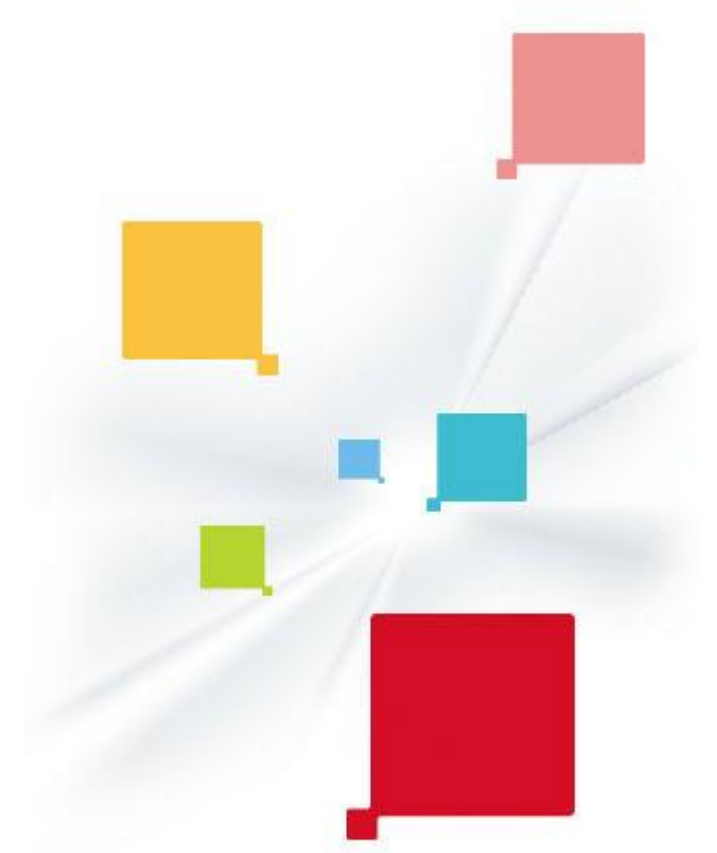


# Consolidated Results for Three Months Ended June 30, 2019

July 31, 2019  
Ricoh Company, Ltd.



# Forward-Looking Statements

The plans, prospects, strategies and other statements, except for the historical events, mentioned in this material are forward-looking statements with respect to future events and business results. Those statements were made based on the judgment of Ricoh's Directors from the information that is now obtainable. Actual results may differ materially from those projected or implied in such forward-looking statements and from any historical trends. Please refrain from judging only from these forward-looking statements with respect to future events and business results. The following important factors, without limiting the generality of the foregoing, could affect future results and could cause those results to differ materially from those expressed in the forward-looking statements:

- a. General economic conditions and business trend
- b. Exchange rates and their fluctuations
- c. Rapid technological innovation
- d. Uncertainty as to Ricoh's ability to continue to design, develop, produce and market products and services that achieve market acceptance in hot competitive market

No company's name and/or organization's name used, quoted and/or referenced in this material shall be interpreted as a recommendation and/or endorsement by Ricoh.

This material is not an offer or a solicitation to make investments. Please do not rely on this material as your sole source of information for your actual investments, and be aware that investments decisions are your responsibility.

**Note: In this document, fiscal years are defined as follows:**  
FY2019 = Fiscal year ended March 31, 2020, etc.

## Structure of results briefing materials

Ricoh reviewed the structure and contents of its results briefing materials in light of feedback at its April 2019 IR Day. Please refer to these and appended supplementary materials. Results briefing materials present progress with strategies and measures for the Company overall and each business segment. Results supplementary materials present additional financial data.

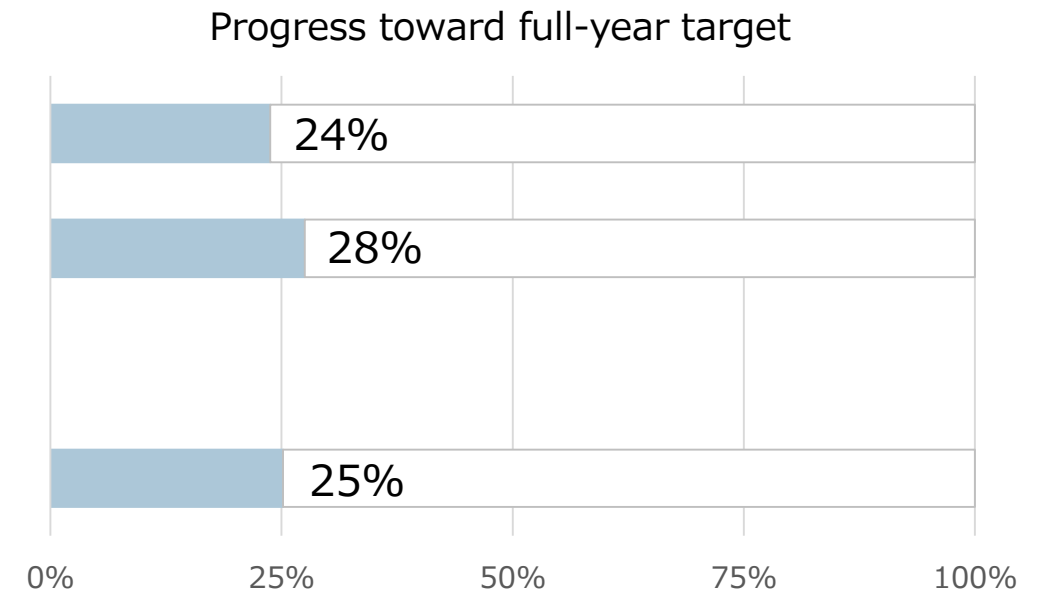
# Overview of FY2019 First-Quarter Results

# Key Indicators

Sales declined owing to forex and removals from consolidation, but operating profit jumped almost 40%

	FY2018 Q1	FY2019 Q1	Year-on-year change	
Sales (billion yen)	490.9	<b>477.6</b>	-2.7% +0.2%* <sup>1</sup>	
Operating profit (billion yen)	19.7	<b>27.5</b>	+39.8%	
Operating margin	4.0%	<b>5.8%</b>	+1.8pt	
Profit attributable to owners of the parent (billion yen)	9.2	<b>15.6</b>	+68.3%	
Exchange rate	Yen/US\$ Yen/euro	109.14 130.14	110.07 123.55	+0.93 -6.59

	FY2019 Q1	Year-on-year change
R&D expenditures (billion yen)	<b>23.5</b>	- 1.9
Capital expenditures (billion yen)	<b>14.7</b>	+3.0
Depreciation (billion yen)	<b>15.3</b>	- 2.2

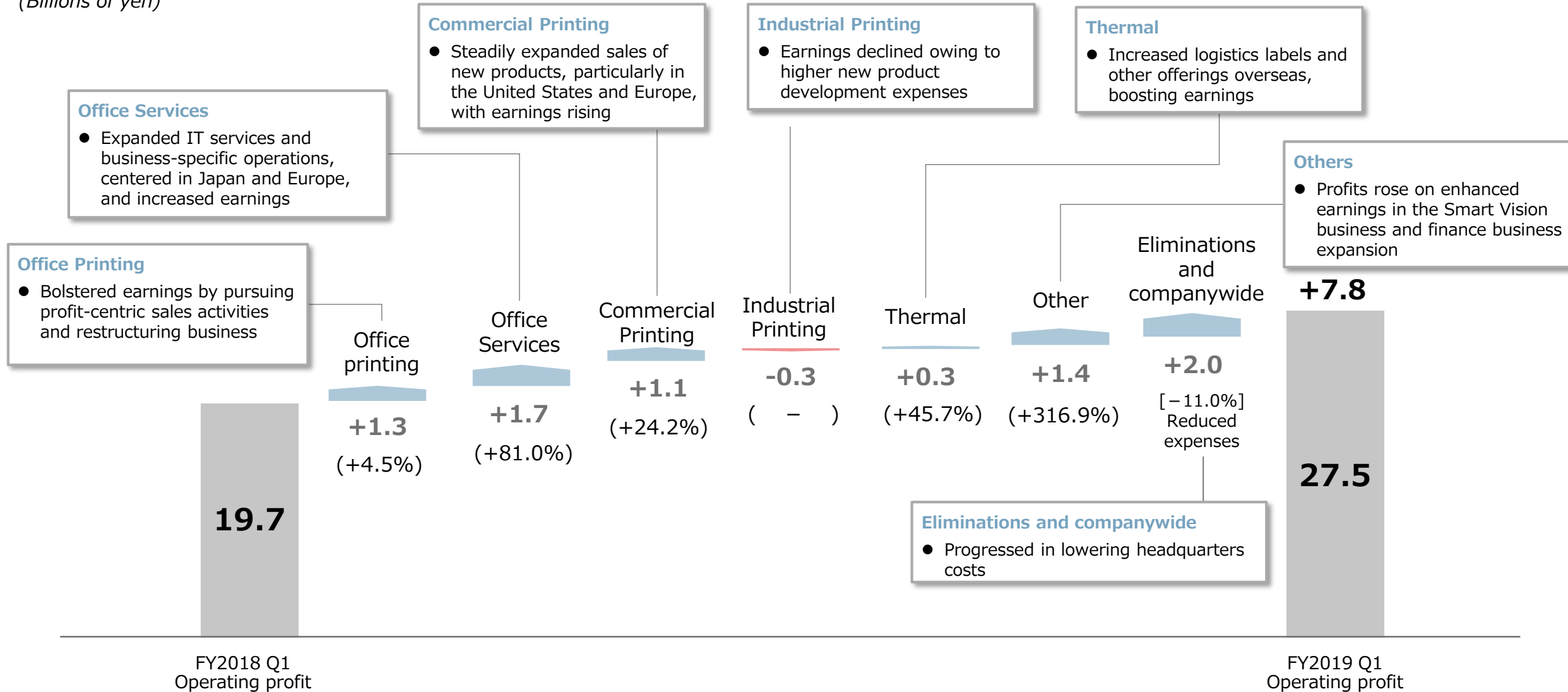


\* 1 After excluding forex and non-consolidation impacts from business transfers

# FY2019 Q1 Results

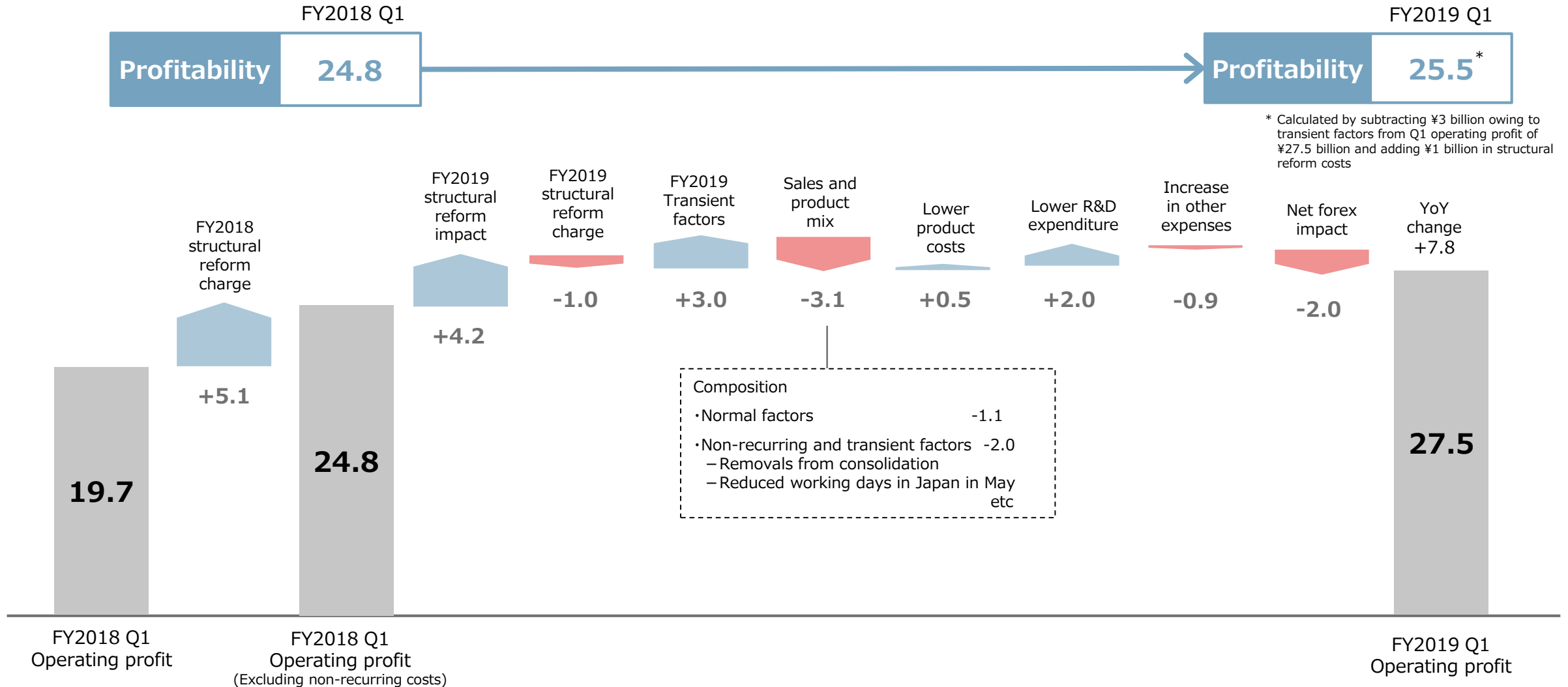
## Segment Operating Profit Changes

(Billions of yen)



# FY2019 Q1 Operating Profit Comparisons

(Billions of yen)



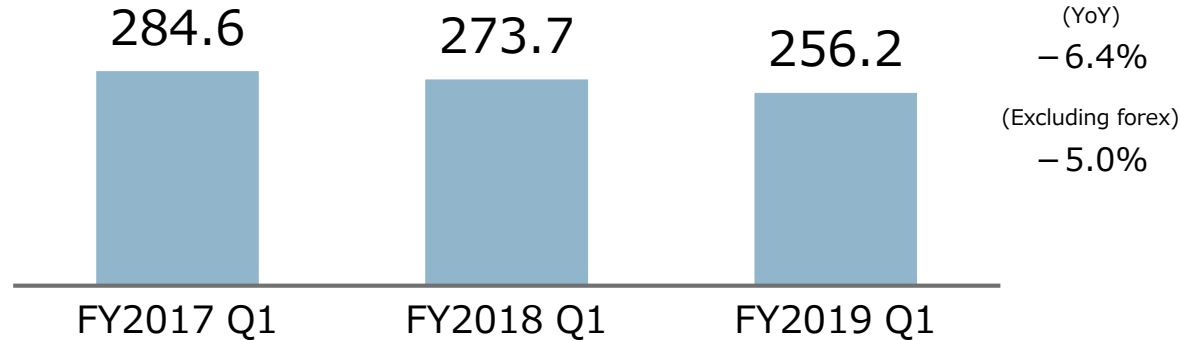
# FY2019 Q1 Results

## Office Printing

Earnings improved on structural reforms and a focus on profit-centric selling

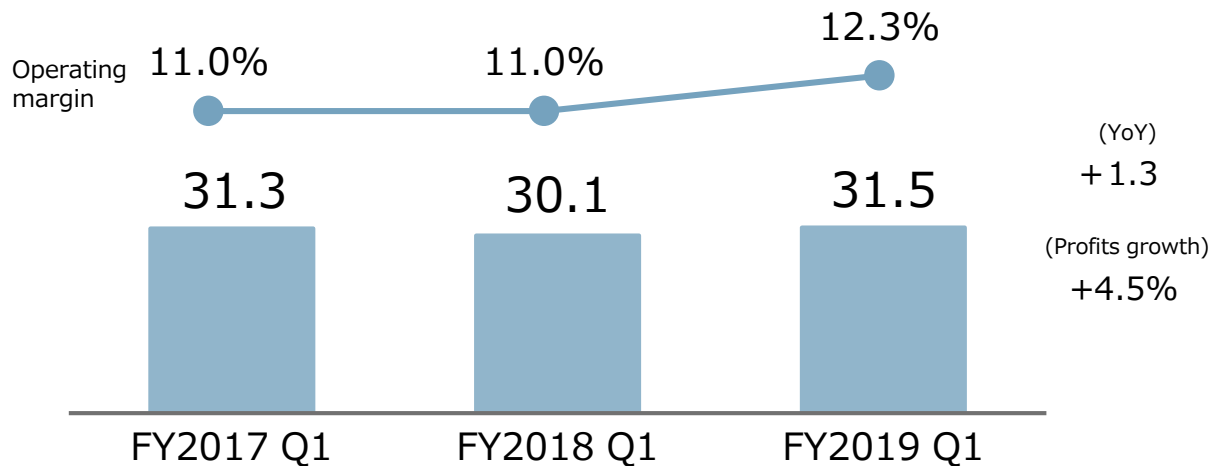
### Sales

(Billions of yen)



### Operating profit\*

(Billions of yen)



### Q1 overview

- Revenues declined but earnings rose
- Hardware sales decreased 1% on 6% MFP unit sales drop, reflecting a shift to selling advanced MFPs and efforts to control prices
- MFP nonhardware sales were down 7%, fewer business days in Japan in May, and a reduced number of machines in field following reviews of unprofitable deals
- Advanced MFPs (IM C series)
  - Launched packaged sales with apps matching regional businesses
  - Streamlined maintenance services



Advanced MFPs  
(IM C series)

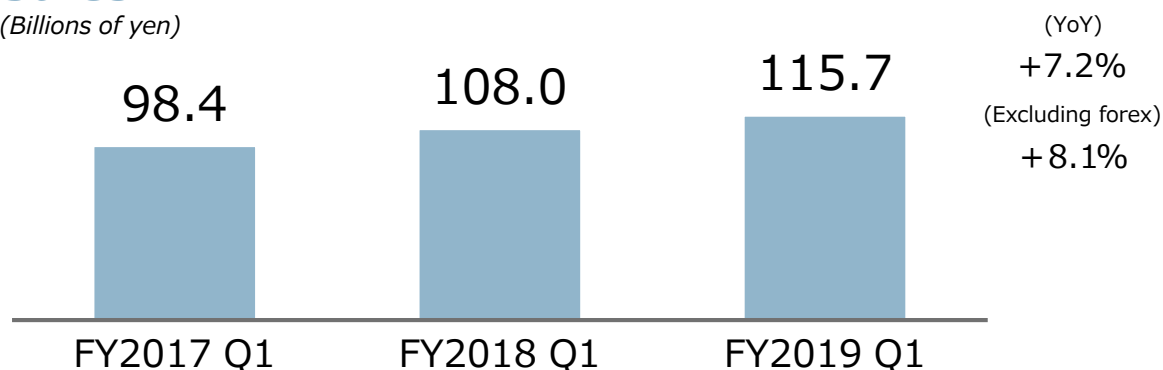
\* Excluding corporate and eliminations

# FY2019 Q1 Results Office Services

## Revenues and earnings increased, principally in Japan and Europe

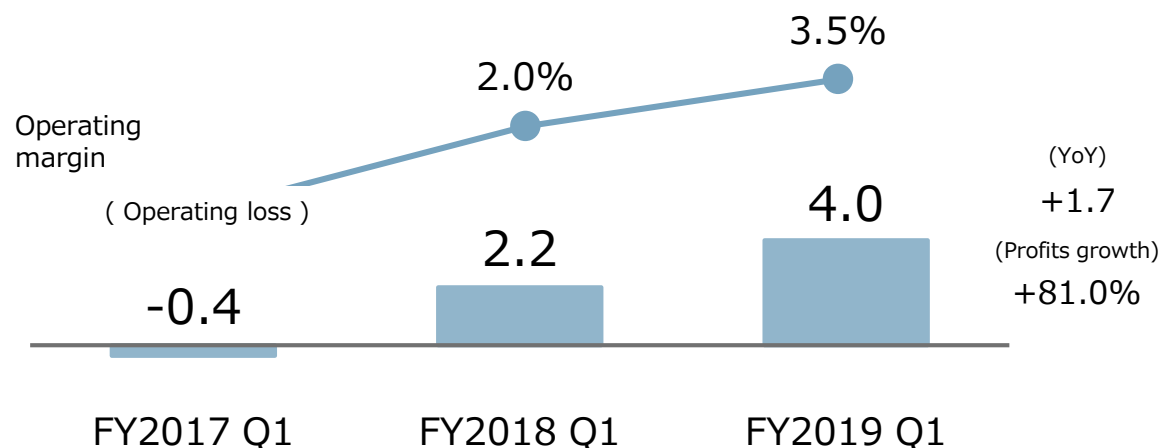
### Sales

(Billions of yen)



### Operating profit\*

(Billions of yen)



\* Excluding corporate and eliminations

### Q1 overview

- Continued to expand sales of IT services and business-specific models in each region, boosting revenues and earnings
  - Japan: Benefited from Windows 10 transition demand and expanded sales of business-specific solutions
  - Americas: Pushed ahead with measures to enhance document services productivity
  - Europe: IT services demand expanded steadily, and we strengthened our sales and support structure in key countries
- Announced acquisition of DocuWare, which supports document management and workflow automation
- Launched the EMPOWERING DIGITAL WORKPLACES Partner Program in Japan, reinforcing Ricoh cloud platform collaboration with information and communication technology equipment manufacturers and application vendors

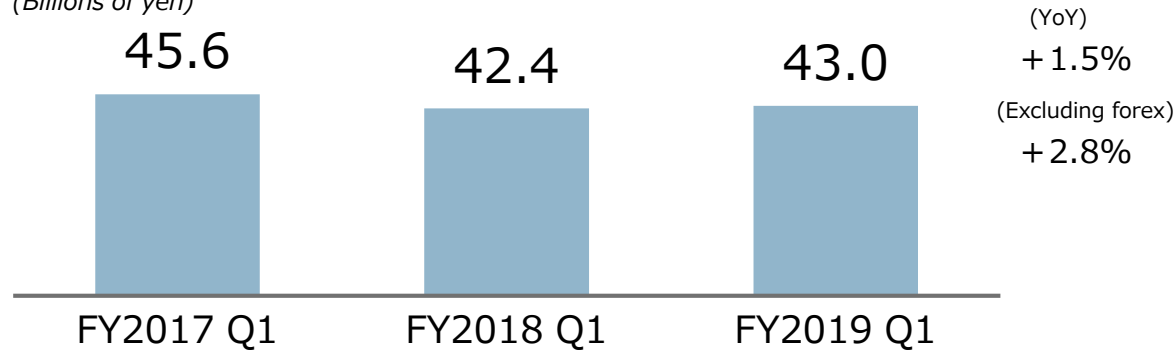


# FY2019 Q1 Results Commercial Printing

Enhanced revenues and earnings on new product sales expansion

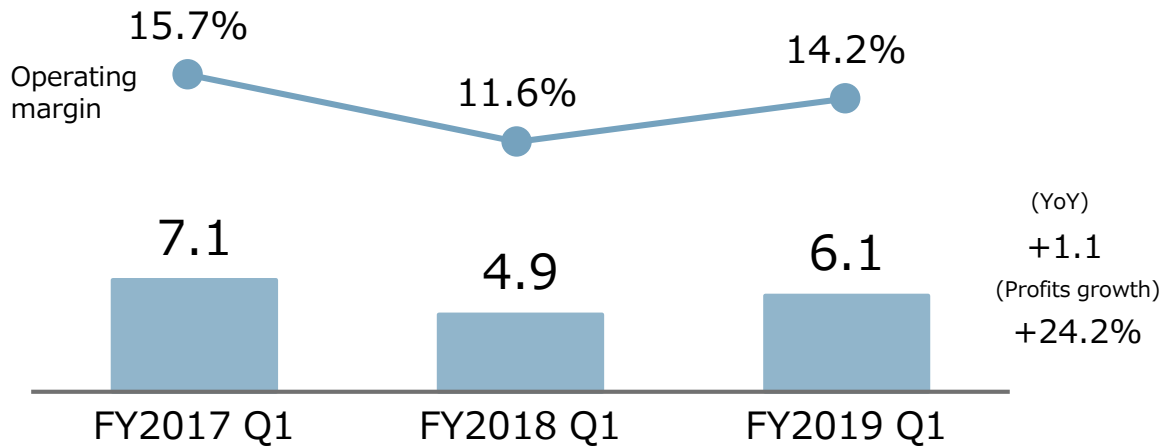
## Sales

(Billions of yen)



## Operating profit\*

(Billions of yen)



\* Excluding corporate and eliminations

## Q1 overview

- Increased revenues and earnings on expansion of new product sales
- Boosted unit sales, centered on color cutsheet and continuous feed models, and increased segment hardware sales by 13%
- Reinforced technical support and agency structures



RICOH Pro VC70000 high-speed continuous feed inkjet printing system



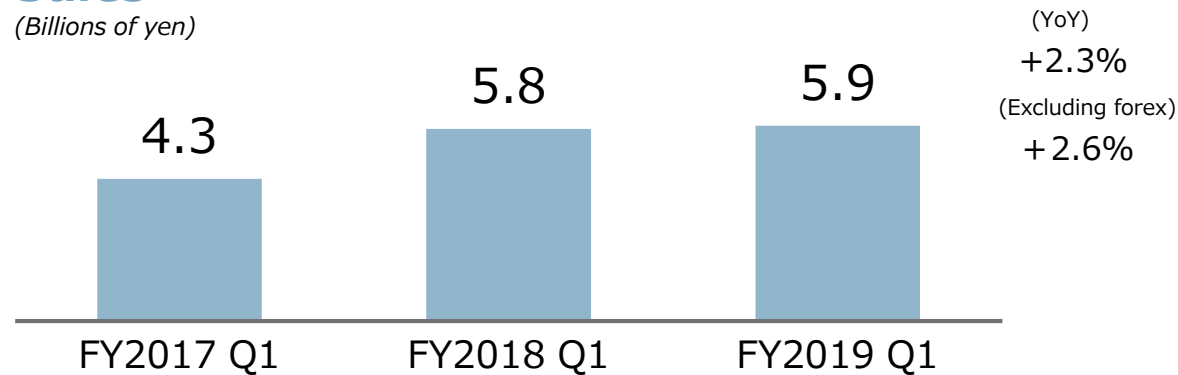
RICOH Pro C9210/C9200 color production printer

# FY2019 Q1 Results Industrial Printing

Although revenues rose, earnings dropped from higher new product development expenses

## Sales

(Billions of yen)

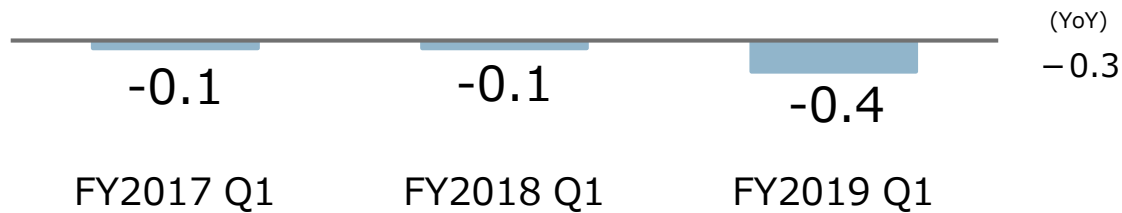


## Q1 overview

- Sales grew on expanded industrial printer revenues, including for new models
- Earnings were down owing to higher new product development expenses
- Demand was favorable for RICOH MH5320/5340 inkjet heads launched at the end of the previous fiscal year

## Operating profit\*

(Billions of yen)



RICOH MH5320/5340  
industrial inkjet heads



RICOH Pro TF6250  
industrial large-format  
UV flatbed printer



RICOH Pro L5130/L5160  
wide-format models for  
decorative and sign  
graphics printing

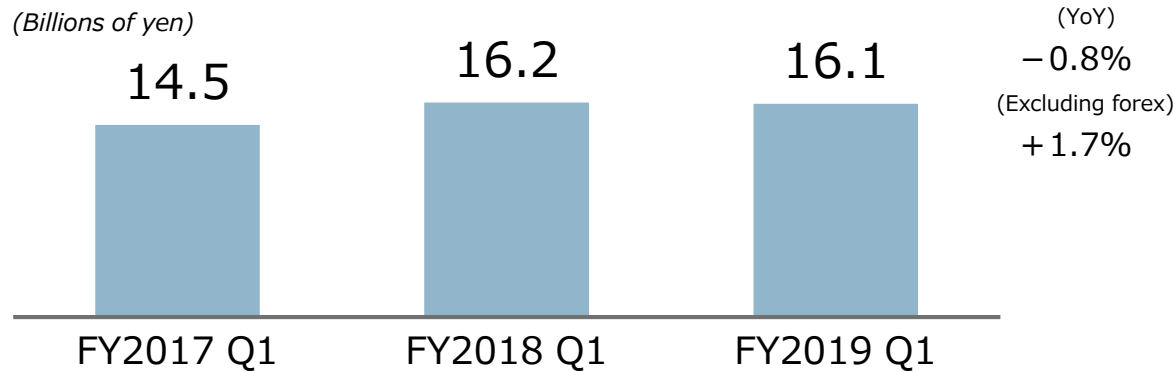
\* Excluding corporate and eliminations

# FY2019 Q1 Results Thermal

Revenues were up after factoring out forex impact, while earnings rose on lower expenses

## Sales

(Billions of yen)

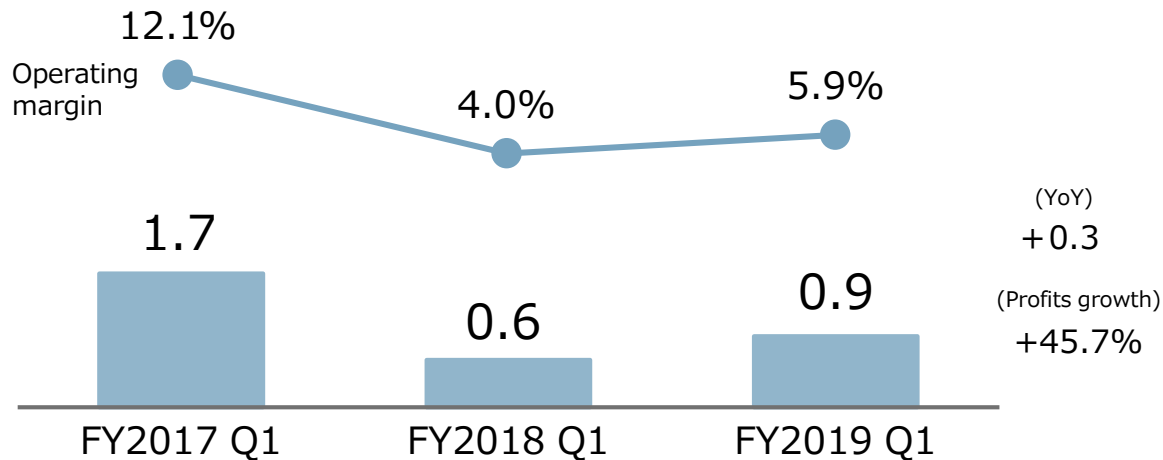


## Q1 overview

- Despite intensifying competition, label demand among logistics players overseas increased, with revenues rising after factoring out the forex impact
- Earnings rose on lower expenses

## Operating profit\*

(Billions of yen)



Shipping labels



Food labels



Process control labels

\* Excluding corporate and eliminations

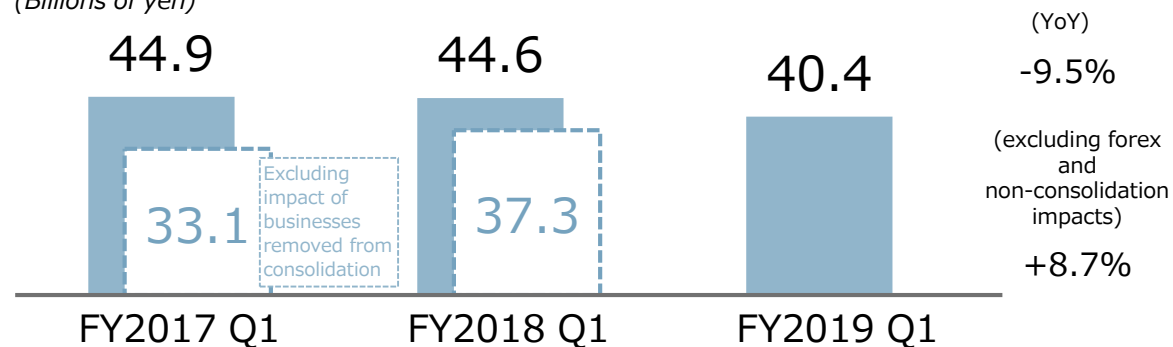
# FY2019 Q1 Results

## Other

Revenues effectively rose after stripping out consolidation removal impact, while earnings were up on business profitability improvements

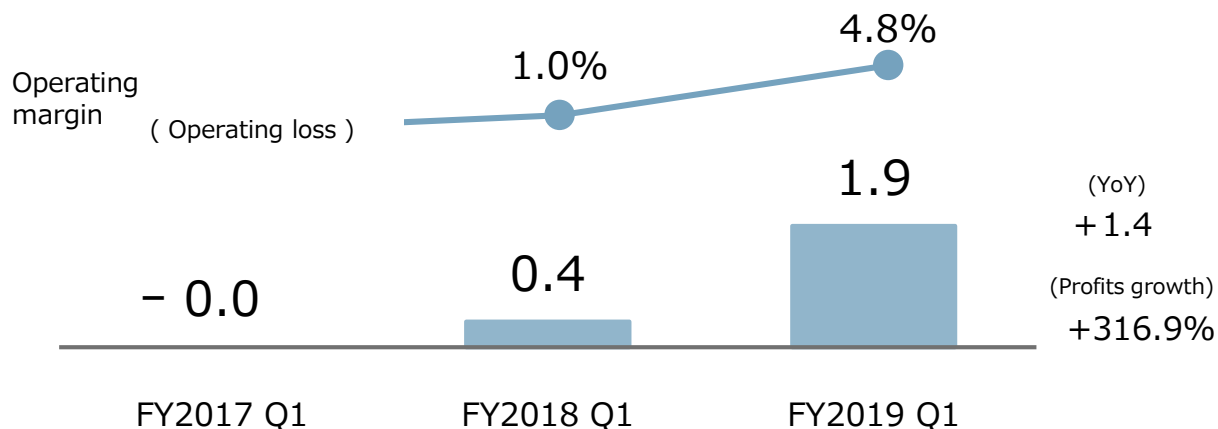
### Sales

(Billions of yen)



### Operating profit\*

(Billions of yen)



\* Excluding corporate and eliminations

### Q1 overview

- Revenues up 7% after stripping out impact of removal from consolidation of logistics business
- Earnings increased from domestic finance business expansion and enhanced Smart Vision business profitability
- Smart Vision business revenues and earnings both up, reflecting brisk demands for new models
- Industrial Products business management decided to construct mass production line for head-up displays



RICOH THETA Z1  
360° camera



RICOH GR III high-end  
compact digital camera



World's first laser scanning  
automotive head-up display

# Statement of Financial Position as of June 30, 2019

## Assets

(Billions of yen)

	As of Jun 30, 2019	Change from Mar 31, 2019	
Current Assets	<b>1,368.0</b>	-21.6	
Cash & time deposits	<b>234.1</b>	-6.0	
Trade and other receivables	<b>572.3</b>	-32.4	Recovery of receivables from end of previous fiscal year
Other financial assets	<b>293.3</b>	-0.9	
Inventories	<b>219.4</b>	+11.6	Initial inventory building and inventory increases in response to trade friction
Other current assets	<b>48.8</b>	+8.7	
Assets classified as held for sale	<b>—</b>	-2.5	
Non-current assets	<b>1,409.5</b>	+74.2	
Property, plant and equipment	<b>242.6</b>	-7.6	
Right-of-use assets	<b>73.7</b>	+73.7	Increase owing to application of new leases accounting standard (IFRS 16)
Goodwill and intangible assets	<b>216.6</b>	-3.1	
Other financial assets	<b>709.2</b>	+0.9	
Other non-current assets	<b>167.3</b>	+10.3	
<b>Total Assets</b>	<b>2,777.6</b>	+52.5	

Exchange rate as of June 30, 2019:  
(change from Mar 31, 2019, rate)

US\$ 1	= ¥ 107.79	( -3.20)
EURO 1	= ¥ 122.49	( -2.07)

## Liabilities and Equity

(Billions of yen)

	As of Jun 30, 2019	Change from Mar 31, 2019	
Current Liabilities	<b>816.5</b>	-27.6	
Bonds and borrowings	<b>238.1</b>	-28.8	
Trade and other payables	<b>277.0</b>	-29.0	Payment of payables posted at end of previous fiscal year
Lease liabilities	<b>29.0</b>	+29.0	Increase owing to application of new leases accounting standard (IFRS 16)
Other current liabilities	<b>272.2</b>	+1.1	
Non-current Liabilities	<b>954.3</b>	+92.4	
Bonds and borrowings	<b>720.9</b>	+54.4	
Lease liabilities	<b>47.1</b>	+47.1	Increase owing to application of new leases accounting standard (IFRS 16)
Accrued pension & retirement benefits	<b>103.3</b>	-1.9	
Other non-current liabilities	<b>82.9</b>	-7.2	
<b>Total Liabilities</b>	<b>1,770.9</b>	+64.7	
<b>Total equity attributable to   owners of the parent</b>	<b>921.2</b>	-11.3	Decrease from foreign exchange translation differences
Noncontrolling Interest	<b>85.5</b>	-0.8	
<b>Total Equity</b>	<b>1,006.7</b>	-12.2	
<b>Total Liabilities and Equity</b>	<b>2,777.6</b>	+52.5	
<b>Total Debt</b>	<b>959.0</b>	+25.6	

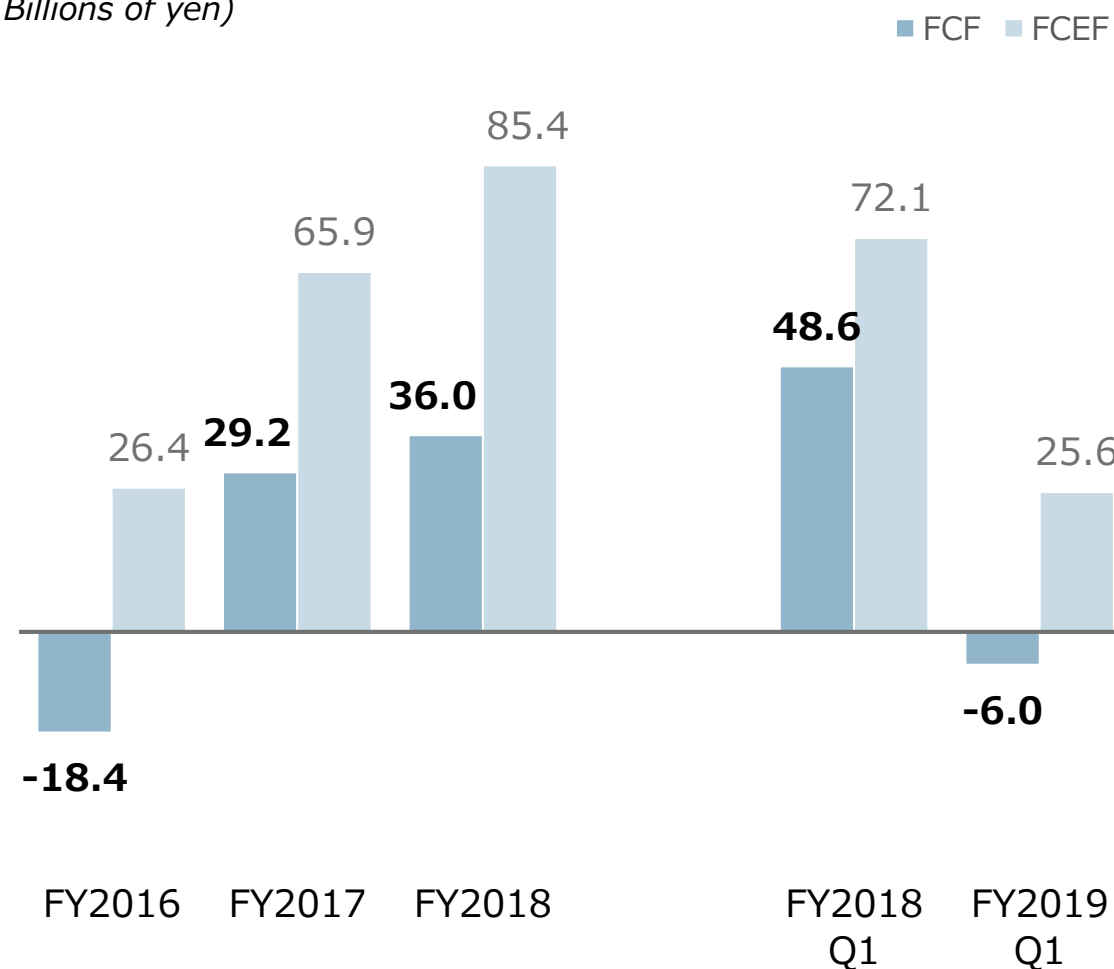
# FY2019 Apr-Jun Statement of Cash Flows

(Billions of yen)

	FY2018 Q1	FY2019 Q1
Profit	10.9	<b>17.2</b>
Depreciation and amortization	25.6	<b>30.1</b>
Other operating activities	-15.0	<b>-24.0</b>
Net cash provided by operating activities	21.5	<b>23.3</b>
Plant and equipment	-12.9	<b>-8.3</b>
Purchase of business	—	<b>-1.0</b>
Other investing activities	40.0	<b>-20.0</b>
Net cash used in investing activities	27.1	<b>-29.4</b>
Increase (Decrease) of debt	19.7	<b>24.1</b>
Dividend paid	-5.4	<b>-9.4</b>
Other financing activities	-0.5	<b>-10.0</b>
Net cash provided by financing activities	13.8	<b>4.6</b>
Effect of exchange rate changes	1.1	<b>-4.6</b>
Net increase in cash and cash equivalents	63.6	<b>-6.0</b>
Cash and cash equivalents at end of period	224.2	<b>234.0</b>
Free cash flow ( Operating + Investing net cash )	48.6	<b>-6.0</b>
FCEF (Free Cash flow Excluding Finance business)	72.1	<b>25.6</b>

## Data

(Billions of yen)



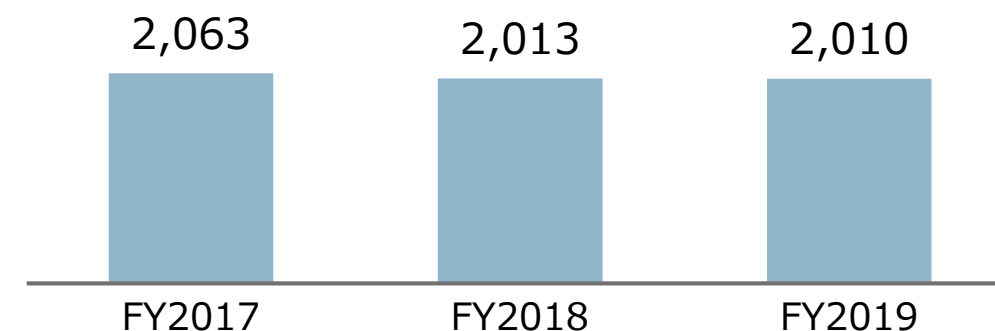
# Forecasts for FY2019

# Forecasts for FY2019

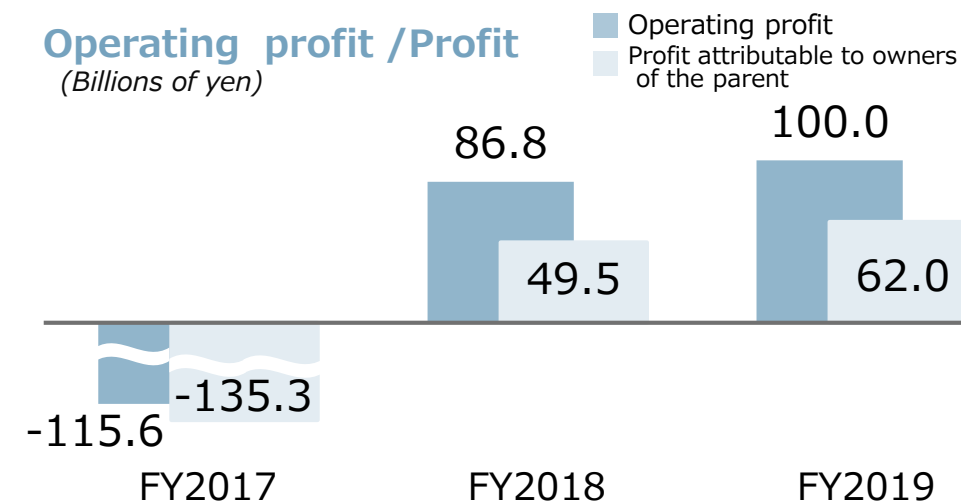
Maintaining initial forecasts

	FY2018	FY2019 forecast	Year-on- year change
Sales (billion yen)	2,013.2	<b>2,010.0</b>	-0.2% +1.3%*1
Operating profit (billion yen)	86.8	<b>100.0</b>	+15.2%
Operating margin	4.3%	<b>5.0%</b>	+0.7pt
Profit attributable to owners of the parent (billion yen)	49.5	<b>62.0</b>	+25.2%
ROE	5.4%	<b>6.5% plus</b>	+1.1pt
Dividends per Share	23yen	<b>26yen</b>	+3yen
R&D expenditures (billion yen)	111.0	<b>112.0</b>	+0.9
Capital expenditures (billion yen)	72.4	<b>74.0</b>	+1.5
Depreciation (billion yen)	65.4	<b>67.0</b>	+1.5
Exchange rate	Yen/US\$ Yen/euro	110.95 128.46	110.00(from Q2) 125.00(from Q2)

## Sales (Billions of yen)



## Operating profit / Profit (Billions of yen)



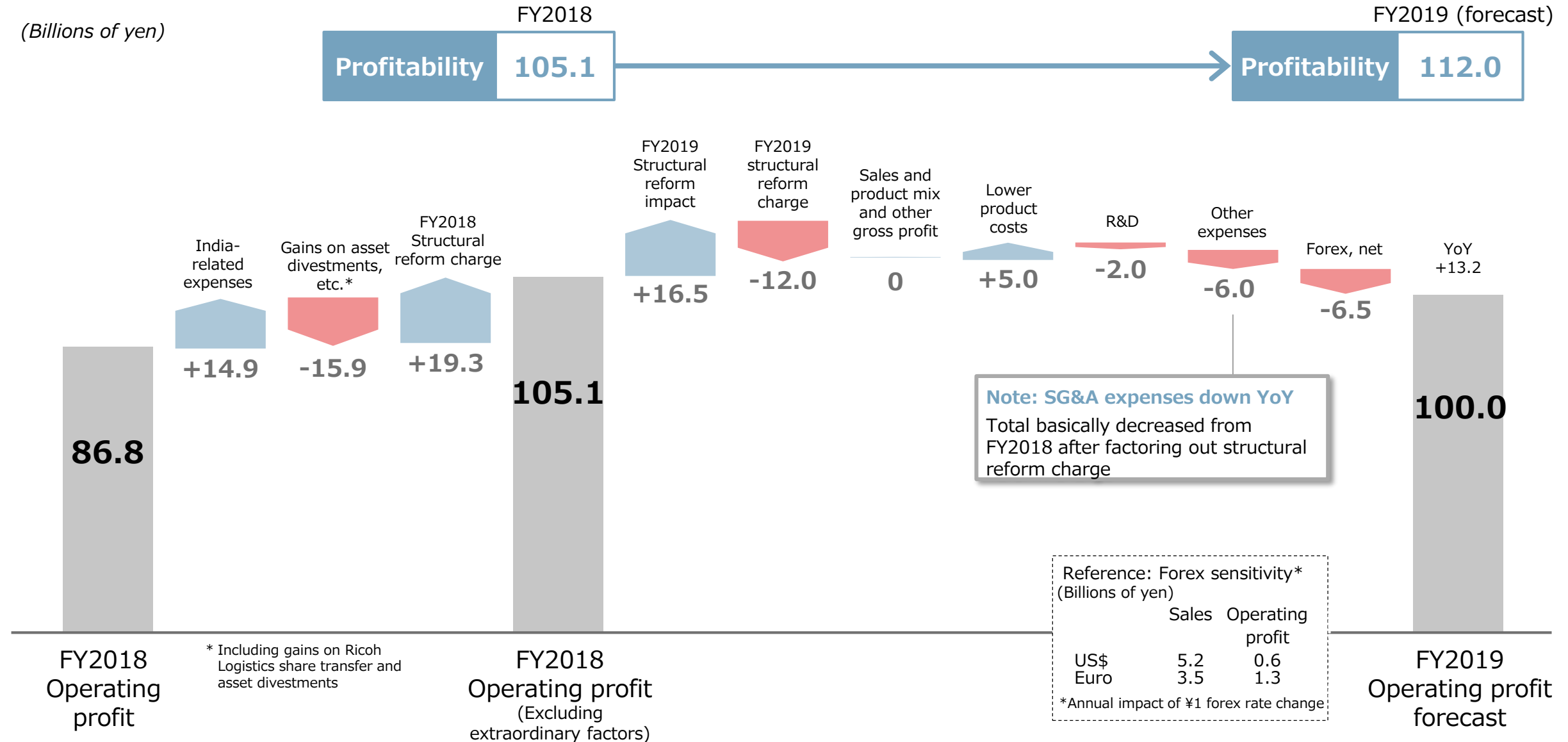
\* 1 After excluding forex and non-consolidation impacts from business transfers



# FY2019 Operating Profit Forecast

Initial forecast maintained

(Billions of yen)



# Summary of FY2019 Q1 Results

## Q1 results

- Sales basically unchanged after factoring out impact of removals from consolidation
- Operating profit rose around 40%, to ¥27.5 billion. All businesses except Industrial Printing posted gains
- We steadily reinforced profitability (operating profit after excluding special and transient factors)
- Profit attributable to owners of the parent jumped around 70%, to ¥15.6 billion
- Free cash flow excluding the finance business was ¥25.6 billion, as earnings expansion steadily generated cash flow

## Q1 business conditions

- Office Printing: Despite revenue decline, earnings rose on profit-centric selling and the impact of structural reforms
- Office Services: Revenues and earnings both expanded, principally in Japan and Europe
- Commercial Printing: Earnings up on expanded new product sales
- Industrial Printing: Notwithstanding higher revenues, earnings decreased owing to higher new product development expenses
- Thermal: Despite lower revenues, earnings up on lower expenses
- Other: Earnings increased owing to greater revenues from finance and Smart Vision businesses

## Full-year forecasts

- Although the operating climate poses uncertainties, including in terms of Brexit and US-China trade friction, we performed basically on target in the first quarter, and have retained our forecasts for the full year

# Supplementary Information

## Growth Strategies

- **EMPOWERING DIGITAL WORKPLACES Partner Program launched in Japan on June 18, 2019, under Growth Strategies #0 and #2**  
Released API and SDK to accelerate development of apps linked to Ricoh's cloud platform
- **Invested in Elixergen Scientific of United States to cultivate biomedical business on June 19, 2019, to generate new potential**  
Fostering cell product development by combining cell differentiation induction technology and Ricoh's bioprinting technology
- **Acquired DocuWare on July 2, 2019, under Growth Strategy #2**  
Made move to expand document workflow solutions and accelerate digital data usage through cloud platform
- **Made major progress in commercializing spinography equipment on July 24, 2019, to generate new potential**  
Successfully measured biomagnetic field of lumbar, neck and peripheral nerves with spinograph, broadening clinical application scope

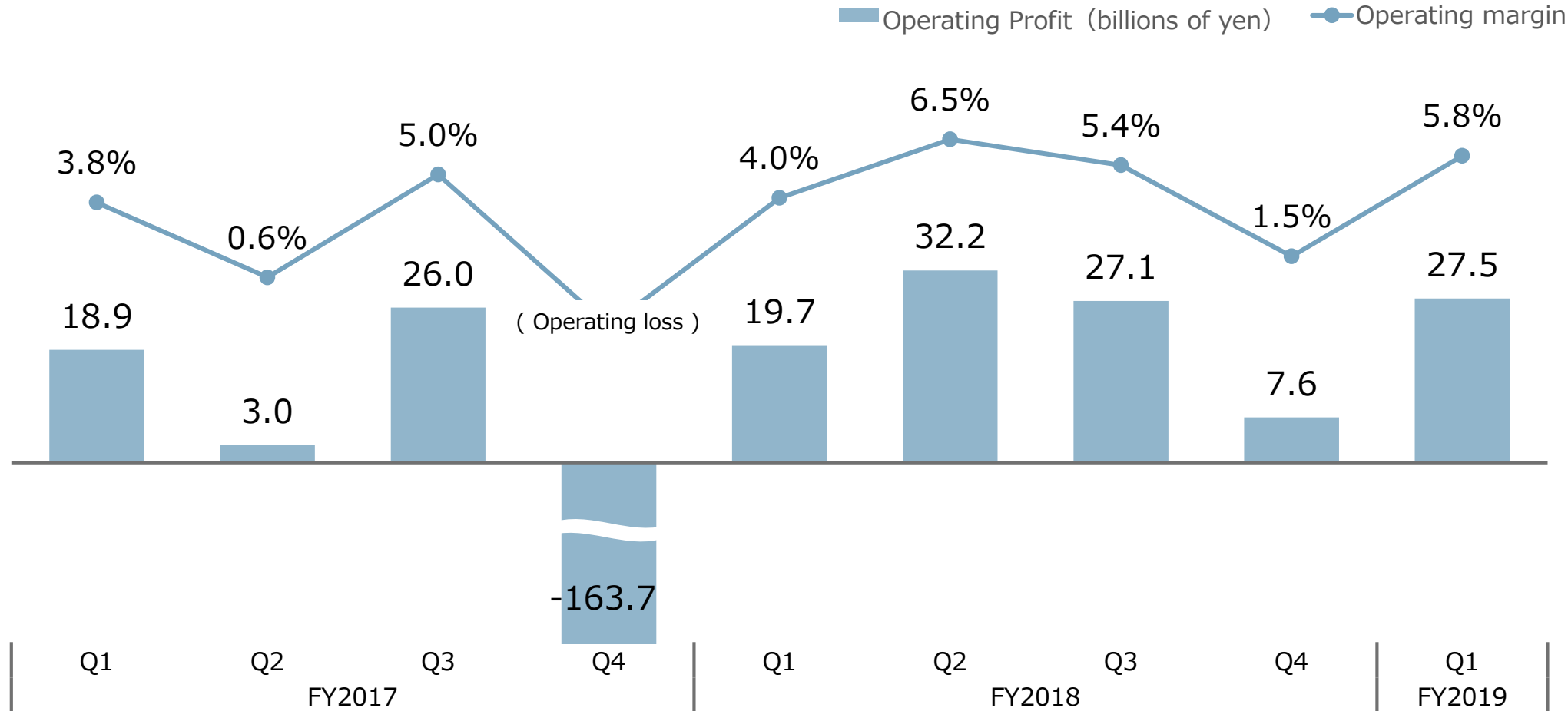
## Corporate Governance

- On July 31, 2019, decided on matters relating to share acquisitions for director stock compensation plan

## Sustainability

- On July 31, 2019, disclosed information on risks and opportunities associated with climate change in keeping with requirements of Task Force on Climate-related Financial Disclosures  
<https://www.ricoh.com/sustainability/environment/management/tcfd.html>  
※to be updated on Aug 2, 2019

# Quarterly Operating Profit



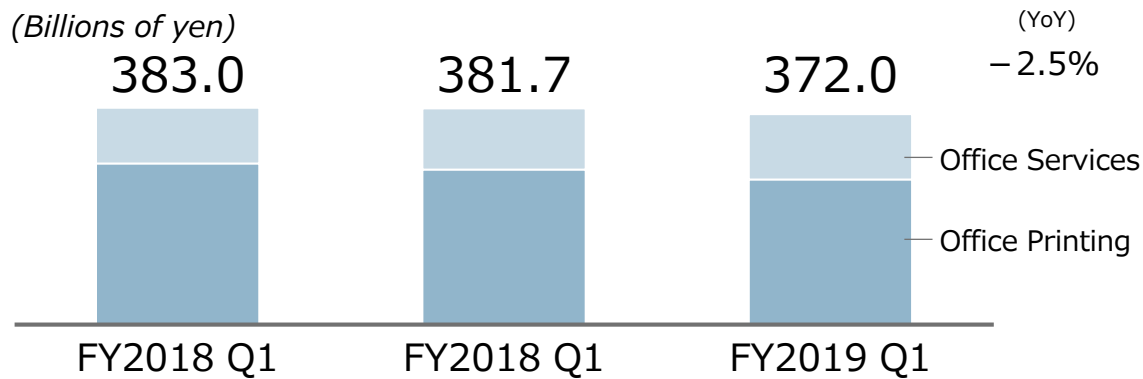
# FY2019 Q1 Results

## Office Businesses Total

Office business revenues were down but earnings were up

### Sales

(Billions of yen)

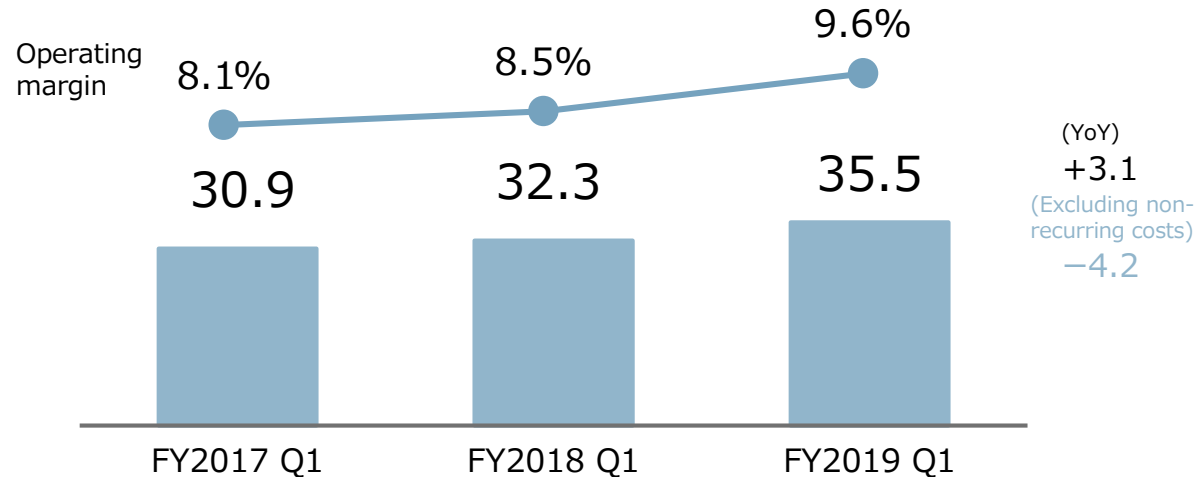


### Q1 overview

- Office business revenues were down owing to a decrease for Office Printing, but earnings were up

### Operating profit\*

(Billions of yen)

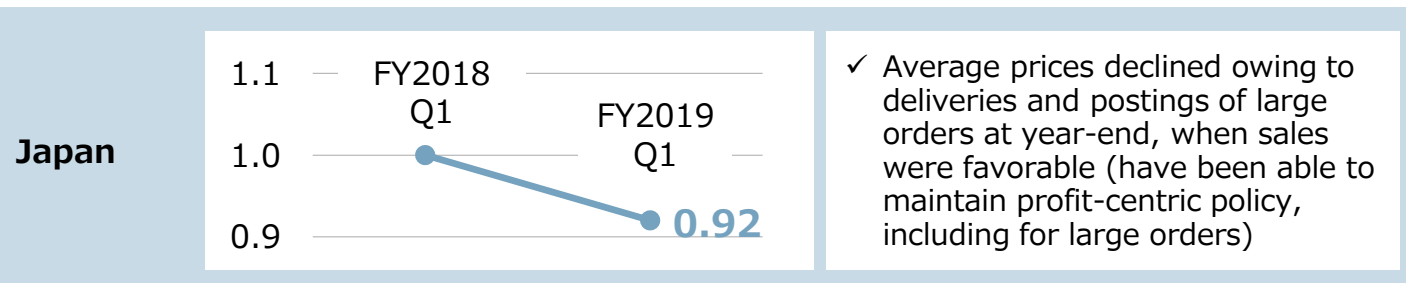


\* 1 Excluding corporate and eliminations

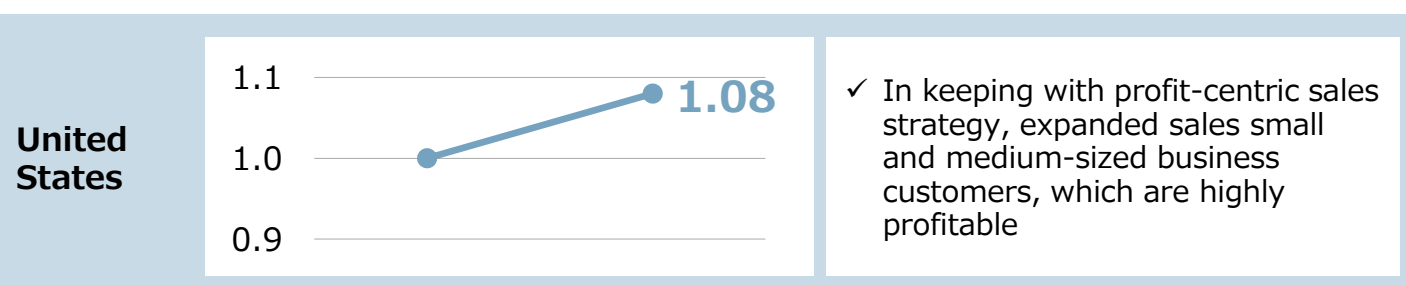
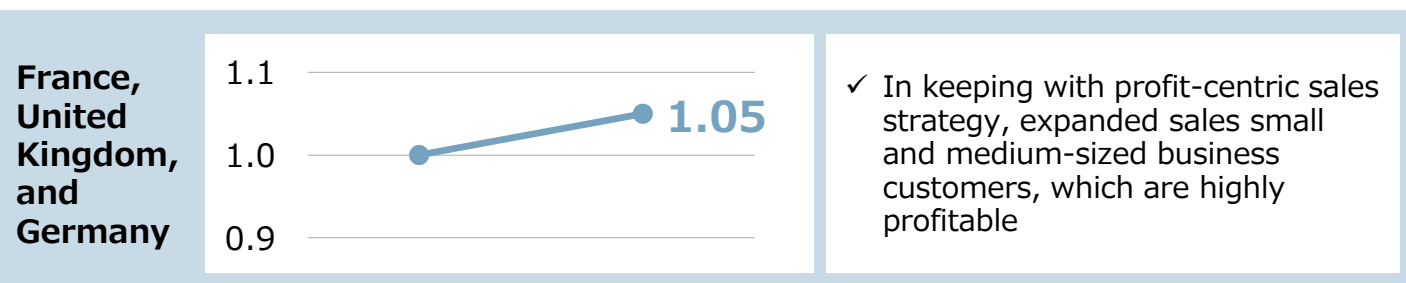
# Office Printing-Related Indicators

## Price management situation

### Prices of directly sold MFPs (FY2018 Q1= 1)



### Implementation progress



## Hardware and non-hardware situation

### ◆ Unit sales growth rates for MFPs and printers

	FY2019 Q1		
	YoY unit sales change	A3	A4
Japan	+8%	+6%	+27%
Overseas	-8%	-7%	-13%
MFP total	-6%	-5%	-11%
Printer total	-30%		

### ◆ Sales growth rates for MFP and printer hardware and non-hardware (excluding forex impact)

	FY2019 Q1 YoY sales change	Hardware	Non-hardware
Japan		+1%	-5%
Overseas		-1%	-8%
MFP total		-1%	-7%
Printer total		-16%	-7%
MFP + Printer total		-2%	-7%

# Financial Statements Excluding Finance Business (Estimate)

Q1 FY2019

(Billions of yen)

## 1. Statements of Profit or Loss

	Consolidated	Products and services	Finance
Sales	477.6	456.8	38.8
Operating profit	27.5	18.5	9.0

## 2. Statements of Financial Position

	Consolidated	Products and services	Finance
Assets	2,777.4	1,578.0	1,300.2
Financial assets*	1,001.0	-	1,001.0
Liabilities	1,770.6	741.3	1,129.9
Interest-bearing debt	959.0	-22.0	1,034.5
Total equity	1,006.7	836.4	170.2
Net interest-bearing debt	724.9	-304.5	1,029.5

## 3. Statements of Cash Flows

	Consolidated	Products and services	Finance
Free cash flow	-6.0	25.6	-31.7

## Key Financial Ratios

	Consolidated	Products and services
Equity ratio	33.2%	52.8%
Debt-to-equity ratio	104.1%	-2.7%
Total assets turnover	0.69	1.17

This information is for reference only, and includes some estimates.

\* Finance: Ricoh's global finance business

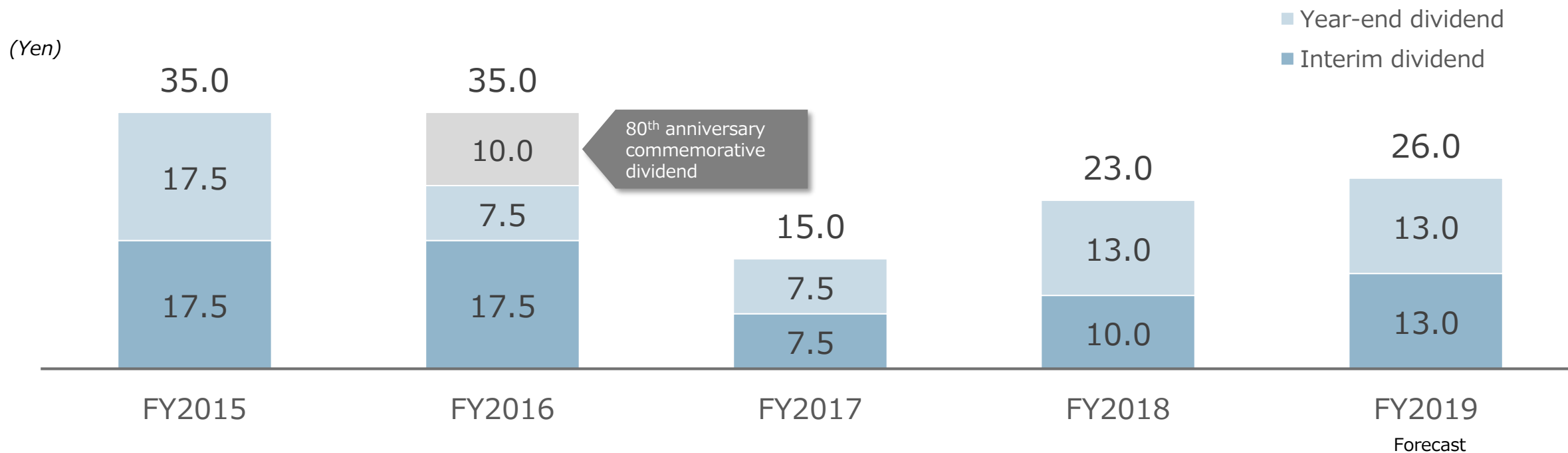


# Forecasts for FY2019 (Dividends per Share)

Initial forecast maintained

## Shareholder returns policy

We consider it important to expand returns to shareholders through share price growth over the medium and long terms and stable dividends from sustainable growth. We accordingly seek to boost earnings by undertaking strategic investments for sustainable growth. Our consolidated payout ratio benchmark is around 30%, and we will finalize decisions on this level after comprehensively factoring in the earnings outlook, investment plans, and our financial position, taking our credit rating into consideration. We will flexibly repurchase shares in view of the business climate. (From Corporate Governance Report published on April 8, 2019)



**RICOH**

imagine. change.