

QUARTERLY REPORT

Half year ended September 30, 2016

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

Performance Outline (Consolidated)

(1) Half year ended September 30, 2015 and 2016 (Actual result) and Year ending March 31, 2017 (Forecast)

	Half year ended		Change	(Billions of yen)	
	September 30, 2015 Results	September 30, 2016 Results		Year ending March 31, 2017 Forecast	Change
Domestic sales	367.0	364.7	-0.6%	766.0	0.6%
Overseas sales	728.1	606.6	-16.7%	1,244.0	-14.1%
Sales	1,095.1	971.4	-11.3%	2,010.0	-9.0%
Gross profit	446.7	387.2	-13.3%	776.0	-12.0%
Operating profit	56.1	16.5	-70.5%	40.0	-60.9%
Profit before income tax expenses	53.5	15.2	-71.4%	38.0	-60.3%
Profit attributable to owners of the parent	34.5	5.0	-85.5%	18.0	-71.4%
Exchange rate (Yen/US\$)	121.80	105.25	-16.55	105.13	-14.99
Exchange rate (Yen/EURO)	135.13	118.14	-16.99	116.57	-16.11
Earnings per share attributable to owners of the parent-basic (yen)	47.65	6.90	-40.75	24.83	-62.04
Earnings per share attributable to owners of the parent-diluted (yen)	-	-	-	-	-
Cash flows from operating activities	55.6	27.3	-28.2	-	-
Cash flows from investing activities	-46.0	-52.8	-6.7	-	-
Cash flows from financing activities	33.4	53.5	20.0	-	-
Cash and cash equivalents at end of period	180.1	184.2	4.0	-	-
Capital expenditures	40.9	35.9	-4.9	80.0	-3.7
Depreciation	34.5	33.1	-1.4	70.0	1.2
R&D expenditures	57.7	57.1	-0.5	118.0	-0.5
	March 31, 2016	September 30, 2016	Change		
Total assets	2,776.4	2,678.4	-98.0		
Equity attributable to owners of the parent	1,077.8	988.3	-89.4		
Interest-bearing debt	852.8	905.8	53.0		
Equity attributable to owners of the parent ratio (%)	38.8	36.9	-1.9		
Equity per share attributable to owners of the parent (yen)	1,486.87	1,363.45	-123.42		

(2) Three months ended September 30, 2015 and 2016

(Billions of yen)

	Three months ended September 30, 2015 Results	Three months ended September 30, 2016 Results	Change
Domestic sales	187.1	185.6	-0.8%
Overseas sales	368.8	298.0	-19.2%
Sales	556.0	483.7	-13.0%
Gross profit	221.8	188.3	-15.1%
Operating profit	35.4	5.6	-84.0%
Profit before income tax expenses	34.1	4.8	-85.6%
Profit attributable to owners of the parent	21.5	0.2	-98.9%
Exchange rate (Yen/US\$)	122.29	102.45	-19.84
Exchange rate (Yen/EURO)	136.03	114.35	-21.68
Earnings per share attributable to owners of the parent-basic (yen).	29.74	0.32	-29.42
Earnings per share attributable to owners of the parent-diluted (yen).	-	-	-
Capital expenditures	20.3	19.8	-0.4
Depreciation	17.2	16.7	-0.4
R&D expenditures	30.6	30.2	-0.4

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 6.

Ricoh Company, Ltd. and Consolidated Subsidiaries

Financial Highlights for the Second Quarter ended September 30, 2016
 [Prepared on the basis of International Financial Reporting Standards]

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

(1) Operating Results

	(Millions of yen)	
	Half year ended September 30, 2015	Half year ended September 30, 2016
Sales	1,095,178	971,443
(% change from the previous corresponding period)	6.1	-11.3
Operating profit	56,118	16,550
(% change from the previous corresponding period)	0.4	-70.5
Profit before income tax expenses	53,562	15,294
(% change from the previous corresponding period)	-3.6	-71.4
Profit for the period	37,377	7,993
(% change from the previous corresponding period)	1.5	-78.6
Profit attributable to owners of the parent	34,543	5,002
(% change from the previous corresponding period)	1.7	-85.5
Comprehensive income	37,506	-74,390
(% change from the previous corresponding period)	-24.9	-
Earnings per share attributable to owners of the parent-basic (yen)	47.65	6.90
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	September 30, 2016
Total assets	2,776,461	2,678,437
Total equity	1,147,764	1,060,281
Equity attributable to owners of the parent	1,077,813	988,343
Equity attributable to owners of the parent ratio (%)	38.8	36.9

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: The interim dividends are included ordinary dividends of ¥17.50 and 80 th anniversary dividends of ¥5.00.

The year-end dividends (forecast) are included ordinary dividends of ¥17.50 and 80 th anniversary dividends of ¥5.00.

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

	(Millions of yen)
	Year ending March 31, 2017
Sales	2,010,000
(% change from the previous corresponding period)	-9.0
Operating profit	40,000
(% change from the previous corresponding period)	-60.9
Profit before income tax expenses	38,000
(% change from the previous corresponding period)	-60.3
Profit attributable to owners of the parent	18,000
(% change from the previous corresponding period)	-71.4
Earnings per share attributable to owners of the parent-basic (yen)	24.83

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 6.
- (3) Number of common stock outstanding (including treasury stock):
 As of September 30, 2016 : 744,912,078 shares ; As of March 31, 2016 : 744,912,078 shares
- (4) Number of treasury stock:
 As of September 30, 2016 : 20,025,755 shares ; As of March 31, 2016 : 20,023,429 shares
- (5) Average number of common stock:
 Half year ended September 30, 2016 : 724,887,625 shares ; Half year ended September 30, 2015 : 724,897,308 shares

Qualitative Information on Consolidated Financial Results for the Quarter under Review

1. Qualitative Information on Consolidated Business Results

*** Overview of the First Half of Fiscal 2016 (April 1 – September 30, 2016)**

Ricoh's sales for the first half decreased by 11.3% as compared to the previous corresponding period, to ¥971.4 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 ¥105.25 (up ¥16.55 from previous year) and ¥118.14 (up ¥16.99 from previous year) respectively. Sales would have decreased by 2.9% as compared to the previous corresponding period when excluding the impact of such foreign currency exchange fluctuation.

While the Japanese economy showed some signs of a gradual recovery, the future of the Japanese economy has been unpredictable caused by strengthening of the yen. 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 0.6% 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. 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 17.0% (a decrease of 4.0% excluding foreign currency exchange fluctuation), sales in Europe, Middle East and Africa decreased by 15.0% (a decrease of 2.9% excluding foreign currency exchange fluctuation) and sales in Other region, which includes China, South East Asia and Oceania, decreased by 19.4% (a decrease of 6.7% excluding foreign currency exchange fluctuation). As a result, sales in the overseas market decreased by 16.7% 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 13.3% as compared to the previous corresponding period, to ¥387.2 billion, mainly due to the decrease in sales.

Selling, general and administrative expenses decreased by 8.8% as compared to the previous corresponding period, to ¥372.2 billion. In addition to the effects of foreign currency fluctuations, group-wide activities to streamline costs have contributed in controlling these expenses. Other income decreased significantly as compared to the previous corresponding period.

As a result, operating profit decreased by 70.5% as compared to the previous corresponding period, to ¥16.5 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 71.4% as compared to the previous corresponding period, to ¥15.2 billion.

As a result, profit attributable to owners of the parent decreased by 85.5% as compared to the previous corresponding period, to ¥5.0 billion.

Comprehensive income (loss) decreased significantly as compared to the previous corresponding period, to ¥74.3 billion (loss) due to the decrease in cumulative translation adjustments and profit.

In the first half, Ricoh recorded a loss of 6.9 billion yen, including the loss that will be highly possible to be recorded by our subsidiary listed in India, whose disclosure has been delayed, in the financial closing for the year ended March 31, 2016.

* Review by Business Segment

Imaging & Solutions

Office Imaging

Sales in this category decreased by 13.5% to ¥615.1 billion. On top of the impact of the strengthening of the yen, sales volume of MFP models decreased in 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 11.9% to ¥95.3 billion. Sales of related parts & supplies and services of color cut sheet printers in both domestic and overseas increased, but was offset by the impact of the strengthening of the yen.

Network System Solutions

Sales in this category decreased by 8.6% to ¥144.9 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 12.5% as compared to the previous corresponding period, to ¥855.3 billion. Operating profit decreased by 54.9% as compared to the previous corresponding period, to ¥35.4 billion mainly due to the decrease in sales and related costs of our sales subsidiary listed in India.

Industrial Products

Sales in the Industrial Products segment decreased by 6.7% to ¥59.1 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 26.7% as compared to the previous corresponding period, to ¥4.4 billion.

Other

Sales in the Other segment increased by 6.0% as compared to the previous corresponding period, to ¥56.9 billion due to the increase in income and profit in the Leasing business and Camera business. As a result, operating profit in the Other segment increased by 104.0% as compared to the previous corresponding period, to ¥2.6 billion.

2. Analysis of Consolidated Financial Position

*Assets, Liabilities and Equity

Total assets decreased by ¥98.0 billion as compared to the previous corresponding period, to ¥2,678.4 billion, mainly due to the decrease in “trade and other receivables” derived from strengthening of the yen.

Total liabilities decreased by ¥10.5 billion as compared to the previous corresponding period, to ¥1,618.1 billion, mainly due to the decrease in “other current liabilities” and “trade and other payables”.

Total Equity decreased by ¥87.4 billion as compared to the previous corresponding period, to ¥1,060.2 billion, mainly due to the decrease in “other components of equity”.

*Cash Flows (Half year ended September 30, 2016)

Net cash provided by operating activities decreased by ¥28.2 billion as compared to the previous corresponding period, to ¥27.3 billion, mainly due to the decrease in profit for the period.

Net cash used in investing activities increased by ¥6.7 billion as compared to the previous corresponding period, to ¥52.8 billion, mainly due to the decrease in proceeds from sales of property, plant and equipment.

Net cash provided by financing activities increased by ¥20.0 billion as compared to the previous corresponding period, to ¥53.5 billion, mainly due to the decrease in repayments of bonds.

As a result, the balance of cash and cash equivalent at the end of period increased by ¥16.6 billion as compared to the end of previous year, to ¥184.2 billion.

3. Qualitative Information on Forecasted Consolidated Financial Results

Based upon the changes in the half year business results and expected structural reforms to prepare for future growths, 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 August.

Ricoh will maintain the assumed exchange rates set forth in August of ¥105.00 against U.S. dollar and of ¥115.00 against Euro in and after the third quarter, and has incorporated the actual exchange rates during the first half in the annual exchange rates 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 = ¥105.13 (¥120.12 in previous fiscal year)

EURO 1 = ¥116.57 (¥132.68 in previous fiscal year)

(Billions of yen)						
	Year ended March 31, 2016 (A)	Year ending March 31, 2017 (Previous forecast) (B)	Year ending March 31, 2017 (Revised forecast) (C)	Change (C-B)	Change (C-A)/A	
Domestic sales	761.5	766.0	766.0	-	0.6%	
Overseas sales	1,447.4	1,274.0	1,244.0	-30.0	-14.1%	
Sales	2,209.0	2,040.0	2,010.0	-30.0	-9.0%	
Gross profit	881.9	794.5	776.0	-18.5	-12.0%	
Operating profit	102.2	55.0	40.0	-15.0	-60.9%	
Profit before income tax expenses	95.6	53.0	38.0	-15.0	-60.3%	
Profit attributable to owners of the parent	62.9	30.0	18.0	-12.0	-71.4%	

* 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. 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. 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	September 30, 2016	Change
Current Assets			
Cash and cash equivalents	167,547	184,238	16,691
Time deposits	973	623	-350
Trade and other receivables	564,204	510,345	-53,859
Other financial assets	272,347	268,935	-3,412
Inventories	207,092	206,803	-289
Other current assets	61,032	53,250	-7,782
Total Current Assets	1,273,195	1,224,194	-49,001
Non-current assets			
Property, plant and equipment	276,551	267,622	-8,929
Goodwill and intangible assets	413,836	374,104	-39,732
Other financial assets	620,171	618,787	-1,384
Investments accounted for using the equity method	935	971	36
Other investments	67,084	66,217	-867
Other non-current assets	38,905	37,335	-1,570
Deferred tax assets	85,784	89,207	3,423
Total Non-current Assets	1,503,266	1,454,243	-49,023
Total Assets	2,776,461	2,678,437	-98,024

Liabilities and Equity

	(Millions of yen)		
	March 31, 2016	September 30, 2016	Change
Current Liabilities			
Bonds and borrowings	260,755	286,664	25,909
Trade and other payables	286,123	266,261	-19,862
Other financial liabilities	1,820	1,045	-775
Income tax payables	15,220	13,986	-1,234
Other current liabilities	242,950	214,744	-28,206
Total Current Liabilities	806,868	782,700	-24,168
Non-current Liabilities			
Bonds and borrowings	592,045	619,196	27,151
Other financial liabilities	3,745	3,552	-193
Accrued pension and retirement benefits	139,049	125,970	-13,079
Other non-current liabilities	82,392	82,802	410
Deferred tax liabilities	4,598	3,936	-662
Total Non-current Liabilities	821,829	835,456	13,627
Total Liabilities	1,628,697	1,618,156	-10,541
Equity			
Common stock	135,364	135,364	-
Additional paid-in capital	186,423	186,423	-
Treasury stock	-37,312	-37,314	-2
Other components of equity	114,914	33,282	-81,632
Retained earnings	678,424	670,588	-7,836
Equity attributable to owners of the parent	1,077,813	988,343	-89,470
Non-controlling interests	69,951	71,938	1,987
Total Equity	1,147,764	1,060,281	-87,483
Total Liabilities and Equity	2,776,461	2,678,437	-98,024

(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, 2015 and 2016

(Millions of yen)

	Half year ended September 30, 2015	Half year ended September 30, 2016	Change	%
Sales	1,095,178	971,443	-123,735	-11.3
Cost of sales	648,442	584,218	-64,224	-9.9
Percentage of sales (%)	59.2	60.1		
Gross profit	446,736	387,225	-59,511	-13.3
Percentage of sales (%)	40.8	39.9		
Selling, general and administrative expenses	408,161	372,294	-35,867	-8.8
Percentage of sales (%)	37.3	38.3		
Other income	17,543	1,619	-15,924	-90.8
Percentage of sales (%)	1.6	0.2		
Operating profit	56,118	16,550	-39,568	-70.5
Percentage of sales (%)	5.1	1.7		
Finance income	3,431	3,450	19	0.6
Percentage of sales (%)	0.3	0.4		
Finance costs	6,035	4,757	-1,278	-21.2
Percentage of sales (%)	0.6	0.5		
Share of profit (loss) of investments accounted for using the equity method	48	51	3	6.3
Percentage of sales (%)	0.0	0.0		
Profit before income tax expenses	53,562	15,294	-38,268	-71.4
Percentage of sales (%)	4.9	1.6		
Income tax expenses	16,185	7,301	-8,884	-54.9
Percentage of sales (%)	1.5	0.8		
Profit for the period	37,377	7,993	-29,384	-78.6
Percentage of sales (%)	3.4	0.8		
Profit attributable to:				
Owners of the parent	34,543	5,002	-29,541	-85.5
Percentage of sales (%)	3.2	0.5		
Non-controlling interests	2,834	2,991	157	5.5
Percentage of sales (%)	0.2	0.3		

	Half year ended September 30, 2015	Half year ended September 30, 2016	Change
Earnings per share attributable to owners of the parent-basic (yen)	47.65	6.90	-40.75
Earnings per share attributable to owners of the parent-diluted (yen)	-	-	-

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

Three months ended September 30, 2015 and 2016

(Millions of yen)

	Three months ended September 30, 2015	Three months ended September 30, 2016	Change	%
Sales	556,003	483,737	-72,266	-13.0
Cost of sales	334,105	295,350	-38,755	-11.6
Percentage of sales (%)	60.1	61.1		
Gross profit	221,898	188,387	-33,511	-15.1
Percentage of sales (%)	39.9	38.9		
Selling, general and administrative expenses	203,377	183,623	-19,754	-9.7
Percentage of sales (%)	36.6	38.0		
Other income	16,924	916	-16,008	-94.6
Percentage of sales (%)	3.0	0.2		
Operating profit	35,445	5,680	-29,765	-84.0
Percentage of sales (%)	6.4	1.2		
Finance income	2,785	1,645	-1,140	-40.9
Percentage of sales (%)	0.5	0.3		
Finance costs	4,156	2,476	-1,680	-40.4
Percentage of sales (%)	0.7	0.5		
Share of profit of investments accounted for using the equity method	36	48	12	33.3
Percentage of sales (%)	0.0	0.0		
Profit before income tax expenses	34,110	4,897	-29,213	-85.6
Percentage of sales (%)	6.1	1.0		
Income tax expenses	11,093	3,291	-7,802	-70.3
Percentage of sales (%)	2.0	0.7		
Profit for the period	23,017	1,606	-21,411	-93.0
Percentage of sales (%)	4.1	0.3		
Profit attributable to:				
Owners of the parent	21,557	231	-21,326	-98.9
Percentage of sales (%)	3.9	0.0		
Non-controlling interests	1,460	1,375	-85	-5.8
Percentage of sales (%)	0.2	0.3		

	Three months ended September 30, 2015	Three months ended September 30, 2016	Change
Earnings per share attributable to owners of the parent-basic (yen)	29.74	0.32	-29.42
Earnings per share attributable to owners of the parent-diluted (yen)	-	-	-

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

Condensed Consolidated Statement of Comprehensive Income

Half year ended September 30, 2015 and 2016

	(Millions of yen)		
	Half year ended September 30, 2015	Half year ended September 30, 2016	Change
Profit for the period	37,377	7,993	-29,384
Other comprehensive income (loss):			
Components that will not be reclassified subsequently to profit or loss:			
Remeasurement of defined benefit plan	-	-152	-152
Total components that will not be reclassified subsequently to profit or loss	-	-152	-152
Components that will be reclassified subsequently to profit or loss:			
Net gain (loss) on fair value of available-for-sale financial assets	1,742	-477	-2,219
Net gain (loss) on fair value of cash flow hedges	-301	-833	-532
Exchange differences on translation of foreign operations	-1,312	-80,921	-79,609
Total components that will be reclassified subsequently to profit or loss	129	-82,231	-82,360
Total other comprehensive income (loss)	129	-82,383	-82,512
Comprehensive income (loss)	37,506	-74,390	-111,896
Comprehensive income (loss) attributable to:			
Owners of the parent	35,029	-76,782	-111,811
Non-controlling interests	2,477	2,392	-85

Three months ended September 30, 2015 and 2016

	(Millions of yen)		
	Three months ended September 30, 2015	Three months ended September 30, 2016	Change
Profit for the period	23,017	1,606	-21,411
Other comprehensive income (loss):			
Components that will not be reclassified subsequently to profit or loss:			
Remeasurement of defined benefit plan	-	-152	-152
Total components that will not be reclassified subsequently to profit or loss	-	-152	-152
Components that will be reclassified subsequently to profit or loss:			
Net gain (loss) on fair value of available-for-sale financial Assets	-1,243	-481	762
Net gain (loss) on fair value of cash flow hedges	-499	290	789
Exchange differences on translation of foreign operations	-24,291	-10,768	13,523
Total components that will be reclassified subsequently to profit or loss	-26,033	-10,959	15,074
Total other comprehensive income (loss)	-26,033	-11,111	14,922
Comprehensive income (loss)	-3,016	-9,505	-6,489
Comprehensive income (loss) attributable to:			
Owners of the parent	-4,156	-10,909	-6,753
Non-controlling interests	1,140	1,404	264

Consolidated Sales by Product Category

Half year ended September 30, 2015 and 2016

	(Millions of yen)			
	Half year ended September 30, 2015	Half year ended September 30, 2016	Change	%
<Imaging & Solutions>				
Office Imaging	711,330	615,111	-96,219	-13.5
Percentage of sales (%)	65.0	63.3		
Production Printing	108,137	95,314	-12,823	-11.9
Percentage of sales (%)	9.9	9.8		
Network System Solutions	158,587	144,924	-13,663	-8.6
Percentage of sales (%)	14.5	14.9		
Imaging & Solutions Total	978,054	855,349	-122,705	-12.5
Percentage of sales (%)	89.4	88.0		
<Industrial Products>				
Industrial Products	63,420	59,182	-4,238	-6.7
Percentage of sales (%)	5.8	6.1		
<Other>				
Other	53,704	56,912	3,208	6.0
Percentage of sales (%)	4.8	5.9		
Grand Total	1,095,178	971,443	-123,735	-11.3
Percentage of sales (%)	100.0	100.0		

Three months ended September 30, 2015 and 2016

	(Millions of yen)			
	Three months ended September 30, 2015	Three months ended September 30, 2016	Change	%
<Imaging & Solutions>				
Office Imaging	350,004	298,535	-51,469	-14.7
Percentage of sales (%)	63.0	61.7		
Production Printing	57,420	47,760	-9,660	-16.8
Percentage of sales (%)	10.3	9.9		
Network System Solutions	89,157	78,585	-10,572	-11.9
Percentage of sales (%)	16.0	16.2		
Imaging & Solutions Total	496,581	424,880	-71,701	-14.4
Percentage of sales (%)	89.3	87.8		
<Industrial Products>				
Industrial Products	32,331	30,351	-1,980	-6.1
Percentage of sales (%)	5.8	6.3		
<Other>				
Other	27,091	28,506	1,415	5.2
Percentage of sales (%)	4.9	5.9		
Grand Total	556,003	483,737	-72,266	-13.0
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

Half year ended September 30, 2015 and 2016

	(Millions of yen)			
	Half year ended September 30, 2015	Half year ended September 30, 2016	Change	%
<Domestic>	367,021	364,791	-2,230	-0.6
Percentage of sales (%)	33.5	37.6		
<Overseas>	728,157	606,652	-121,505	-16.7
Percentage of sales (%)	66.5	62.4		
The Americas	352,870	292,845	-60,025	-17.0
Percentage of sales (%)	32.2	30.1		
Europe, Middle East and Africa	259,984	220,928	-39,056	-15.0
Percentage of sales (%)	23.7	22.7		
Other	115,303	92,879	-22,424	-19.4
Percentage of sales (%)	10.6	9.6		
Grand Total	1,095,178	971,443	-123,735	-11.3
Percentage of sales (%)	100.0	100.0		

Three months ended September 30, 2015 and 2016

	(Millions of yen)			
	Three months ended September 30, 2015	Three months ended September 30, 2016	Change	%
<Domestic>	187,144	185,690	-1,454	-0.8
Percentage of sales (%)	33.7	38.4		
<Overseas>	368,859	298,047	-70,812	-19.2
Percentage of sales (%)	66.3	61.6		
The Americas	178,631	147,236	-31,395	-17.6
Percentage of sales (%)	32.1	30.4		
Europe, Middle East and Africa	130,172	104,390	-25,782	-19.8
Percentage of sales (%)	23.4	21.6		
Other	60,056	46,421	-13,635	-22.7
Percentage of sales (%)	10.8	9.6		
Grand Total	556,003	483,737	-72,266	-13.0
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)					1,823	-201
Comprehensive income	-	-	-	-	1,823	-201
Net change in treasury stock			-9			
Dividends declared and approved to owners						
Transfer from other components of equity to retained earnings						
Acquisition of non-controlling interests		340				
Total transactions with owners	-	340	-9	-	-	-
Balance as of September 30, 2015	135,364	186,423	-37,304	-	18,905	602

	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			34,543	34,543	2,834	37,377
Other comprehensive income (loss)	-1,136	486		486	-357	129
Comprehensive income	-1,136	486	34,543	35,029	2,477	37,506
Net change in treasury stock				-9		-9
Dividends declared and approved to owners			-12,323	-12,323	-464	-12,787
Transfer from other components of equity to retained earnings				-		-
Acquisition of non-controlling interests				340	-2,608	-2,268
Total transactions with owners	-	-	-12,323	-11,992	-3,072	-15,064
Balance as of September 30, 2015	134,526	154,033	668,688	1,107,204	69,550	1,176,754

(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						
Other comprehensive income (loss)				-152	-456	-351
Comprehensive income	-	-	-	-152	-456	-351
Net change in treasury stock			-2			
Dividends declared and approved to owners						
Transfer from other components of equity to retained earnings				152		
Acquisition of non-controlling interests						
Total transactions with owners	-	-	-2	152	-	-
Balance as of September 30, 2016	135,364	186,423	-37,314	-	23,161	-618

	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			5,002	5,002	2,991	7,993
Other comprehensive income (loss)	-80,825	-81,784		-81,784	-599	-82,383
Comprehensive income	-80,825	-81,784	5,002	-76,782	2,392	-74,390
Net change in treasury stock				-2		-2
Dividends declared and approved to owners			-12,686	-12,686	-405	-13,091
Transfer from other components of equity to retained earnings		152	-152	-		-
Acquisition of non-controlling interests				-		-
Total transactions with owners	-	152	-12,838	-12,688	-405	-13,093
Balance as of September 30, 2016	10,739	33,282	670,588	988,343	71,938	1,060,281

(4) Condensed Consolidated Statement of Cash Flows

(Millions of yen)

	Half year ended September 30, 2015	Half year ended September 30, 2016
I. Cash Flows from Operating Activities:		
Profit for the period	37,377	7,993
Adjustments to reconcile profit for the period to net cash provided by operating activities—		
Depreciation and amortization	53,124	52,270
Other income	-17,543	-1,619
Share of profit (loss) of investments accounted for using the equity method	-48	-51
Finance income and costs	2,604	1,307
Income tax expenses	16,185	7,301
Decrease in trade and other receivables	6,841	22,752
Increase in inventories	-3,261	-14,205
Increase in lease receivables	-27,474	-13,919
Decrease in trade and other payables	-21,967	-11,862
Decrease in accrued pension and retirement benefits	-8,546	-6,423
Other, net	35,515	-5,194
Interest and dividends received	1,389	2,057
Interest paid	-3,422	-2,663
Income taxes paid	-15,168	-10,426
Net cash provided by operating activities	55,606	27,318
II. Cash Flows from Investing Activities:		
Proceeds from sales of property, plant and equipment	17,933	1,352
Expenditures for property, plant and equipment	-40,921	-35,924
Expenditures for intangible assets	-13,052	-12,615
Payments for purchases of available-for-sale securities	-204	-184
Proceeds from sales of available-for-sale securities	2,399	473
Decrease in time deposits	145	203
Purchase of business, net of cash acquired	-4,724	-287
Other, net	-7,643	-5,855
Net cash used in investing activities	-46,067	-52,837
III. Cash Flows from Financing Activities:		
Net proceeds of short-term debt	18,901	-1,588
Proceeds from long-term debt	104,247	143,670
Repayments of long-term debt	-34,654	-97,019
Proceeds from issuance of bonds	20,000	31,567
Repayments of bonds	-60,000	-10,000
Dividends paid	-12,323	-12,686
Payments for purchase of treasury stock	-9	-3
Other, net	-2,732	-425
Net cash provided by financing activities	33,430	53,516
IV. Effect of Exchange Rate Changes on Cash and Cash Equivalents	-495	-11,306
V. Net Increase in Cash and Cash Equivalents	42,474	16,691
VI. Cash and Cash Equivalents at Beginning of Year	137,722	167,547
VII. Cash and Cash Equivalents at End of Period	180,196	184,238

(5) Notes on premise going concern

Not applicable

(6) Segment Information

(a) Operating Segment Information

Half year ended September 30, 2015 and 2016

	(Millions of yen)			
	Half year ended September 30, 2015	Half year ended September 30, 2016	Change	%
Imaging & Solutions:				
Sales:				
Unaffiliated customers	978,054	855,349	-122,705	-12.5
Intersegment	-	-	-	-
Total	978,054	855,349	-122,705	-12.5
Operating expenses	899,358	819,891	-79,467	-8.8
Operating profit	78,696	35,458	-43,238	-54.9
Operating profit on sales in Imaging & Solutions (%)	8.0	4.1		
Industrial Products:				
Sales:				
Unaffiliated customers	63,420	59,182	-4,238	-6.7
Intersegment	5,997	5,502	-495	-8.3
Total	69,417	64,684	-4,733	-6.8
Operating expenses	63,314	60,210	-3,104	-4.9
Operating profit	6,103	4,474	-1,629	-26.7
Operating profit on sales in Industrial Products (%)	8.8	6.9		
Other:				
Sales:				
Unaffiliated customers	53,704	56,912	3,208	6.0
Intersegment	-	-	-	-
Total	53,704	56,912	3,208	6.0
Operating expenses	52,383	54,217	1,834	3.5
Operating profit	1,321	2,695	1,374	104.0
Operating profit on sales in Other (%)	2.5	4.7		
Corporate and Eliminations:				
Sales:				
Intersegment	-5,997	-5,502	495	-
Total	-5,997	-5,502	495	-
Operating expenses:				
Intersegment	-5,997	-5,502	495	-
Corporate	30,002	26,077	-3,925	-
Total	24,005	20,575	-3,430	-
Operating loss	-30,002	-26,077	3,925	-
Consolidated:				
Sales:				
Unaffiliated customers	1,095,178	971,443	-123,735	-11.3
Intersegment	-	-	-	-
Total	1,095,178	971,443	-123,735	-11.3
Operating expenses	1,039,060	954,893	-84,167	-8.1
Operating profit	56,118	16,550	-39,568	-70.5
Operating profit on consolidated sales (%)	5.1	1.7		

(Supplemental information)

Finance business included in the above is as follows:

	(Millions of yen)			
	Half year ended September 30, 2015	Half year ended September 30, 2016	Change	%
Sales	69,954	69,886	-68	-0.1
Operating expenses	54,375	54,425	50	0.1
Operating profit	15,579	15,461	-118	-0.8
Operating profit on sales in Finance Business (%)	22.3	22.1		

Three months ended September 30, 2015 and 2016

(Millions of yen)				
	Three months ended September 30, 2015	Three months ended September 30, 2016	Change	%
Imaging & Solutions:				
Sales:				
Unaffiliated customers	496,581	424,880	-71,701	-14.4
Intersegment	-	-	-	
Total	496,581	424,880	-71,701	-14.4
Operating expenses	449,883	408,888	-40,995	-9.1
Operating profit	46,698	15,992	-30,706	-65.8
Operating profit on sales in Imaging & Solutions (%)	9.4	3.8		
Industrial Products:				
Sales:				
Unaffiliated customers	32,331	30,351	-1,980	-6.1
Intersegment	3,165	2,660	-505	-16.0
Total	35,496	33,011	-2,485	-7.0
Operating expenses	32,320	31,111	-1,209	-3.7
Operating profit	3,176	1,900	-1,276	-40.2
Operating profit on sales in Industrial Products (%)	8.9	5.8		
Other:				
Sales:				
Unaffiliated customers	27,091	28,506	1,415	5.2
Intersegment	-	-	-	
Total	27,091	28,506	1,415	5.2
Operating expenses	26,176	27,405	1,229	4.7
Operating profit	915	1,101	186	20.3
Operating profit on sales in Other (%)	3.4	3.9		
Corporate and Eliminations:				
Sales:				
Intersegment	-3,165	-2,660	505	
Total	-3,165	-2,660	505	-
Operating expenses:				
Intersegment	-3,165	-2,660	505	
Corporate	15,344	13,313	-2,031	
Total	12,179	10,653	-1,526	-
Operating loss	-15,344	-13,313	2,031	-
Consolidated:				
Sales:				
Unaffiliated customers	556,003	483,737	-72,266	-13.0
Intersegment	-	-	-	
Total	556,003	483,737	-72,266	-13.0
Operating expenses	520,558	478,057	-42,501	-8.2
Operating profit	35,445	5,680	-29,765	-84.0
Operating profit on consolidated sales (%)	6.4	1.2		

(Supplemental information)

Finance business included in the above is as follows:

(Millions of yen)				
	Three months ended September 30, 2015	Three months ended September 30, 2016	Change	%
Sales	36,924	35,559	-1,365	-3.7
Operating expenses	28,689	28,107	-582	-2.0
Operating profit	8,235	7,452	-783	-9.5
Operating profit on sales in Finance Business (%)	22.3	21.0		

(b) Geographic Segment Information

Half year ended September 30, 2015 and 2016

	(Millions of yen)			
	Half year ended September 30, 2015	Half year ended September 30, 2016	Change	%
Japan:				
Sales:				
Unaffiliated customers	383,456	380,309	-3,147	-0.8
Intersegment	239,090	209,065	-30,025	-12.6
Total	622,546	589,374	-33,172	-5.3
Operating expenses	599,757	591,585	-8,172	-1.4
Operating profit (loss)	22,789	-2,211	-25,000	-
Operating profit (loss) on sales in Japan (%)	3.7	-0.4		
The Americas:				
Sales:				
Unaffiliated customers	352,772	292,666	-60,106	-17.0
Intersegment	3,021	2,789	-232	-7.7
Total	355,793	295,455	-60,338	-17.0
Operating expenses	346,393	290,115	-56,278	-16.2
Operating profit	9,400	5,340	-4,060	-43.2
Operating profit on sales in the Americas (%)	2.6	1.8		
Europe, Middle East and Africa:				
Sales:				
Unaffiliated customers	257,570	219,102	-38,468	-14.9
Intersegment	450	462	12	2.7
Total	258,020	219,564	-38,456	-14.9
Operating expenses	248,730	212,204	-36,526	-14.7
Operating profit	9,290	7,360	-1,930	-20.8
Operating profit on sales in Europe, Middle East and Africa (%)	3.6	3.4		
Other:				
Sales:				
Unaffiliated customers	101,380	79,366	-22,014	-21.7
Intersegment	137,408	120,684	-16,724	-12.2
Total	238,788	200,050	-38,738	-16.2
Operating expenses	223,540	194,518	-29,022	-13.0
Operating profit	15,248	5,532	-9,716	-63.7
Operating profit on sales in Other (%)	6.4	2.8		
Corporate and Eliminations:				
Sales:				
Intersegment	-379,969	-333,000	46,969	
Total	-379,969	-333,000	46,969	-
Operating expenses	-379,360	-333,529	45,831	-
Operating profit (loss)	-609	529	1,138	-
Consolidated:				
Sales:				
Unaffiliated customers	1,095,178	971,443	-123,735	-11.3
Intersegment	-	-	-	-
Total	1,095,178	971,443	-123,735	-11.3
Operating expenses	1,039,060	954,893	-84,167	-8.1
Operating profit	56,118	16,550	-39,568	-70.5
Operating profit on consolidated sales (%)	5.1	1.7		

Three months ended September 30, 2015 and 2016

(Millions of yen)

	Three months ended September 30, 2015	Three months ended September 30, 2016	Change	%
Japan:				
Sales:				
Unaffiliated customers	195,837	193,532	-2,305	-1.2
Intersegment	123,237	103,952	-19,285	-15.6
Total	319,074	297,484	-21,590	-6.8
Operating expenses	301,493	302,353	860	0.3
Operating profit (loss)	17,581	-4,869	-22,450	-
Operating profit (loss) on sales in Japan (%)	5.5	-1.6		
The Americas:				
Sales:				
Unaffiliated customers	178,600	147,063	-31,537	-17.7
Intersegment	1,516	1,267	-249	-16.4
Total	180,116	148,330	-31,786	-17.6
Operating expenses	175,196	145,494	-29,702	-17.0
Operating profit	4,920	2,836	-2,084	-42.4
Operating profit on sales in the Americas (%)	2.7	1.9		
Europe, Middle East and Africa:				
Sales:				
Unaffiliated customers	128,944	103,477	-25,467	-19.8
Intersegment	222	323	101	45.5
Total	129,166	103,800	-25,366	-19.6
Operating expenses	123,604	99,180	-24,424	-19.8
Operating profit	5,562	4,620	-942	-16.9
Operating profit on sales in Europe, Middle East and Africa (%)	4.3	4.5		
Other:				
Sales:				
Unaffiliated customers	52,622	39,665	-12,957	-24.6
Intersegment	70,004	58,663	-11,341	-16.2
Total	122,626	98,328	-24,298	-19.8
Operating expenses	113,318	94,130	-19,188	-16.9
Operating profit	9,308	4,198	-5,110	-54.9
Operating profit on sales in Other (%)	7.6	4.3		
Corporate and Eliminations:				
Sales:				
Intersegment	-194,979	-164,205	30,774	-
Total	-194,979	-164,205	30,774	-
Operating expenses	-193,053	-163,100	29,953	-
Operating loss	-1,926	-1,105	821	-
Consolidated:				
Sales:				
Unaffiliated customers	556,003	483,737	-72,266	-13.0
Intersegment	-	-	-	-
Total	556,003	483,737	-72,266	-13.0
Operating expenses	520,558	478,057	-42,501	-8.2
Operating profit	35,445	5,680	-29,765	-84.0
Operating profit on consolidated sales (%)	6.4	1.2		

-APPENDIX-

1. Consolidated Sales by Product Category

Half year ended September 30, 2015 and 2016

	Half year ended September 30, 2015	Half year ended September 30, 2016	Change	%	Change excluding exchange impact	%
(Millions of yen)						
<Imaging & Solutions>						
Office Imaging	711,330	615,111	-96,219	-13.5	-28,766	-4.0
Percentage of sales (%)	65.0	63.3				
Domestic	185,647	178,225	-7,422	-4.0	-7,422	-4.0
Overseas	525,683	436,886	-88,797	-16.9	-21,344	-4.1
Production Printing	108,137	95,314	-12,823	-11.9	-449	-0.4
Percentage of sales (%)	9.9	9.8				
Domestic	15,148	15,393	245	1.6	245	1.6
Overseas	92,989	79,921	-13,068	-14.1	-694	-0.7
Network System Solutions	158,587	144,924	-13,663	-8.6	-6,871	-4.3
Percentage of sales (%)	14.5	14.9				
Domestic	100,295	101,062	767	0.8	767	0.8
Overseas	58,292	43,862	-14,430	-24.8	-7,638	-13.1
Imaging & Solutions Total	978,054	855,349	-122,705	-12.5	-36,086	-3.7
Percentage of sales (%)	89.4	88.0				
Domestic	301,090	294,680	-6,410	-2.1	-6,410	-2.1
Overseas	676,964	560,669	-116,295	-17.2	-29,676	-4.4
The Americas	337,835	280,353	-57,482	-17.0	-13,393	-4.0
Europe, Middle East and Africa	246,956	208,343	-38,613	-15.6	-8,649	-3.5
Other	92,173	71,973	-20,200	-21.9	-7,634	-8.3
<Industrial Products>						
Industrial Products	63,420	59,182	-4,238	-6.7	247	0.4
Percentage of sales (%)	5.8	6.1				
Domestic	19,616	21,811	2,195	11.2	2,195	11.2
Overseas	43,804	37,371	-6,433	-14.7	-1,948	-4.4
The Americas	13,318	10,316	-3,002	-22.5	-1,408	-10.6
Europe, Middle East and Africa	10,299	9,339	-960	-9.3	167	1.6
Other	20,187	17,716	-2,471	-12.2	-707	-3.5
<Other>						
Other	53,704	56,912	3,208	6.0	4,345	8.1
Percentage of sales (%)	4.8	5.9				
Domestic	46,315	48,300	1,985	4.3	1,985	4.3
Overseas	7,389	8,612	1,223	16.6	2,360	31.9
The Americas	1,717	2,176	459	26.7	810	47.2
Europe, Middle East and Africa	2,729	3,246	517	18.9	983	36.0
Other	2,943	3,190	247	8.4	567	19.3
Grand Total	1,095,178	971,443	-123,735	-11.3	-31,494	-2.9
Percentage of sales (%)	100.0	100.0				
Domestic	367,021	364,791	-2,230	-0.6	-2,230	-0.6
Percentage of sales (%)	33.5	37.6				
Overseas	728,157	606,652	-121,505	-16.7	-29,264	-4.0
Percentage of sales (%)	66.5	62.4				
The Americas	352,870	292,845	-60,025	-17.0	-13,991	-4.0
Percentage of sales (%)	32.2	30.1				
Europe, Middle East and Africa	259,984	220,928	-39,056	-15.0	-7,499	-2.9
Percentage of sales (%)	23.7	22.7				
Other	115,303	92,879	-22,424	-19.4	-7,774	-6.7
Percentage of sales (%)	10.6	9.6				

* 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

Three months ended September 30, 2015 and 2016

(Millions of yen)

	Three months ended September 30, 2015	Three months ended September 30, 2016	Change	%	Change excluding exchange impact	%
<Imaging & Solutions>						
Office Imaging	350,004	298,535	-51,469	-14.7	-10,756	-3.1
Percentage of sales (%)	63.0	61.7				
Domestic	88,425	84,990	-3,435	-3.9	-3,435	-3.9
Overseas	261,579	213,545	-48,034	-18.4	-7,321	-2.8
Production Printing	57,420	47,760	-9,660	-16.8	-2,039	-3.6
Percentage of sales (%)	10.3	9.9				
Domestic	7,659	7,862	203	2.7	203	2.7
Overseas	49,761	39,898	-9,863	-19.8	-2,242	-4.5
Network System Solutions	89,157	78,585	-10,572	-11.9	-6,417	-7.2
Percentage of sales (%)	16.0	16.2				
Domestic	57,406	56,657	-749	-1.3	-749	-1.3
Overseas	31,751	21,928	-9,823	-30.9	-5,668	-17.9
Imaging & Solutions Total	496,581	424,880	-71,701	-14.4	-19,212	-3.9
Percentage of sales (%)	89.3	87.8				
Domestic	153,490	149,509	-3,981	-2.6	-3,981	-2.6
Overseas	343,091	275,371	-67,720	-19.7	-15,231	-4.4
The Americas	171,133	141,085	-30,048	-17.6	-3,011	-1.8
Europe, Middle East and Africa	123,895	98,435	-25,460	-20.5	-6,539	-5.3
Other	48,063	35,851	-12,212	-25.4	-5,681	-11.8
<Industrial Products>						
Industrial Products	32,331	30,351	-1,980	-6.1	719	2.2
Percentage of sales (%)	5.8	6.3				
Domestic	9,990	11,362	1,372	13.7	1,372	13.7
Overseas	22,341	18,989	-3,352	-15.0	-653	-2.9
The Americas	6,771	5,303	-1,468	-21.7	-487	-7.2
Europe, Middle East and Africa	5,016	4,609	-407	-8.1	323	6.4
Other	10,554	9,077	-1,477	-14.0	-489	-4.6
<Other>						
Other	27,091	28,506	1,415	5.2	2,039	7.5
Percentage of sales (%)	4.9	5.9				
Domestic	23,664	24,819	1,155	4.9	1,155	4.9
Overseas	3,427	3,687	260	7.6	884	25.8
The Americas	727	848	121	16.6	300	41.3
Europe, Middle East and Africa	1,261	1,346	85	6.7	360	28.5
Other	1,439	1,493	54	3.8	224	15.6
Grand Total	556,003	483,737	-72,266	-13.0	-16,454	-3.0
Percentage of sales (%)	100.0	100.0				
Domestic	187,144	185,690	-1,454	-0.8	-1,454	-0.8
Percentage of sales (%)	33.7	38.4				
Overseas	368,859	298,047	-70,812	-19.2	-15,000	-4.1
Percentage of sales (%)	66.3	61.6				
The Americas	178,631	147,236	-31,395	-17.6	-3,198	-1.8
Percentage of sales (%)	32.1	30.4				
Europe, Middle East and Africa	130,172	104,390	-25,782	-19.8	-5,856	-4.5
Percentage of sales (%)	23.4	21.6				
Other	60,056	46,421	-13,635	-22.7	-5,946	-9.9
Percentage of sales (%)	10.8	9.6				

* 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)

	Half year ended	Change	Half year	Change	Year ending	Change
	Sept. 30, 2016		ending March		March 31, 2017	
	Results	%	Forecast	%	Forecast	%
Sales	971.4	-11.3	1,038.6	-6.8	2,010.0	-9.0
Gross profit	387.2	-13.3	388.7	-10.7	776.0	-12.0
Operating profit	16.5	-70.5	23.4	-49.2	40.0	-60.9
Profit before income tax expenses	15.2	-71.4	22.7	-46.1	38.0	-60.3
Profit attributable to owners of the parent	5.0	-85.5	12.9	-54.3	18.0	-71.4
Earnings per share attributable to owners of the parent-basic (yen)	6.90	-	17.93	-	24.83	-
Earnings per share attributable to owners of the parent- diluted (yen)	-	-	-	-	-	-
Capital expenditures	35.9		44.1		80.0	
Depreciation	33.1		36.9		70.0	
R&D expenditures	57.1		60.9		118.0	
Exchange rate (Yen/US\$)	105.25		105.00		105.13	
Exchange rate (Yen/EURO)	118.14		115.00		116.57	

3. Forecast of Consolidated Sales by Product Category

(Billions of yen)

	Year ended	Half year ending March		Year ending March 31, 2017			
	March 31, 2016	Forecast	Forecast (Note)	Forecast	Change %	Forecast (Note)	Change %
<Imaging & Solutions>							
Office Imaging	1,432.0	654.7	713.4	1,269.8	-11.3	1,395.9	-2.5
Domestic	391.2	201.5	201.5	379.7	-2.9	379.7	-2.9
Overseas	1,040.8	453.2	511.9	890.0	-14.5	1,016.2	-2.4
Production Printing	223.8	105.7	117.3	201.0	-10.2	224.9	0.5
Domestic	31.1	16.5	16.5	31.8	2.5	31.8	2.5
Overseas	192.7	89.2	100.8	169.1	-12.2	193.0	0.2
Network System Solutions	318.6	156.3	162.6	301.2	-5.5	314.3	-1.4
Domestic	203.7	108.3	108.3	209.3	2.7	209.3	2.7
Overseas	114.8	48.0	54.3	91.8	-20.0	104.9	-8.6
Imaging & Solutions Total	1,974.5	916.7	993.3	1,772.0	-10.3	1,935.2	-2.0
Domestic	626.0	326.3	326.3	620.9	-0.8	620.9	-0.8
Overseas	1,348.4	590.4	667.0	1,151.0	-14.6	1,314.2	-2.5
The Americas	665.0	288.6	325.5	568.9	-14.4	649.9	-2.3
Europe, Middle East and Africa	505.4	225.9	255.8	434.2	-14.1	494.1	-2.2
Other	177.9	75.9	85.7	147.8	-16.9	170.2	-4.3
<Industrial Products>							
Industrial Products	125.4	64.9	69.8	124.0	-1.1	133.4	6.4
Domestic	41.4	25.5	25.5	47.3	14.0	47.3	14.0
Overseas	83.9	39.4	44.3	76.7	-8.6	86.1	2.6
The Americas	24.8	11.7	13.1	22.0	-11.6	25.0	0.6
Europe, Middle East and Africa	20.3	9.5	10.8	18.8	-7.3	21.2	4.7
Other	38.7	18.2	20.4	35.9	-7.3	39.8	2.9
<Other>							
Other	109.0	57.0	58.0	113.9	4.5	116.0	6.4
Domestic	94.0	49.4	49.4	97.7	4.0	97.7	4.0
Overseas	15.0	7.6	8.5	16.2	7.9	18.2	21.8
The Americas	3.8	2.0	2.2	4.1	8.6	4.7	22.9
Europe, Middle East and Africa	5.2	2.9	3.3	6.1	16.9	7.0	34.3
Other	5.9	2.7	3.0	5.8	-0.6	6.5	9.9
Grand Total	2,209.0	1,038.6	1,121.1	2,010.0	-9.0	2,184.8	-1.1
Domestic	761.5	401.2	401.2	766.0	0.6	766.0	0.6
Overseas	1,447.4	637.4	719.8	1,244.0	-14.1	1,418.7	-2.0
The Americas	693.7	302.3	340.8	595.1	-14.2	679.8	-2.0
Europe, Middle East and Africa	531.0	238.3	269.9	459.2	-13.5	522.4	-1.6
Other	222.6	96.8	109.1	189.6	-14.8	216.6	-2.7

(Note) Excluding foreign exchange impact