

QUARTERLY REPORT

First Quarter ended June 30, 2016

(Results for the Period from April 1, 2016 to June 30, 2016)

Performance Outline (Consolidated)

	Three months ended June 30, 2015 Results	Three months ended June 30, 2016 Results	Change	(Billions of yen)	
				Year ending March 31, 2017 Forecast	Change
Domestic sales	179.8	179.1	-0.4%	766.0	0.6%
Overseas sales	359.2	308.6	-14.1%	1,274.0	-12.0%
Sales	539.1	487.7	-9.5%	2,040.0	-7.7%
Gross profit	224.8	198.8	-11.6%	794.5	-9.9%
Operating profit	20.6	10.8	-47.4%	55.0	-46.2%
Profit before income tax expenses	19.4	10.3	-46.6%	53.0	-44.6%
Profit attributable to owners of the parent	12.9	4.7	-63.3%	30.0	-52.4%
Exchange rate (Yen/US\$)	121.31	108.08	-13.23	105.77	-14.35
Exchange rate (Yen/EURO)	134.22	121.97	-12.25	116.74	-15.94
Earnings per share attributable to owners of the parent-basic (yen)	17.91	6.58	-11.33	41.39	-45.48
Earnings per share attributable to owners of the parent-diluted (yen)	-	-	-	-	-
Cash flows from operating activities	0.3	27.6	27.2	-	-
Cash flows from investing activities	-30.5	-25.9	4.6	-	-
Cash flows from financing activities	39.1	28.8	-10.2	-	-
Cash and cash equivalents at end of period	149.7	186.9	37.2	-	-
Capital expenditures	20.5	16.0	-4.5	85.0	1.2
Depreciation	17.3	16.3	-0.9	70.0	1.2
R&D expenditures	27.0	26.8	-0.1	120.0	1.4
	March 31, 2016	June 30, 2016	Change		
Total assets	2,776.4	2,682.1	-94.3		
Equity attributable to owners of the parent	1,077.8	999.2	-78.5		
Interest-bearing debt	852.8	881.4	28.6		
Equity attributable to owners of the parent ratio (%)	38.8	37.3	-1.5		
Equity per share attributable to owners of the parent (yen)	1,486.87	1,378.49	-108.38		

Ricoh Company, Ltd.

* The results forecasts and forward-looking statements included in this document are based on information available to the Company as at to date and certain assumptions that the Company considers reasonable. The Company makes no guarantees with respect to the achievement of its results 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 Consolidated Subsidiaries

Financial Highlights for the First Quarter Ended June 30, 2016

[Prepared on the basis of International Financial Reporting Standards]

1. Results for the Period from April 1, 2016 to June 30, 2016

(1) Operating Results

	(Millions of yen)	
	Three months ended June 30, 2015	Three months ended June 30, 2016
Sales	539,175	487,706
(% change from the previous corresponding period)	6.4	-9.5
Operating profit	20,673	10,870
(% change from the previous corresponding period)	-23.9	-47.4
Profit before income tax expenses	19,452	10,397
(% change from the previous corresponding period)	-24.6	-46.6
Profit for the period	14,360	6,387
(% change from the previous corresponding period)	-12.9	-55.5
Profit attributable to owners of the parent	12,986	4,771
(% change from the previous corresponding period)	-13.9	-63.3
Comprehensive income	40,522	-64,885
(% change from the previous corresponding period)	518.4	-
Earnings per share attributable to owners of the parent-basic (yen)	17.91	6.58
Earnings per share attributable to owners of the parent-diluted (yen)	-	-

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

(2) Financial Position

	(Millions of yen)	
	March 31, 2016	June 30, 2016
Total assets	2,776,461	2,682,159
Total equity	1,147,764	1,069,789
Equity attributable to owners of the parent	1,077,813	999,253
Equity attributable to owners of the parent ratio (%)	38.8	37.3

2. Dividend Information

	Year ended March 31, 2016 (Actual)	Year ending March 31, 2017 (Forecast)
Cash dividends, applicable to the year (yen)	35.00	45.00
Interim (yen)	17.50	22.50
Year-end (yen)	17.50	22.50

Notes: Revision of expected dividends during this period: No

Notes: Cash dividends for the year ending March 31, 2017 (forecast) are included ordinary dividends of ¥35.00 and 80 th anniversary dividends of ¥10.00.

3. Forecast of Operating Results from April 1, 2016 to March 31, 2017

	(Millions of yen)	
	Half year ending September 30, 2016	Year ending March 31, 2017
Sales	990,000	2,040,000
(% change from the previous corresponding period)	-9.6	-7.7
Operating profit	21,000	55,000
(% change from the previous corresponding period)	-62.6	-46.2
Profit before income tax expenses	20,000	53,000
(% change from the previous corresponding period)	-62.7	-44.6
Profit attributable to owners of the parent	9,300	30,000
(% change from the previous corresponding period)	-73.1	-52.4
Earnings per share attributable to owners of the parent-basic (yen)	12.83	41.39

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

4. Others

- (1) Changes in significant subsidiaries: No
- (2) Changes in accounting policies and accounting estimate
 - (i) Changes in accounting policies required by IFRS: Yes
 - (ii) Other changes: No
 - (iii) Changes in accounting estimate: No

* For details, please refer to "4.Others" on page 5.
- (3) Number of common stock outstanding (including treasury stock):
As of June 30, 2016 : 744,912,078 shares ; As of March 31, 2016 : 744,912,078 shares
- (4) Number of treasury stock:
As of June 30, 2016 : 20,024,396 shares ; As of March 31, 2016 : 20,023,429 shares
- (5) Average number of common stock:
Three months ended June 30, 2016 : 724,888,116 shares ; Three months ended June 30, 2015 : 724,899,049 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 2016 (April 1 – June 30, 2016)

Ricoh's sales for the first quarter decreased by 9.5% as compared to the previous corresponding period, to ¥487.7 billion, mainly due to the decrease in sales in both the Imaging & Solutions and the Industrial Products segment. During this period, the average exchange rates of Japanese yen against U.S. dollar and Euro were ¥108.08 (up ¥13.23 from previous year) and ¥121.97 (up ¥12.25 from previous year) respectively. Sales would have decreased by 2.8% as compared to the previous corresponding period when excluding the impact of such foreign currency exchange fluctuation.

The Japanese economy has been unpredictable caused by strengthening of the yen and low stock price. Under such market conditions, sales in the Industrial Products segment and the Other segment increased but was offset by the sales decrease in the Imaging & Solutions segment. As a result, the sales in the domestic market decreased by 0.4% as compared to the previous corresponding period.

As for the overseas market, the U.S. economy continued to show a solid recovery, but the European economy remains uncertain with the Brexit. In the emerging markets, China and other developing countries in Asia are showing signs of an economic slowdown. Under such market conditions, the Other segment increased but was offset by the sales decrease in the Imaging & Solutions segment and the Industrial Products segment. As for overseas sales by region, sales in the Americas decreased by 16.4% (a decrease of 6.2% excluding foreign currency exchange fluctuation), sales in Europe, Middle East and Africa decreased by 10.2% (a decrease of 1.3% excluding foreign currency exchange fluctuation) and sales in Other region, which includes China, South East Asia and Oceania, decreased by 15.9% (a decrease of 3.3% excluding foreign currency exchange fluctuation).

As a result, sales in the overseas market decreased by 14.1% as compared to the previous corresponding period. Excluding effects of foreign currency fluctuations, sales in overseas would have decreased by 4.0% as compared to the previous corresponding period.

Gross profit decreased by 11.6% as compared to the previous corresponding period, to ¥198.8 billion, mainly due to the decrease in sales.

Selling, general and administrative expenses decreased by 7.9% as compared to the previous corresponding period, to ¥187.9 billion. In addition to the effects of foreign currency fluctuations, group-wide activities to streamline costs have contributed in controlling these expenses.

As a result, operating profit decreased by 47.4% as compared to the previous corresponding period, to ¥10.8 billion.

As for finance income and costs, foreign exchange profit increased as compared to the previous corresponding period.

Profit before income tax expenses decreased by 46.6% as compared to the previous corresponding period, to ¥10.3 billion.

As a result, profit attributable to owners of the parent decreased by 63.3% as compared to the previous corresponding period, to ¥4.7 billion.

Comprehensive income (loss) decreased significantly as compared to the previous corresponding period, to ¥64.8 billion (loss) due to the decrease in cumulative translation adjustments and profit.

*** Review by Business Segment**

Imaging & Solutions

Office Imaging

Sales in this category decreased by 12.4% to ¥316.5 billion. On top of the impact of the strengthening of the yen, sales volume of MFP models decreased in Japan and the Americas. As a result, sales in this category decreased as compared to the previous corresponding period.

Production Printing

Sales in this category decreased by 6.2% to ¥47.5 billion. Sales of related parts & supplies and services of color cut sheet printers increased, but was offset by the impact of the strengthening of the yen.

Network System Solutions

Sales in this category decreased by 4.5% to ¥66.3 billion. For domestic market, the sales of IT products increased. For overseas market, the sales of IT services increased in the Americas and Europe, but was offset by the sales decrease in Other region such as India.

As a result of the above, overall sales in the Imaging & Solutions segment decreased by 10.6% as compared to the previous corresponding period, to ¥430.4 billion. Operating profit decreased by 39.2% as compared to the previous corresponding period, to ¥19.4 billion mainly due to the decrease in sales and additional costs of our sales subsidiary listed in India.

Industrial Products

Sales in the Industrial Products segment decreased by 7.3% to ¥28.8 billion as compared to the previous corresponding period, due to the impact of the strengthening of the yen and decrease in sales in the Thermal business. In spite of the positive factors such as the effect of cost reductions, operating profit in the Industrial Product segment decreased by 12.1% as compared to the previous corresponding period, to ¥2.5 billion.

Other

Sales in the Other segment increased by 6.7% as compared to the previous corresponding period, to ¥28.4 billion due to the increase in income and profit in the Camera business and Leasing business. As a result, operating profit in the Other segment increased by 292.6% as compared to the previous corresponding period, to ¥1.5 billion.

2. Analysis of Consolidated Financial Position

***Assets, Liabilities and Equity**

Total assets decreased by ¥94.3 billion as compared to the previous corresponding period, to ¥2,682.1 billion, mainly due to the decrease in "trade and other receivables" derived from strengthening of the yen.

Total liabilities decreased by ¥16.3 billion as compared to the previous corresponding period, to ¥1,612.3 billion, mainly due to the decrease in "trade and other payables".

Total Equity decreased by ¥77.9 billion as compared to the previous corresponding period, to ¥1,069.7 billion, mainly due to the decrease in "other components of equity".

***Cash Flows (Three months from April 1, 2016 to June 30, 2016)**

Net cash provided by operating activities increased by ¥27.2 billion as compared to the previous corresponding period, to ¥27.6 billion, mainly due to the decrease in trade and other receivables.

Net cash used in investing activities decreased by ¥4.6 billion as compared to the previous corresponding period, to ¥25.9 billion, mainly due to the decrease in capital expenditures.

Net cash provided by financing activities decreased by ¥10.2 billion as compared to the previous corresponding period, to ¥28.8 billion, mainly due to the decrease in debt.

As a result, the balance of cash and cash equivalent at the end of period increased by ¥19.4 billion as compared to the end of previous year, to ¥186.9 billion.

3. Qualitative Information on Forecasted Consolidated Financial Results

Based upon the changes in the first year business results and other changes in the business environment such as exchange rate fluctuations, Ricoh will revise its 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 April.

Ricoh will revise the assumed exchange rates set forth in April of ¥105.00 against U.S. dollar and ¥115.00 against Euro in and after second quarter, and has incorporated the actual exchange rates during the first quarter in the annual exchange rate assumption.

Our performance forecast for fiscal year ending March 31, 2017 is as follows:

Exchange Rate Assumptions for the full year ending March 31, 2017

US\$ 1 = ¥105.77 (¥120.12 in previous fiscal year)

EURO 1 = ¥116.74 (¥132.68 in previous fiscal year)

(Billions of yen)					
	Year ending March 31, 2017 (Previous forecast)	Year ending March 31, 2017 (Revised forecast)	Change (B-A)	Year ended March 31, 2016 (C)	Change (B-C)/C
	(A)	(B)			
Domestic sales	768.0	766.0	-2.0	761.5	0.6%
Overseas sales	1,402.0	1,274.0	-128.0	1,447.4	-12.0%
Sales	2,170.0	2,040.0	-130.0	2,209.0	-7.7%
Gross profit	852.0	794.5	-57.5	881.9	-9.9%
Operating profit	77.0	55.0	-22.0	102.2	-46.2%
Profit before income tax expenses	72.0	53.0	-19.0	95.6	-44.6%
Profit attributable to owners of the parent	44.0	30.0	-14.0	62.9	-52.4%

(Billions of yen)					
	Half year ending September 30, 2016 (Previous forecast)	Half year ending September 30, 2016 (Revised forecast)	Change (E-D)	Half year ended September 30, 2015 (F)	Change (E-F)/F
	(D)	(E)			
Domestic sales	369.0	367.0	-2.0	367.0	0.0%
Overseas sales	675.0	623.0	-52.0	728.1	-14.4%
Sales	1,044.0	990.0	-54.0	1,095.1	-9.6%
Gross profit	410.0	394.5	-15.5	446.7	-11.7%
Operating profit	36.0	21.0	-15.0	56.1	-62.6%
Profit before income tax expenses	34.0	20.0	-14.0	53.5	-62.7%
Profit attributable to owners of the parent	21.0	9.3	-11.7	34.5	-73.1%

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4. Others

(1) Changes in significant subsidiaries
Not applicable

(2) Changes in accounting policies

Ricoh did not change the significant accounting policies from the previous fiscal year, with the exception of the following.

The adoption of the following IFRSs has no material impact on Ricoh's condensed consolidated financial statements.

IFRSs	Title	Summaries of new IFRSs/amendments
IFRS 7	Financial Instruments: Disclosures	Clarifying the criteria on whether a servicing contract is continuing involvement in a transferred financial asset Clarifying the applicability of the offset disclosure of financial assets and financial liabilities to condensed interim financial statements
IAS 1	Presentation of Financial Statements	Clarifying disclosure requirement regarding materiality considerations
IAS 19	Employee Benefits	Clarifying the method to determine the discount rate for post-employment benefit obligations
IAS 34	Interim Financial Reporting	Clarifying disclosure requirement for information "elsewhere in the interim financial report"
IAS 16 IAS 38	Property, Plant and Equipment Intangible Assets	Clarifying that a revenue-based method is not considered to be an acceptable method of depreciation and amortization in principle

5. Condensed Consolidated Financial Statements

(1) Condensed Consolidated Statement of Financial Position

Assets

	(Millions of yen)		
	March 31, 2016	June 30, 2016	Change
Current Assets			
Cash and cash equivalents	167,547	186,957	19,410
Time deposits	973	4,448	3,475
Trade and other receivables	564,204	509,845	-54,359
Other financial assets	272,347	269,737	-2,610
Inventories	207,092	206,197	-895
Other current assets	61,032	54,943	-6,089
Total Current Assets	1,273,195	1,232,127	-41,068
Non-current assets			
Property, plant and equipment	276,551	265,117	-11,434
Goodwill and intangible assets	413,836	380,787	-33,049
Other financial assets	620,171	610,370	-9,801
Investments accounted for using the equity method	935	850	-85
Other investments	67,084	66,770	-314
Other non-current assets	38,905	37,344	-1,561
Deferred tax assets	85,784	88,794	3,010
Total Non-current Assets	1,503,266	1,450,032	-53,234
Total Assets	2,776,461	2,682,159	-94,302

Liabilities and Equity

	(Millions of yen)		
	March 31, 2016	June 30, 2016	Change
Current Liabilities			
Bonds and borrowings	260,755	297,118	36,363
Trade and other payables	286,123	266,030	-20,093
Other financial liabilities	1,820	1,106	-714
Income tax payables	15,220	12,424	-2,796
Other current liabilities	242,950	230,951	-11,999
Total Current Liabilities	806,868	807,629	761
Non-current Liabilities			
Bonds and borrowings	592,045	584,341	-7,704
Other financial liabilities	3,745	4,391	646
Accrued pension and retirement benefits	139,049	130,262	-8,787
Other non-current liabilities	82,392	81,775	-617
Deferred tax liabilities	4,598	3,972	-626
Total Non-current Liabilities	821,829	804,741	-17,088
Total Liabilities	1,628,697	1,612,370	-16,327
Equity			
Common stock	135,364	135,364	-
Additional paid-in capital	186,423	186,423	-
Treasury stock	-37,312	-37,313	-1
Other components of equity	114,914	44,270	-70,644
Retained earnings	678,424	670,509	-7,915
Equity attributable to owners of the parent	1,077,813	999,253	-78,560
Non-controlling interests	69,951	70,536	585
Total Equity	1,147,764	1,069,789	-77,975
Total Liabilities and Equity	2,766,461	2,682,159	-94,302

(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, 2015	Three months ended June 30, 2016	Change	%
Sales	539,175	487,706	-51,469	-9.5
Cost of sales	314,337	288,868	-25,469	-8.1
Percentage of sales (%)	58.3	59.2		
Gross profit	224,838	198,838	-26,000	-11.6
Percentage of sales (%)	41.7	40.8		
Selling, general and administrative expenses	204,165	187,968	-16,197	-7.9
Percentage of sales (%)	37.9	38.6		
Operating profit	20,673	10,870	-9,803	-47.4
Percentage of sales (%)	3.8	2.2		
Finance income	646	1,805	1,159	179.4
Percentage of sales (%)	0.1	0.4		
Finance costs	1,879	2,281	402	21.4
Percentage of sales (%)	0.3	0.5		
Share of profit (loss) of investments accounted for using the equity method	12	3	-9	-75.0
Percentage of sales (%)	0.0	0.0		
Profit before income tax expenses	19,452	10,397	-9,055	-46.6
Percentage of sales (%)	3.6	2.1		
Income tax expenses	5,092	4,010	-1,082	-21.2
Percentage of sales (%)	0.9	0.8		
Profit for the period	14,360	6,387	-7,973	-55.5
Percentage of sales (%)	2.7	1.3		
Profit attributable to:				
Owners of the parent	12,986	4,771	-8,215	-63.3
Percentage of sales (%)	2.4	1.0		
Non-controlling interests	1,374	1,616	242	17.6
Percentage of sales (%)	0.3	0.3		

	Three months ended June 30, 2015	Three months ended June 30, 2016	Change
Earnings per share attributable to owners of the parent-basic (yen)	17.91	6.58	-11.33
Earnings per share attributable to owners of the parent-diluted (yen)	-	-	-

Condensed Consolidated Statement of Comprehensive Income

	(Millions of yen)		
	Three months ended June 30, 2015	Three months ended June 30, 2016	Change
Profit for the period	14,360	6,387	-7,973
Other comprehensive income (loss):			
Components that will not be reclassified subsequently to profit or loss:			
Remeasurement of defined benefit plan	-	-	-
Total components that will not be reclassified subsequently to profit or loss	-	-	-
Components that will be reclassified subsequently to profit or loss:			
Net gain (loss) on fair value of available-for-sale financial assets	2,985	4	-2,981
Net gain (loss) on fair value of cash flow hedges	198	-1,123	-1,321
Exchange differences on translation of foreign operations	22,979	-70,153	-93,132
Total components that will be reclassified subsequently to profit or loss	26,162	-71,272	-97,434
Total other comprehensive income (loss)	26,162	-71,272	-97,434
Comprehensive income (loss)	40,522	-64,885	-105,407
Comprehensive income (loss) attributable to:			
Owners of the parent	39,185	-65,873	-105,058
Non-controlling interests	1,337	988	-349

Consolidated Sales by Product Category

	(Millions of yen)			
	Three months ended June 30, 2015	Three months ended June 30, 2016	Change	%
<Imaging & Solutions>				
Office Imaging	361,326	316,576	-44,750	-12.4
Percentage of sales (%)	67.0	64.9		
Production Printing	50,717	47,554	-3,163	-6.2
Percentage of sales (%)	9.4	9.8		
Network System Solutions	69,430	66,339	-3,091	-4.5
Percentage of sales (%)	12.9	13.6		
Imaging & Solutions Total	481,473	430,469	-51,004	-10.6
Percentage of sales (%)	89.3	88.3		
<Industrial Products>				
Industrial Products	31,089	28,831	-2,258	-7.3
Percentage of sales (%)	5.8	5.9		
<Other>				
Other	26,613	28,406	1,793	6.7
Percentage of sales (%)	4.9	5.8		
Grand Total	539,175	487,706	-51,469	-9.5
Percentage of sales (%)	100.0	100.0		

* Each category includes the following product line:

Office Imaging	MFPs (multifunctional printers), copiers, laser printers, digital duplicators, facsimile, scanners, related parts & supplies, services, support and software
Production Printing	Cut sheet printer, continuous feed printer, related parts & supplies, services, support and software
Network System Solutions	Personal computers, servers, network equipment, related services, support and software
Industrial Products	Thermal media, optical equipment, electronic components, semiconductor devices and inkjet head
Other	Digital cameras

Consolidated Sales by Geographic Area

	(Millions of yen)			
	Three months ended June 30, 2015	Three months ended June 30, 2016	Change	%
<Domestic>				
Percentage of sales (%)	179,877	179,101	-776	-0.4
	33.4	36.7		
<Overseas>				
Percentage of sales (%)	359,298	308,605	-50,693	-14.1
	66.6	63.3		
The Americas	174,239	145,609	-28,630	-16.4
Percentage of sales (%)	32.3	29.9		
Europe, Middle East and Africa	129,812	116,538	-13,274	-10.2
Percentage of sales (%)	24.1	23.9		
Other	55,247	46,458	-8,789	-15.9
Percentage of sales (%)	10.2	9.5		
Grand Total	539,175	487,706	-51,469	-9.5
Percentage of sales (%)	100.0	100.0		

(3) Condensed Consolidated Statement of Changes in Equity

(Millions of Yen)

	Common Stock	Additional paid-in capital	Treasury stock	Other components of equity		
				Remeasurement of defined benefit plan	Net gain (loss) on fair value of available-for-sale financial assets	Net gain (loss) on fair value of cash flow hedges
Balance as of April 1, 2015	135,364	186,083	-37,295	-	17,082	803
Profit for the period						
Other comprehensive income (loss)					3,032	113
Comprehensive income	-	-	-	-	3,032	113
Net change in treasury stock			-4			
Dividends declared and approved to owners						
Transfer from other components of equity to retained earnings						
Total transactions with owners	-	-	-4	-	-	-
Balance as of June 30, 2015	135,364	186,083	-37,299	-	20,114	916

	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, 2015	135,662	153,547	646,468	1,084,167	70,145	1,154,312
Profit for the period			12,986	12,986	1,374	14,360
Other comprehensive income (loss)	23,054	26,199		26,199	-37	26,162
Comprehensive income	23,054	26,199	12,986	39,185	1,337	40,522
Net change in treasury stock				-4		-4
Dividends declared and approved to owners			-12,323	-12,323	-419	-12,742
Transfer from other components of equity to retained earnings				-		-
Total transactions with owners	-	-	-12,323	-12,327	-419	-12,746
Balance as of June 30, 2015	158,716	179,746	647,131	1,111,025	71,063	1,182,088

(Millions of Yen)

	Common Stock	Additional paid-in capital	Treasury stock	Other components of equity		
				Remeasurement of defined benefit plan	Net gain (loss) on fair value of available-for-sale financial assets	Net gain (loss) on fair value of cash flow hedges
Balance as of April 1, 2016	135,364	186,423	-37,312	-	23,617	-267
Profit for the period					42	-599
Other comprehensive income (loss)					42	-599
Comprehensive income	-	-	-	-	42	-599
Net change in treasury stock			-1			
Dividends declared and approved to owners						
Transfer from other components of equity to retained earnings						
Total transactions with owners	-	-	-1	-	-	-
Balance as of June 30, 2016	135,364	186,423	-37,313	-	23,659	-866

	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, 2016	91,564	114,914	678,424	1,077,813	69,951	1,147,764
Profit for the period			4,771	4,771	1,616	6,387
Other comprehensive income (loss)	-70,087	-70,644		-70,644	-628	-71,272
Comprehensive income	-70,087	-70,644	4,771	-65,873	988	-64,885
Net change in treasury stock				-1		-1
Dividends declared and approved to owners			-12,686	-12,686	-403	-13,089
Transfer from other components of equity to retained earnings				-		-
Total transactions with owners	-	-	-12,686	-12,687	-403	-13,090
Balance as of June 30, 2016	21,477	44,270	670,509	999,253	70,536	1,069,789

(4) Condensed Consolidated Statement of Cash Flows

	(Millions of yen)	
	Three months ended June 30, 2015	Three months ended June 30, 2016
I. Cash Flows from Operating Activities:		
Profit for the period	14,360	6,387
Adjustments to reconcile profit for the period to net cash provided by operating activities—		
Depreciation and amortization	26,460	25,846
Share of profit (loss) of investments accounted for using the equity method	-12	-3
Finance income and costs	1,233	476
Income tax expenses	5,092	4,010
Decrease in trade and other receivables	2,238	26,628
Increase in inventories	-4,105	-11,696
Increase in lease receivables	-13,743	-4,682
Decrease in trade and other payables	-23,459	-13,099
Decrease in accrued pension and retirement benefits	-2,784	-2,825
Other, net	4,936	5,767
Interest and dividends received	601	1,032
Interest paid	-1,543	-1,728
Income taxes paid	-8,879	-8,451
Net cash provided by operating activities	395	27,662
II. Cash Flows from Investing Activities:		
Proceeds from sales of property, plant and equipment	80	1,036
Expenditures for property, plant and equipment	-20,596	-16,056
Expenditures for intangible assets	-5,716	-5,279
Payments for purchases of available-for-sale securities	-95	-100
Proceeds from sales of available-for-sale securities	57	436
Decrease (increase) in time deposits	101	-3,588
Purchase of business, net of cash acquired	-371	-287
Other, net	-4,025	-2,108
Net cash used in investing activities	-30,565	-25,946
III. Cash Flows from Financing Activities:		
Net proceeds of short-term debt	41,339	19,819
Proceeds from long-term debt	87,105	48,707
Repayments of long-term debt	-16,592	-26,600
Repayments of bonds	-60,000	-
Dividends paid	-12,323	-12,686
Payments for purchase of treasury stock	-4	-1
Other, net	-419	-403
Net cash provided by financing activities	39,106	28,836
IV. Effect of Exchange Rate Changes on Cash and Cash Equivalents	3,069	-11,142
V. Net Increase in Cash and Cash Equivalents	12,005	19,410
VI. Cash and Cash Equivalents at Beginning of Year	137,722	167,547
VII. Cash and Cash Equivalents at End of Period	149,727	186,957

(5) Notes on premise going concern

Not applicable

(6) Segment Information

(a) Operating Segment Information

(Millions of yen)				
	Three months ended June 30, 2015	Three months ended June 30, 2016	Change	%
Imaging & Solutions:				
Sales:				
Unaffiliated customers	481,473	430,469	-51,004	-10.6
Intersegment	-	-	-	-
Total	481,473	430,469	-51,004	-10.6
Operating expenses	449,475	411,003	-38,472	-8.6
Operating profit	31,998	19,466	-12,532	-39.2
Operating profit on sales in Imaging & Solutions (%)	6.6	4.5		
Industrial Products:				
Sales:				
Unaffiliated customers	31,089	28,831	-2,258	-7.3
Intersegment	2,832	2,842	10	0.4
Total	33,921	31,673	-2,248	-6.6
Operating expenses	30,994	29,099	-1,895	-6.1
Operating profit	2,927	2,574	-353	-12.1
Operating profit on sales in Industrial Products (%)	8.6	8.1		
Other:				
Sales:				
Unaffiliated customers	26,613	28,406	1,793	6.7
Intersegment	-	-	-	-
Total	26,613	28,406	1,793	6.7
Operating expenses	26,207	26,812	605	2.3
Operating profit	406	1,594	1,188	292.6
Operating profit on sales in Other (%)	1.5	5.6		
Corporate and Eliminations:				
Sales:				
Intersegment	-2,832	-2,842	-10	-
Total	-2,832	-2,842	-10	-
Operating expenses:				
Intersegment	-2,832	-2,842	-10	-
Corporate	14,658	12,764	-1,894	-
Total	11,826	9,922	-1,904	-
Operating loss	-14,658	-12,764	1,894	-
Consolidated:				
Sales:				
Unaffiliated customers	539,175	487,706	-51,469	-9.5
Intersegment	-	-	-	-
Total	539,175	487,706	-51,469	-9.5
Operating expenses	518,502	476,836	-41,666	-8.0
Operating profit	20,673	10,870	-9,803	-47.4
Operating profit on consolidated sales (%)	3.8	2.2		

(Supplemental information)

Finance business included in the above is as follows:

(Millions of yen)				
	Three months ended June 30, 2015	Three months ended June 30, 2016	Change	%
Sales	33,030	34,327	1,297	3.9
Operating expenses	25,686	26,318	632	2.5
Operating profit	7,344	8,009	665	9.1
Operating profit on sales in Finance Business (%)	22.2	23.3		

(b) Geographic Segment Information

(Millions of yen)

	Three months ended June 30, 2015	Three months ended June 30, 2016	Change	%
Japan:				
Sales:				
Unaffiliated customers	187,619	186,777	-842	-0.4
Intersegment	115,853	105,113	-10,740	-9.3
Total	303,472	291,890	-11,582	-3.8
Operating expenses	298,264	289,232	-9,032	-3.0
Operating profit	5,208	2,658	-2,550	-49.0
Operating profit on sales in Japan (%)	1.7	0.9		
The Americas:				
Sales:				
Unaffiliated customers	174,172	145,603	-28,569	-16.4
Intersegment	1,505	1,522	17	1.1
Total	175,677	147,125	-28,552	-16.3
Operating expenses	171,197	144,621	-26,576	-15.5
Operating profit	4,480	2,504	-1,976	-44.1
Operating profit on sales in the Americas (%)	2.6	1.7		
Europe, Middle East and Africa:				
Sales:				
Unaffiliated customers	128,626	115,625	-13,001	-10.1
Intersegment	228	139	-89	-39.0
Total	128,854	115,764	-13,090	-10.2
Operating expenses	125,126	113,024	-12,102	-9.7
Operating profit	3,728	2,740	-988	-26.5
Operating profit on sales in Europe, Middle East and Africa (%)	2.9	2.4		
Other:				
Sales:				
Unaffiliated customers	48,758	39,701	-9,057	-18.6
Intersegment	67,404	62,021	-5,383	-8.0
Total	116,162	101,722	-14,440	-12.4
Operating expenses	110,222	100,388	-9,834	-8.9
Operating profit	5,940	1,334	-4,606	-77.5
Operating profit on sales in Other (%)	5.1	1.3		
Corporate and Eliminations:				
Sales:				
Intersegment	-184,990	-168,795	16,195	-
Total	-184,990	-168,795	16,195	-
Operating expenses	-186,307	-170,429	15,878	-
Operating profit	1,317	1,634	317	-
Consolidated:				
Sales:				
Unaffiliated customers	539,175	487,706	-51,469	-9.5
Intersegment	-	-	-	-
Total	539,175	487,706	-51,469	-9.5
Operating expenses	518,502	476,836	-41,666	-8.0
Operating profit	20,673	10,870	-9,803	-47.4
Operating profit on consolidated sales (%)	3.8	2.2		

-APPENDIX- (Three months ended June 30, 2016)

1. Consolidated Sales by Product Category

	(Millions of yen)					
	Three months ended June 30, 2015	Three months ended June 30, 2016	Change	%	Change excluding exchange impact	%
<Imaging & Solutions>						
Office Imaging	361,326	316,576	-44,750	-12.4	-18,010	-5.0
Percentage of sales (%)	67.0	64.9				
Domestic	97,222	93,235	-3,987	-4.1	-3,987	-4.1
Overseas	264,104	223,341	-40,763	-15.4	-14,023	-5.3
Production Printing	50,717	47,554	-3,163	-6.2	1,590	3.1
Percentage of sales (%)	9.4	9.8				
Domestic	7,489	7,531	42	0.6	42	0.6
Overseas	43,228	40,023	-3,205	-7.4	1,548	3.6
Network System Solutions	69,430	66,339	-3,091	-4.5	-454	-0.7
Percentage of sales (%)	12.9	13.6				
Domestic	42,889	44,405	1,516	3.5	1,516	3.5
Overseas	26,541	21,934	-4,607	-17.4	-1,970	-7.4
Imaging & Solutions Total	481,473	430,469	-51,004	-10.6	-16,874	-3.5
Percentage of sales (%)	89.3	88.3				
Domestic	147,600	145,171	-2,429	-1.6	-2,429	-1.6
Overseas	333,873	285,298	-48,575	-14.5	-14,445	-4.3
The Americas	166,702	139,268	-27,434	-16.5	-10,382	-6.2
Europe, Middle East and Africa	123,061	109,908	-13,153	-10.7	-2,110	-1.7
Other	44,110	36,122	-7,988	-18.1	-1,953	-4.4
<Industrial Products>						
Industrial Products	31,089	28,831	-2,258	-7.3	-472	-1.5
Percentage of sales (%)	5.8	5.9				
Domestic	9,626	10,449	823	8.5	823	8.5
Overseas	21,463	18,382	-3,081	-14.4	-1,295	-6.0
The Americas	6,547	5,013	-1,534	-23.4	-921	-14.1
Europe, Middle East and Africa	5,283	4,730	-553	-10.5	-156	-3.0
Other	9,633	8,639	-994	-10.3	-218	-2.3
<Other>						
Other	26,613	28,406	1,793	6.7	2,306	8.7
Percentage of sales (%)	4.9	5.8				
Domestic	22,651	23,481	830	3.7	830	3.7
Overseas	3,962	4,925	963	24.3	1,476	37.3
The Americas	990	1,328	338	34.1	510	51.5
Europe, Middle East and Africa	1,468	1,900	432	29.4	623	42.4
Other	1,504	1,697	193	12.8	343	22.8
Grand Total	539,175	487,706	-51,469	-9.5	-15,040	-2.8
Percentage of sales (%)	100.0	100.0				
Domestic	179,877	179,101	-776	-0.4	-776	-0.4
Percentage of sales (%)	33.4	36.7				
Overseas	359,298	308,605	-50,693	-14.1	-14,264	-4.0
Percentage of sales (%)	66.6	63.3				
The Americas	174,239	145,609	-28,630	-16.4	-10,793	-6.2
Percentage of sales (%)	32.3	29.9				
Europe, Middle East and Africa	129,812	116,538	-13,274	-10.2	-1,643	-1.3
Percentage of sales (%)	24.1	23.9				
Other	55,247	46,458	-8,789	-15.9	-1,828	-3.3
Percentage of sales (%)	10.2	9.5				

* Each category includes the following product line:

Office Imaging	MFPs (multifunctional printers), copiers, laser printers, digital duplicators, facsimile, scanners, related parts & supplies, services, support and software
Production Printing	Cut sheet printer, continuous feed printer, related parts & supplies, services, support and software
Network System Solutions	Personal computers, servers, network equipment, related services, support and software
Industrial Products	Thermal media, optical equipment, electronic components, semiconductor devices and inkjet head
Other	Digital cameras

2. Forecast of Consolidated Performance

	(Billions of yen)							
	Three months ended June 30, 2016		Three months ending Sept. 30, 2016		Half year ending Sept. 30, 2016		Year ending March 31, 2017	
	Results	Change %	Forecast	Change %	Forecast	Change %	Forecast	Change %
Sales	487.7	-9.5	502.2	-9.7	990.0	-9.6	2,040.0	-7.7
Gross profit	198.8	-11.6	195.6	-11.8	394.5	-11.7	794.5	-9.9
Operating profit	10.8	-47.4	10.1	-71.4	21.0	-62.6	55.0	-46.2
Profit before income tax expenses	10.3	-46.6	9.6	-71.8	20.0	-62.7	53.0	-44.6
Profit attributable to owners of the parent	4.7	-63.3	4.5	-79.0	9.3	-73.1	30.0	-52.4
Earnings per share attributable to owners of the parent-basic (yen)	6.58	-	6.25	-	12.83	-	41.39	-
Earnings per share attributable to owners of the parent- diluted (yen)	-	-	-	-	-	-	-	-
Capital expenditures	16.0	-	24.0	-	40.0	-	85.0	-
Depreciation	16.3	-	17.7	-	34.0	-	70.0	-
R&D expenditures	26.8	-	31.2	-	58.0	-	120.0	-
Exchange rate (Yen/US\$)	108.08	-	105.00	-	106.54	-	105.77	-
Exchange rate (Yen/EURO)	121.97	-	115.00	-	118.49	-	116.74	-

3. Forecast of Consolidated Sales by Product Category

	(Billions of yen)						
	Year ended March 31, 2016	Half year ending September 30, 2016		Year ending March 31, 2017			
	Results	Forecast	Forecast (Note)	Forecast	Change %	Forecast (Note)	Change %
<Imaging & Solutions>							
Office Imaging	1,432.0	621.3	685.7	1,275.7	-10.9	1,399.1	-2.3
Domestic	391.2	178.8	178.8	377.5	-3.5	377.5	-3.5
Overseas	1,040.8	442.5	506.8	898.2	-13.7	1,021.5	-1.9
Production Printing	223.8	102.3	115.2	214.2	-4.3	239.4	7.0
Domestic	31.1	15.5	15.5	32.2	3.6	32.2	3.6
Overseas	192.7	86.8	99.6	182.0	-5.5	207.2	7.5
Network System Solutions	318.6	147.9	154.9	303.5	-4.7	316.9	-0.5
Domestic	203.7	101.4	101.4	208.2	2.2	208.2	2.2
Overseas	114.8	46.5	53.4	95.3	-17.0	108.6	-5.4
Imaging & Solutions Total	1,974.5	871.7	955.8	1,793.5	-9.2	1,955.4	-1.0
Domestic	626.0	295.8	295.8	617.9	-1.3	617.9	-1.3
Overseas	1,348.4	575.8	660.0	1,175.5	-12.8	1,337.4	-0.8
The Americas	665.0	285.0	326.1	575.6	-13.4	653.9	-1.7
Europe, Middle East and Africa	505.4	216.5	247.2	447.2	-11.5	508.4	0.6
Other	177.9	74.3	86.6	152.7	-14.2	175.0	-1.6
<Industrial Products>							
Industrial Products	125.4	59.9	65.1	129.9	3.6	140.5	12.0
Domestic	41.4	21.4	21.4	48.0	15.9	48.0	15.9
Overseas	83.9	38.5	43.7	81.8	-2.5	92.5	10.1
The Americas	24.8	10.8	12.3	23.9	-4.0	27.0	8.8
Europe, Middle East and Africa	20.3	9.1	10.3	18.4	-9.3	20.8	2.7
Other	38.7	18.6	21.0	39.5	2.0	44.5	14.9
<Other>							
Other	109.0	58.3	59.3	116.4	6.8	118.5	8.8
Domestic	94.0	49.7	49.7	99.9	6.3	99.9	6.3
Overseas	15.0	8.5	9.5	16.5	10.0	18.6	24.0
The Americas	3.8	2.1	2.4	4.2	10.0	4.8	24.8
Europe, Middle East and Africa	5.2	3.2	3.5	5.9	12.2	6.6	27.3
Other	5.9	3.1	3.5	6.3	8.0	7.1	20.6
Grand Total	2,209.0	990.0	1,080.2	2,040.0	-7.7	2,214.6	0.3
Domestic	761.5	367.0	367.0	766.0	0.6	766.0	0.6
Overseas	1,447.4	623.0	713.2	1,274.0	-12.0	1,448.6	0.1
The Americas	693.7	298.0	340.8	603.8	-13.0	685.9	-1.1
Europe, Middle East and Africa	531.0	228.8	261.1	471.5	-11.2	536.0	0.9
Other	222.6	96.1	111.2	198.6	-10.8	226.7	1.8

(Note) Excluding foreign exchange impact