiliated customers	23,797	32,098	8,301	34.9
Intersegment	1,740	2,175	435	25.0
Total	25,537	34,273	8,736	34.2
Operating expenses	25,327	33,910	8,583	33.9
Operating profit (loss)	210	363	153	72.9
Operating profit (loss) on sales in Industrial Solutions (%)	0.8	1.1		
Other:				
Sales:				
Unaffiliated customers	4,621	20,738	16,117	348.8
Intersegment	3,628	4,568	940	25.9
Total	8,249	25,306	17,057	206.8
Operating expenses	12,402	26,295	13,893	112.0
Operating profit (loss)	(4,153)	(989)	3,164	—
Operating profit (loss) on sales in Other (%)	(50.3)	(3.9)		
Eliminations and Corporate:				
Sales:				
Intersegment	(90,897)	(115,018)	(24,121)	—
Total	(90,897)	(115,018)	(24,121)	—
Operating expenses:				
Intersegment	(90,897)	(115,018)	(24,121)	—
Corporate	(493)	3,708	4,201	—
Total	(91,390)	(111,310)	(19,920)	—
Operating profit (loss)	493	(3,708)	(4,201)	—
Consolidated:				
Sales:				
Unaffiliated customers	418,659	514,195	95,536	22.8
Intersegment	—	—	—	—
Total	418,659	514,195	95,536	22.8
Operating expenses	411,225	500,373	89,148	21.7
Operating profit (loss)	7,434	13,822	6,388	85.9
Operating profit (loss) on consolidated sales (%)	1.8	2.7		

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

* Sales and profit and loss of PFU are included in Other.

(Note) 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 Retirement)

At the meeting of the Board of Directors of the Company held on October 4, 2022, the Company resolved to retire treasury shares under Article 178 of the Companies Act.

(1) Share category	Common stock
(2) Number of shares	27,946,200 shares
(3) Retirement date	October 31, 2022

-APPENDIX- (Half year ended September 30, 2022)

1. Consolidated Sales by Product Category

Half year ended September 30, 2021 and 2022

	Half year ended September 30, 2021	Half year ended September 30, 2022	Change	%	Change excluding exchange impact	%
(Millions of yen)						
<Digital Services>	688,470	768,240	79,770	11.6	23,793	3.5
Percentage of sales (%)	81.6	78.9				
Domestic	294,312	299,770	5,458	1.9	5,458	1.9
Overseas	394,158	468,470	74,312	18.9	18,335	4.7
The Americas	161,705	205,710	44,005	27.2	6,932	4.3
Europe, Middle East and Africa	180,057	206,013	25,956	14.4	14,245	7.9
Other	52,396	56,747	4,351	8.3	(2,842)	(5.4)
<Digital Products>	7,083	8,507	1,424	20.1	264	3.7
Percentage of sales (%)	0.8	0.9				
Domestic	3,421	4,017	596	17.4	596	17.4
Overseas	3,662	4,490	828	22.6	(332)	(9.1)
The Americas	299	538	239	79.9	141	47.2
Europe, Middle East and Africa	—	—	—	—	—	—
Other	3,363	3,952	589	17.5	(473)	(14.1)
<Graphic Communications>	87,030	108,882	21,852	25.1	9,306	10.7
Percentage of sales (%)	10.3	11.2				
Domestic	12,670	13,103	433	3.4	433	3.4
Overseas	74,360	95,779	21,419	28.8	8,873	11.9
The Americas	40,663	54,410	13,747	33.8	3,781	9.3
Europe, Middle East and Africa	22,079	27,502	5,423	24.6	3,920	17.8
Other	11,618	13,867	2,249	19.4	1,172	10.1
<Industrial Solutions>	50,723	62,422	11,699	23.1	7,054	13.9
Percentage of sales (%)	6.0	6.4				
Domestic	20,884	22,530	1,646	7.9	1,646	7.9
Overseas	29,839	39,892	10,053	33.7	5,408	18.1
The Americas	9,900	16,121	6,221	62.8	3,326	33.6
Europe, Middle East and Africa	8,384	11,550	3,166	37.8	2,518	30.0
Other	11,555	12,221	666	5.8	(436)	(3.8)
<Other>	10,157	25,485	15,328	150.9	14,630	144.0
Percentage of sales (%)	1.2	2.6				
Domestic	4,869	12,166	7,297	149.9	7,297	149.9
Overseas	5,288	13,319	8,031	151.9	7,333	138.7
The Americas	2,105	6,895	4,790	227.6	4,396	208.8
Europe, Middle East and Africa	1,802	3,279	1,477	82.0	1,378	76.5
Other	1,381	3,145	1,764	127.7	1,559	112.9
Total	843,463	973,536	130,073	15.4	55,047	6.5
Percentage of sales (%)	100.0	100.0				
Domestic	336,156	351,586	15,430	4.6	15,430	4.6
Percentage of sales (%)	39.9	36.1				
Overseas	507,307	621,950	114,643	22.6	39,617	7.8
Percentage of sales (%)	60.1	63.9				
The Americas	214,672	283,674	69,002	32.1	18,576	8.7
Percentage of sales (%)	25.5	29.1				
Europe, Middle East and Africa	212,322	248,344	36,022	17.0	22,061	10.4
Percentage of sales (%)	25.2	25.5				
Other	80,313	89,932	9,619	12.0	(1,020)	(1.3)
Percentage of sales (%)	9.5	9.2				

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

* Sales and profit and loss of PFU are included in Other.

(Note) 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. Consolidated Sales by Product Category

Three months ended September 30, 2021 and 2022

	(Millions of yen)					
	Three months ended September 30, 2021	Three months ended September 30, 2022	Change	%	Change excluding exchange impact	%
<Digital Services>	342,075	399,661	57,586	16.8	23,975	7.0
Percentage of sales (%)	81.7	77.7				
Domestic	146,093	156,909	10,816	7.4	10,816	7.4
Overseas	195,982	242,752	46,770	23.9	13,159	6.7
The Americas	80,978	107,980	27,002	33.3	5,028	6.2
Europe, Middle East and Africa	89,637	104,469	14,832	16.5	7,624	8.5
Other	25,367	30,303	4,936	19.5	507	2.0
<Digital Products>	3,686	4,715	1,029	27.9	330	9.0
Percentage of sales (%)	0.9	0.9				
Domestic	1,894	2,217	323	17.1	323	17.1
Overseas	1,792	2,498	706	39.4	7	0.4
The Americas	129	277	148	114.7	91	70.5
Europe, Middle East and Africa	—	—	—	—	—	—
Other	1,663	2,221	558	33.6	(84)	(5.1)
<Graphic Communications>	44,480	56,983	12,503	28.1	4,876	11.0
Percentage of sales (%)	10.6	11.1				
Domestic	6,032	6,525	493	8.2	493	8.2
Overseas	38,448	50,458	12,010	31.2	4,383	11.4
The Americas	21,094	29,294	8,200	38.9	2,181	10.3
Europe, Middle East and Africa	11,374	14,364	2,990	26.3	2,049	18.0
Other	5,980	6,800	820	13.7	153	2.6
<Industrial Solutions>	23,797	32,098	8,301	34.9	5,642	23.7
Percentage of sales (%)	5.7	6.2				
Domestic	8,624	11,756	3,132	36.3	3,132	36.3
Overseas	15,173	20,342	5,169	34.1	2,510	16.5
The Americas	5,174	7,793	2,619	50.6	1,008	19.5
Europe, Middle East and Africa	4,220	6,058	1,838	43.6	1,431	33.9
Other	5,779	6,491	712	12.3	71	1.2
<Other>	4,621	20,738	16,117	348.8	15,708	339.9
Percentage of sales (%)	1.1	4.0				
Domestic	2,196	10,415	8,219	374.3	8,219	374.3
Overseas	2,425	10,323	7,898	325.7	7,489	308.8
The Americas	881	5,739	4,858	551.4	4,625	525.0
Europe, Middle East and Africa	781	2,389	1,608	205.9	1,548	198.2
Other	763	2,195	1,432	187.7	1,316	172.5
Total	418,659	514,195	95,536	22.8	50,531	12.1
Percentage of sales (%)	100.0	100.0				
Domestic	164,839	187,822	22,983	13.9	22,983	13.9
Percentage of sales (%)	39.4	36.5				
Overseas	253,820	326,373	72,553	28.6	27,548	10.9
Percentage of sales (%)	60.6	63.5				
The Americas	108,256	151,083	42,827	39.6	12,933	11.9
Percentage of sales (%)	25.9	29.4				
Europe, Middle East and Africa	106,012	127,280	21,268	20.1	12,652	11.9
Percentage of sales (%)	25.3	24.8				
Other	39,552	48,010	8,458	21.4	1,963	5.0
Percentage of sales (%)	9.4	9.3				

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

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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

* Sales and profit and loss of PFU are included in Other.

(Note) 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.

3. Forecast of Consolidated Performance

(Billions of yen)

	Half year ended September 30, 2022 Results	Change %	Half year Ending March 31, 2023 Forecast	Change %	Year ending March 31, 2023 Forecast	Change %
Sales	973.5	15.4	1,126.4	23.1	2,100.0	19.4
Gross profit	346.2	13.6	380.7	19.8	727.0	16.8
Operating profit	23.4	79.0	61.5	128.4	85.0	112.2
Profit before income tax expenses	24.6	54.0	63.0	122.1	87.7	97.6
Profit attributable to owners of the parent	14.9	33.7	42.0	119.0	57.0	87.7
Earnings per share attributable to owners of the parent-basic (yen)	23.87	7.80	68.53	39.25	92.40	47.05
Earnings per share attributable to owners of the parent- diluted (yen)	23.87	7.81	68.50	39.22	92.37	47.03
Capital expenditures	18.4		22.5		41.0	
Depreciation	20.4		21.5		42.0	
R&D expenditures	49.7		52.2		102.0	
Exchange rate (Yen/US\$)	133.92		125.00		129.46	
Exchange rate (Yen/EURO)	138.70		135.00		136.85	

* 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, 2022	Half year ending March 31, 2023		Year ending March 31, 2023			
	Results	Forecast	Forecast excluding exchange impact	Forecast	Change %	Forecast excluding exchange impact	Change %
<Digital Services>	1,428.1	831.7	803.4	1,600.0	12.0	1,515.7	6.1
Domestic	615.8	351.3	351.3	651.1	5.7	651.1	5.7
Overseas	812.3	480.4	452.0	948.9	16.8	864.6	6.4
The Americas	329.9	196.5	180.7	402.3	21.9	349.4	5.9
Europe, Middle East and Africa	380.3	227.9	219.9	434.0	14.1	414.3	8.9
Other	102.0	55.8	51.3	112.6	10.3	100.9	(1.1)
<Digital Products>	13.1	6.4	6.2	15.0	13.9	13.6	3.3
Domestic	6.6	3.3	3.3	7.4	12.1	7.4	12.1
Overseas	6.5	3.1	2.8	7.6	15.7	6.2	(5.6)
The Americas	0.6	0.2	0.2	0.8	25.2	0.7	9.5
Europe, Middle East and Africa	0.0	—	—	—	—	—	—
Other	5.9	2.8	2.6	6.8	14.7	5.5	(7.2)
<Graphic Communications>	187.0	131.1	123.4	240.0	28.3	219.8	17.5
Domestic	26.3	16.5	16.5	29.7	12.6	29.7	12.6
Overseas	160.7	114.5	106.8	210.3	30.9	190.1	18.3
The Americas	86.8	64.2	59.1	118.7	36.7	103.6	19.3
Europe, Middle East and Africa	48.5	33.8	32.7	61.4	26.5	58.7	21.0
Other	25.3	16.3	15.0	30.2	19.1	27.8	9.6
<Industrial Solutions>	110.7	67.5	64.9	130.0	17.3	122.7	10.7
Domestic	47.7	28.0	28.0	50.6	5.9	50.6	5.9
Overseas	63.0	39.5	36.8	79.4	26.0	72.1	14.4
The Americas	22.1	15.6	14.4	31.8	43.6	27.6	24.6
Europe, Middle East and Africa	17.6	11.3	10.9	22.9	29.6	21.9	24.0
Other	23.2	12.4	11.4	24.7	6.4	22.6	(2.6)
<Other>	19.3	89.5	86.3	115.0	494.3	111.2	474.7
Domestic	8.6	44.0	44.0	56.2	548.1	56.2	548.1
Overseas	10.6	45.4	42.3	58.8	450.6	55.0	415.0
The Americas	4.0	23.3	21.4	30.2	639.8	27.9	583.5
Europe, Middle East and Africa	3.6	11.5	11.1	14.8	310.2	14.3	296.3
Other	2.9	10.6	9.7	13.8	361.7	12.7	324.9
Total	1,758.5	1,126.4	1,084.4	2,100.0	19.4	1,982.9	12.8
Domestic	705.2	443.4	443.4	795.0	12.7	795.0	12.7
Overseas	1,053.3	683.0	640.9	1,305.0	23.9	1,187.9	12.8
The Americas	443.6	300.1	275.9	583.8	31.6	509.2	14.8
Europe, Middle East and Africa	450.1	284.7	274.7	533.1	18.4	509.1	13.1
Other	159.5	98.1	90.2	188.1	17.9	169.6	6.3

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