

Ricoh Company, Ltd.

Condensed Consolidated Financial Statements
for the Half Year Ended September 30, 2021

This is an English translation of the Quarterly Securities Report (Shihanki Hokokusho) for the half year ended September 30, 2021 pursuant to the Japanese Financial Instrument and Exchange Law.

Condensed Consolidated Statement of Financial Position

Ricoh Company, Ltd. and its Consolidated Subsidiaries

ASSETS	Millions of Yen	
	As of March 31, 2021	As of September 30, 2021
Current assets:		
Cash and cash equivalents (Note 6)	334,810	275,814
Time deposits (Note 6)	238	270
Trade and other receivables	392,132	342,744
Other financial assets	92,823	89,893
Inventories	192,016	206,564
Other current assets	46,725	49,525
Subtotal	1,058,744	964,810
Assets classified as held for sale (Note 7)	-	1,162
Total current assets	1,058,744	965,972
Non-current assets:		
Property, plant and equipment	191,963	183,234
Right-of-use assets	63,653	56,471
Goodwill and intangible assets	225,510	233,358
Other financial assets	136,093	125,823
Investments accounted for using the equity method (Note 13)	79,504	82,736
Other investments	18,504	17,852
Other non-current assets	29,773	28,623
Deferred tax assets	84,124	86,762
Total non-current assets	829,124	814,859
Total assets	1,887,868	1,780,831

LIABILITIES AND EQUITY	Millions of Yen	
	As of March 31, 2021	As of September 30, 2021
Current liabilities:		
Bonds and borrowings (Note 8)	82,731	115,210
Trade and other payables	287,160	240,024
Lease liabilities	25,475	22,691
Other financial liabilities	1,669	590
Income tax payables	7,213	8,295
Provisions	12,946	11,311
Other current liabilities	240,322	236,149
Total current liabilities	657,516	634,270
Non-current liabilities:		
Bonds and borrowings (Note 8)	139,676	119,867
Lease liabilities	46,737	43,926
Accrued pension and retirement benefits	70,463	62,302
Provisions	11,413	9,262
Other non-current liabilities	34,469	35,640
Deferred tax liabilities	3,742	3,363
Total non-current liabilities	306,500	274,360
Total liabilities	964,016	908,630
Equity:		
Common stock	135,364	135,364
Additional paid-in capital	186,231	186,177
Treasury stock (Note 9)	(45,024)	(105,321)
Other components of equity	82,097	84,628
Retained earnings	561,578	567,669
Equity attributable to owners of the parent	920,246	868,517
Non-controlling interests	3,606	3,684
Total equity	923,852	872,201
Total liabilities and equity	1,887,868	1,780,831

The accompanying notes are an integral part of these condensed consolidated financial statements.

Condensed Consolidated Statement of Profit or Loss

Ricoh Company, Ltd. and its Consolidated Subsidiaries

Half year ended September 30, 2020 and 2021

	Millions of Yen	
	Half year ended September 30, 2020	Half year ended September 30, 2021
Sales (Note 4,5)	761,948	843,463
Cost of sales	499,531	538,505
Gross profit	262,417	304,958
Selling, general and administrative expenses (Note 12,13)	295,212	297,024
Other income *	2,177	5,166
Operating profit (loss)	(30,618)	13,100
Finance income	1,524	983
Finance costs	2,268	1,838
Share of profit (loss) of investments accounted for using the equity method	1,854	3,729
Profit (loss) before income tax expenses	(29,508)	15,974
Income tax expenses	(7,327)	4,712
Profit (loss) for the period	(22,181)	11,262
Profit (loss) attributable to:		
Owners of the parent	(22,195)	11,157
Non-controlling interests	14	105

	Yen	
	Half year ended September 30, 2020	Half year ended September 30, 2021
Earnings per share attributable to owners of the parent: (Note 14)		
Basic	(30.64)	16.07
Diluted	(30.64)	16.06

The accompanying notes are an integral part of these condensed consolidated financial statements.

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

Three months ended September 30, 2020 and 2021

	Millions of Yen	
	Three months ended September 30, 2020	Three months ended September 30, 2021
Sales (Note 4,5)	409,623	418,659
Cost of sales	269,279	266,064
Gross profit	140,344	152,595
Selling, general and administrative expenses (Note 12)	150,294	146,680
Other income *	604	1,519
Operating profit (loss)	(9,346)	7,434
Finance income	2,045	411
Finance costs	959	1,455
Share of profit (loss) of investments accounted for using the equity method	1,364	1,902
Profit (loss) before income tax expenses	(6,896)	8,292
Income tax expenses	(3,378)	1,866
Profit (loss) for the period	(3,518)	6,426
Profit (loss) attributable to:		
Owners of the parent	(3,536)	6,370
Non-controlling interests	18	56

	Yen	
	Three months ended September 30, 2020	Three months ended September 30, 2021
Earnings per share attributable to owners of the parent: (Note 14)		
Basic	(4.88)	9.34
Diluted	(4.88)	9.34

The accompanying notes are an integral part of these condensed consolidated financial statements.

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

Condensed Consolidated Statement of Comprehensive Income

Ricoh Company, Ltd. and its Consolidated Subsidiaries

Half year ended September 30, 2020 and 2021

	Millions of Yen	
	Half year ended September 30, 2020	Half year ended September 30, 2021
Profit (loss) for the period	(22,181)	11,262
Other comprehensive income (loss):		
Components that will not be reclassified subsequently to profit or loss:		
Remeasurement of defined benefit plan	-	2,581
Net changes in fair value of financial assets measured through other comprehensive income	705	(89)
Share of other comprehensive income of investments accounted for using equity method	6	150
Total components that will not be reclassified subsequently to profit or loss	711	2,642
Components that will be reclassified subsequently to profit or loss:		
Net changes in fair value of cash flow hedges	(242)	405
Exchange differences on translation of foreign operations	6,703	1,900
Share of other comprehensive income of investments accounted for using equity method	(22)	(15)
Total components that will be reclassified subsequently to profit or loss	6,439	2,290
Total other comprehensive income (loss)	7,150	4,932
Comprehensive income (loss)	(15,031)	16,194
Comprehensive income (loss) attributable to:		
Owners of the parent	(15,103)	16,086
Non-controlling interests	72	108

The accompanying notes are an integral part of these condensed consolidated financial statements.

Three months ended September 30, 2020 and 2021

	Millions of Yen	
	Three months ended September 30, 2020	Three months ended September 30, 2021
Profit (loss) for the period	(3,518)	6,426
Other comprehensive income (loss):		
Components that will not be reclassified subsequently to profit or loss:		
Remeasurement of defined benefit plan	-	1,600
Net changes in fair value of financial assets measured through other comprehensive income	90	(296)
Share of other comprehensive income of investments accounted for using equity method	(13)	36
Total components that will not be reclassified subsequently to profit or loss	77	1,340
Components that will be reclassified subsequently to profit or loss:		
Net changes in fair value of cash flow hedges	(456)	533
Exchange differences on translation of foreign operations	3,274	(1,910)
Share of other comprehensive income of investments accounted for using equity method	(46)	53
Total components that will be reclassified subsequently to profit or loss	2,772	(1,324)
Total other comprehensive income (loss)	2,849	16
Comprehensive income (loss)	(669)	6,442
Comprehensive income (loss) attributable to:		
Owners of the parent	(700)	6,391
Non-controlling interests	31	51

The accompanying notes are an integral part of these condensed consolidated financial statements.

Condensed Consolidated Statement of Changes in Equity

Ricoh Company, Ltd. and its Consolidated Subsidiaries

(Millions of Yen)

	Common Stock	Additional paid-in capital	Treasury stock	Other components of equity		
				Remeasurement of defined benefit plan	Net changes in fair value of financial assets measured through other comprehensive income	Net changes in fair value of cash flow hedges
Balance as of April 1, 2020	135,364	186,173	(37,795)	-	5,191	409
Profit (loss) for the period						
Other comprehensive income (loss)					604	(349)
Comprehensive income (loss)	-	-	-	-	604	(349)
Purchase of treasury stock			(2)			
Dividends declared and approved to owners (Note 10)						
Share-based payment transactions		32	4			
Share-based payment transactions of subsidiaries						
Loss of control of subsidiaries (Note 13)						
Transfer from other components of equity to retained earnings (Note 13)					7	
Other			61			
Total transactions with owners	-	32	63	-	7	-
Balance as of September 30, 2020	135,364	186,205	(37,732)	-	5,802	60

(Millions of Yen)

	Other components of equity		Other comprehensive income related to disposal groups held for sale	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, 2020	36,168	41,768	130	594,731	920,371	88,156	1,008,527
Profit (loss) for the period				(22,195)	(22,195)	14	(22,181)
Other comprehensive income (loss)	6,685	6,940	152		7,092	58	7,150
Comprehensive income (loss)	6,685	6,940	152	(22,195)	(15,103)	72	(15,031)
Purchase of treasury stock					(2)		(2)
Dividends declared and approved to owners (Note 10)				(9,418)	(9,418)	(34)	(9,452)
Share-based payment transactions					36		36
Share-based payment transactions of subsidiaries					-	4	4
Loss of control of subsidiaries (Note 13)					-	(84,676)	(84,676)
Transfer from other components of equity to retained earnings (Note 13)		7	(282)	275	-		-
Other					61		61
Total transactions with owners	-	7	(282)	(9,143)	(9,323)	(84,706)	(94,029)
Balance as of September 30, 2020	42,853	48,715	-	563,393	895,945	3,522	899,467

(Millions of Yen)

	Common Stock	Additional paid-in capital	Treasury stock	Other components of equity		
				Remeasurement of defined benefit plan	Net changes in fair value of financial assets measured through other comprehensive income	Net changes in fair value of cash flow hedges
Balance as of April 1, 2021	135,364	186,231	(45,024)	-	7,807	(430)
Profit (loss) for the period						
Other comprehensive income (loss)				2,581	61	387
Comprehensive income (loss)	-	-	-	2,581	61	387
Purchase of treasury stock (Note 9)		(69)	(60,311)			
Dividends declared and approved to owners (Note 10)						
Share-based payment transactions		15	14			
Transfer from other components of equity to retained earnings				(2,581)	183	
Other						
Total transactions with owners	-	(54)	(60,297)	(2,581)	183	-
Balance as of September 30, 2021	135,364	186,177	(105,321)	-	8,051	(43)

(Millions of Yen)

	Other components of equity		Retained earnings	Equity attributable to owners of the parent	Non-controlling interests	Total equity
	Exchange differences on translation of foreign operations	Total other components of equity				
Balance as of April 1, 2021	74,720	82,097	561,578	920,246	3,606	923,852
Profit (loss) for the period			11,157	11,157	105	11,262
Other comprehensive income (loss)	1,900	4,929		4,929	3	4,932
Comprehensive income (loss)	1,900	4,929	11,157	16,086	108	16,194
Purchase of treasury stock (Note 9)				(60,380)		(60,380)
Dividends declared and approved to owners (Note 10)			(5,387)	(5,387)	(30)	(5,417)
Share-based payment transactions				29		29
Transfer from other components of equity to retained earnings		(2,398)	2,398	-		-
Other			(2,077)	(2,077)		(2,077)
Total transactions with owners	-	(2,398)	(5,066)	(67,815)	(30)	(67,845)
Balance as of September 30, 2021	76,620	84,628	567,669	868,517	3,684	872,201

The accompanying notes are an integral part of these condensed consolidated financial statements.

Condensed Consolidated Statement of Cash Flows

Ricoh Company, Ltd. and its Consolidated Subsidiaries

	Half year ended September 30, 2020	Half year ended September 30, 2021
I. Cash Flows from Operating Activities:		
Profit (loss) for the period	(22,181)	11,262
Adjustments to reconcile profit for the period to net cash provided by operating activities:		
Depreciation and amortization	53,319	46,503
Other income	(363)	(3,043)
Share of (profit) loss of investments accounted for using the equity method	(1,854)	(3,729)
Finance income and costs	744	855
Income tax expenses	(7,327)	4,712
(Increase) decrease in trade and other receivables	70,740	50,715
(Increase) decrease in inventories	5,528	(13,933)
(Increase) decrease in lease receivables	10,009	12,985
Increase (decrease) in trade and other payables	(59,542)	(46,575)
Increase (decrease) in accrued pension and retirement benefits	(3,604)	(6,205)
Other, net	(7,637)	(3,098)
Interest and dividends received	2,234	1,341
Interest paid	(1,226)	(1,140)
Income taxes paid	(9,281)	(9,903)
Net cash provided by (used in) operating activities	29,559	40,747
II. Cash Flows from Investing Activities:		
Proceeds from sales of property, plant and equipment	112	3,400
Expenditures for property, plant and equipment	(22,457)	(15,209)
Proceeds from sales of intangible assets	54	-
Expenditures for intangible assets	(11,055)	(16,069)
Payments for purchases of investment securities	(592)	(185)
Proceeds from sales of investment securities	54	1,025
Net (increase) decrease in time deposits	(82)	(36)
Purchase of business, net of cash acquired	(4,862)	(2,805)
Net increase (decrease) due to loss of control of subsidiaries (Note 13)	7,846	-
Other, net	(360)	-
Net cash provided by (used in) investing activities	(31,342)	(29,879)
III. Cash Flows from Financing Activities:		
Net increase (decrease) of short-term debt	18,670	7,954
Proceeds from long-term debt	96,193	16,055
Repayments of long-term debt	(11,224)	(14,827)
Repayments of bonds (Note 8)	(12,413)	-
Repayments of lease liabilities	(15,968)	(16,800)
Dividends paid (Note 10)	(9,418)	(5,387)
Payments for purchase of treasury stock (Note 9)	(2)	(60,311)
Other, net	(34)	(30)
Net cash provided by (used in) financing activities	65,804	(73,346)
IV. Effect of Exchange Rate Changes on Cash and Cash Equivalents	344	(87)
V. Net Increase (decrease) in Cash and Cash Equivalents	64,365	(62,565)
VI. Cash and Cash Equivalents at Beginning of Year	263,688	330,344
VII. Cash and Cash Equivalents at End of Period (Note 6)	328,053	267,779

The accompanying notes are an integral part of these condensed consolidated financial statements.

Notes: The difference in the amount of "Cash and Cash Equivalents" between condensed consolidated statement of financial position and condensed consolidated statement of cash flows represents bank overdrafts.

Notes to Condensed Consolidated Financial Statements

Ricoh Company, Ltd. and its Consolidated Subsidiaries

1. REPORTING ENTITY

Ricoh Co., Ltd. (the “Company”) is a company domiciled in Japan. The condensed consolidated financial statements of the Company as of and for the period ended September 30, 2021 comprise of the Company and its subsidiaries (the “Ricoh” as a consolidated group) and Ricoh's interest in associates.

Ricoh is operating development, manufacturing, sales and service activities on the business segments of Digital Services, Digital Products, Graphic Communications, Industrial Solutions and Other (see Note 4, “Operating Segments”).

Ricoh adopted a business unit structure from April 1, 2021. Based on this new business unit structure, Ricoh changed Operating Segment Information from this fiscal year. Prior year comparative figures have also been reclassified to conform to the current year's presentation.

2. BASIS OF PREPARATION

(1) Statements of Compliance

The condensed consolidated financial statements meet the requirements set out under Article 1-2, Paragraph 1, Item 2 of the Rules on Terminology, Formats and Compilation Methods of Quarterly Consolidated Financial Statements (Cabinet Office Ordinance No. 64 of 2007; hereinafter referred to as the “Rules on Quarterly Consolidated Financial Statements”) under which the Company is qualified as a “specified company” and duly prepares such summary in accordance with IAS 34 “Interim Financial Reporting”, under the provisions of Article 93 of the Rules on Quarterly Consolidated Financial Statements. As the condensed consolidated financial statements do not contain all the information required in annual consolidated financial statements, it should be read in combination with the consolidated financial statements for the fiscal year ended March 31, 2021, prepared in accordance with International Financial Reporting Standards (“IFRSs”).

The condensed consolidated financial statements are presented in Japanese yen, which is also the Company's functional currency. All amounts presented in Japanese yen have been rounded to the nearest million.

(2) Use of Estimates and Judgments

The preparation of condensed consolidated financial statements in accordance with IFRSs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in future periods in which the revision affects.

Estimates and judgments that have significant impact on the amounts in the condensed consolidated financial statements for the half year ended September 30, 2021 remain the same as those that had significant impact on the amounts in the consolidated financial statements for the previous fiscal year.

For the consolidated financial statements for the previous fiscal year under review, Ricoh assumed that although the spread of COVID-19 continued to affect its business results, to a certain extent, over this fiscal year and beyond, the accelerated vaccination rollout will gradually contain the pandemic in the future. Therefore, there is no significant change about above assumptions as of September 30, 2021.

3. SIGNIFICANT ACCOUNTING POLICIES

Significant accounting policies which apply in the condensed consolidated financial statements are the same as those in the previous fiscal year.

4. OPERATING SEGMENTS

Ricoh adopted a business unit structure from April 1, 2021. Based on this new business unit structure, Ricoh changed Operating Segment Information from this fiscal year. Prior year comparative figures have also been reclassified to conform to the current year's presentation. Intersegment sales are primarily for Digital Services.

The following table presents the content of change in operating segment.

Conventional Segments	Business Domains
Office Printing	Production and sales of MFPs (multifunctional printers), copiers, laser printers, digital duplicators, wide format printers, facsimile machine, scanners, related parts and supplies, services, support and software
Office Services	Production and sales of personal computers, servers, network equipment, related services, support, software and service solutions related to documents
Commercial Printing	Production and sales of cut sheet printers, continuous feed printers, related parts and supplies, services, support and software
Industrial Printing	Production and sales of inkjet heads, imaging systems and industrial printers
Thermal Media	Production and sales of thermal papers, thermal media
Other	Industrial optical component/module, electronic components, precision mechanical component, digital cameras, 3D printing, environment, healthcare

New Segments	Business Domains
Digital Services	Sale of MFPs (multifunctional printers), laser printers, digital duplicators, wide format printers, facsimile machine, scanners, personal computers, servers, network equipment, related parts & supplies, services, support and service & solutions related to documents
Digital Products	Production and OEM of MFPs (multifunctional printers), laser printers, digital duplicators, wide format printers, facsimile machine, scanners, network equipment, and related parts & supplies
Graphic Communications	Production and sales of cut sheet printers, continuous feed printers, inkjet heads, imaging systems, industrial printers, related parts & supplies, services, support and software
Industrial Solutions	Production and sales of thermal paper and thermal media, industrial optical component/module, electronic components and precision mechanical component
Other	Digital cameras, 360°cameras, environment, healthcare

Segment profit (loss) is based on operating profit (loss) and is used by Ricoh's chief operating decision maker in allocating resources and in assessing business performance. Segment profit (loss) excludes certain adjustment such as unrealized gain or loss on inventories and fixed assets accrued from intersegment transaction.

The following tables present certain information regarding Ricoh's operating segments and geographic areas for the half year ended September 30, 2020 and 2021. Intersegment transactions are made at arm's-length prices. No single customer accounted for 10% or more of the total sales for the half year ended September 30, 2020 and 2021.

(1) Operating Segment Information

Half year ended September 30, 2020 and 2021

	Millions of Yen	
	Half year ended September 30, 2020	Half year ended September 30, 2021
Segment sales:		
Digital Services	619,354	688,470
Digital Products	161,245	178,698
Graphic Communications	73,212	87,030
Industrial Solutions	52,073	54,215
Other	21,784	16,701
Intersegment sales	(165,720)	(181,651)
Total segment sales	761,948	843,463
Segment profit (loss):		
Digital Services	(9,924)	4,838
Digital Products	184	17,117
Graphic Communications	(14,308)	331
Industrial Solutions	(2,397)	(763)
Other	(6,729)	(7,417)
Total segment profit (loss)	(33,174)	14,106
Reconciling items:		
Corporate expenses and elimination	2,556	(1,006)
Finance income	1,524	983
Finance costs	(2,268)	(1,838)
Share of profit of investments accounted for using equity method	1,854	3,729
Profit (loss) before income tax expenses	(29,508)	15,974

Three months ended September 30, 2020 and 2021

	Millions of Yen	
	Three months ended September 30, 2020	Three months ended September 30, 2021
Segment sales:		
Digital Services	335,609	342,075
Digital Products	81,746	89,215
Graphic Communications	41,043	44,480
Industrial Solutions	26,471	25,537
Other	9,361	8,249
Intersegment sales	(84,607)	(90,897)
Total segment sales	409,623	418,659
Segment profit (loss):		
Digital Services	(2,613)	3,507
Digital Products	1,911	8,094
Graphic Communications	(5,371)	(717)
Industrial Solutions	(592)	210
Other	(3,562)	(4,153)
Total segment profit (loss)	(10,227)	6,941
Reconciling items:		
Corporate expenses and elimination	881	493
Finance income	2,045	411
Finance costs	(959)	(1,455)
Share of profit of investments accounted for using equity method	1,364	1,902
Profit (loss) before income tax expenses	(6,896)	8,292

(2) Geographic Information

Sales based on the location of customers are as follows:

Half year ended September 30, 2020 and 2021

	Millions of Yen	
	Half year ended September 30, 2020	Half year ended September 30, 2021
Sales:		
Japan	335,417	336,156
The Americas	186,697	214,672
Europe, Middle East and Africa	169,481	212,322
Other	70,353	80,313
Consolidated	761,948	843,463
The United States (included in The Americas)	160,837	179,174

Three months ended September 30, 2020 and 2021

	Millions of Yen	
	Three months ended September 30, 2020	Three months ended September 30, 2021
Sales:		
Japan	176,112	164,839
The Americas	100,947	108,256
Europe, Middle East and Africa	95,249	106,012
Other	37,315	39,552
Consolidated	409,623	418,659
The United States (included in The Americas)	86,062	90,145

5. SALES

As described in Note 4 “OPERATING SEGMENTS,” operating segments of Ricoh comprise Digital Services, Digital Products, Graphic Communications, Industrial Solutions and Other. In addition, Sales are classified by region based on the location of customers.

The following table presents sales of each segment by geographic region.

Half year ended September 30, 2020 and 2021

Half year ended September 30, 2020	Millions of Yen				
	Japan	The Americas	Europe, Middle East and Africa	Other	Total
Digital Services	287,438	141,819	143,776	46,321	619,354
Digital Products	2,481	248	-	2,577	5,306
Graphic Communications	12,692	34,197	17,356	8,967	73,212
Industrial Solutions	23,673	8,813	6,950	9,748	49,184
Other	9,133	1,620	1,399	2,740	14,892
Total segment sales	335,417	186,697	169,481	70,353	761,948

Note:

1. Intersegment transactions were excluded in the table above.
2. Revenues recognized in accordance with IFRS15 ‘Revenue from contracts with customers’ as well as revenues from leases recognized in accordance with IFRS16 ‘Leases’ were included in Sales. The amount of revenue recognized in accordance with IFRS16 was ¥80,239 million which was mainly composed of Digital Services.
3. Ricoh adopted a business unit structure from April 1, 2021. Based on this new business unit structure, Ricoh changed Operating Segment Information from this fiscal year. Prior year comparative figures have also been reclassified to conform to the current year's presentation.

Half year ended September 30, 2021	Millions of Yen				
	Japan	The Americas	Europe, Middle East and Africa	Other	Total
Digital Services	294,312	161,705	180,057	52,396	688,470
Digital Products	3,421	299	-	3,363	7,083
Graphic Communications	12,670	40,663	22,079	11,618	87,030
Industrial Solutions	20,884	9,900	8,384	11,555	50,723
Other	4,869	2,105	1,802	1,381	10,157
Total segment sales	336,156	214,672	212,322	80,313	843,463

Note:

1. Intersegment transactions were excluded in the table above.
2. Revenues recognized in accordance with IFRS15 ‘Revenue from contracts with customers’ as well as revenues from leases recognized in accordance with IFRS16 ‘Leases’ were included in Sales. The amount of revenue recognized in accordance with IFRS16 was ¥77,554 million which was mainly composed of Digital Services.

Three months ended September 30, 2020 and 2021

Three months ended September 30, 2020	Millions of Yen				
	Japan	The Americas	Europe, Middle East and Africa	Other	Total
Digital Services	153,799	76,591	80,717	24,502	335,609
Digital Products	923	60	-	1,341	2,324
Graphic Communications	6,566	19,065	10,263	5,149	41,043
Industrial Solutions	12,735	4,391	3,447	4,634	25,207
Other	2,089	840	822	1,689	5,440
Total segment sales	176,112	100,947	95,249	37,315	409,623

Note:

1. Intersegment transactions were excluded in the table above.
2. Revenues recognized in accordance with IFRS15 'Revenue from contracts with customers' as well as revenues from leases recognized in accordance with IFRS16 'Leases' were included in Sales. The amount of revenue recognized in accordance with IFRS16 was ¥39,837 million which was mainly composed of Digital Services.
3. Ricoh adopted a business unit structure from April 1, 2021. Based on this new business unit structure, Ricoh changed Operating Segment Information from this fiscal year. Prior year comparative figures have also been reclassified to conform to the current year's presentation.

Three months ended September 30, 2021	Millions of Yen				
	Japan	The Americas	Europe, Middle East and Africa	Other	Total
Digital Services	146,093	80,978	89,637	25,367	342,075
Digital Products	1,894	129	-	1,663	3,686
Graphic Communications	6,032	21,094	11,374	5,980	44,480
Industrial Solutions	8,624	5,174	4,220	5,779	23,797
Other	2,196	881	781	763	4,621
Total segment sales	164,839	108,256	106,012	39,552	418,659

Note:

1. Intersegment transactions were excluded in the table above.
2. Revenues recognized in accordance with IFRS15 'Revenue from contracts with customers' as well as revenues from leases recognized in accordance with IFRS16 'Leases' were included in Sales. The amount of revenue recognized in accordance with IFRS16 was ¥38,657 million which was mainly composed of Digital Services.

6. CASH AND CASH EQUIVALENTS

Details of cash and cash equivalents are as follows:

	Millions of Yen	
	As of September 30, 2020	As of September 30, 2021
Cash and deposits	337,177	276,084
Time deposits with a maturity of more than three months	(137)	(270)
Cash and cash equivalents in Condensed Consolidated Statement of Financial Position	337,040	275,814
Bank overdrafts	(8,987)	(8,035)
Cash and cash equivalents in Condensed Consolidated Statement of Cash Flows	328,053	267,779

7. ASSETS CLASSIFIED AS HELD FOR SALE

Assets classified as held for sale as of September 30, 2021 consisted of land, buildings and structures in U.S. subsidiaries and a sales contract was entered into in September 2021.

8. BONDS

No issuance of bonds was noted for the half year ended September 30, 2020.

Details of bonds repaid during the half year ended September 30, 2020 are as follows:

Issuer	Bond name	Issue date	Total amount	Interest Rate (%)	Collateral	Maturity date
Ricoh Company, Ltd.	The 2nd series of unsecured straight bonds of EURO	July 27, 2017	100 million Euro	0.350	None	July 27, 2020

No issuance or repayment of bonds was noted for the half year ended September 30, 2021.

9. CAPITAL AND RESERVES

(For the half year ended September 30, 2020)

There was no significant transaction.

(For the half year ended September 30, 2021)

At the meeting of the Board of Directors of the Company held on March 3, 2021, the Company resolved a share repurchase. The share repurchase for the half year ended September 30, 2021 is as follows.

(1) Share category	Common stock
(2) Number of shares	51,195,100 shares
(3) Repurchase cost	¥ 60,306,109,700
(4) Period	April 1, 2021, through September 30, 2021
(5) Method	Open market purchase on Tokyo Stock Exchange

(Reference)

The matters for resolution at the Board of Directors meeting held on March 3, 2021

(1) Share category	Common stock
(2) Number of shares	Up to 145,000,000 shares (representing 20.02% of issued and outstanding shares excluding treasury shares)
(3) Repurchase ceiling	¥100 billion
(4) Period	March 4, 2021, through March 3, 2022
(5) Method	Open market purchase on Tokyo Stock Exchange

10. DIVIDENDS

(1) Dividends paid during the half year ended September 30, 2020 and 2021 are as follows:

Resolution	Class of shares	Amount of dividends	Dividends per share	Record date	Effective date	Source of dividends
		(Millions of Yen)	(Yen)			
Ordinary general meeting of shareholders held on June 26, 2020	Ordinary shares	9,423 (Note)	13.0	March 31, 2020	June 29, 2020	Retained earnings
Ordinary general meeting of shareholders held on June 24, 2021	Ordinary shares	5,390 (Note)	7.5	March 31, 2021	June 25, 2021	Retained earnings

Note: The total amount of dividends paid during the half year ended September 30, 2020 and 2021 includes ¥5 million and ¥3 million respectively corresponding to the Company's shares owned by the Board Incentive Plan trust in which beneficiaries include directors and executive officers.

(2) Dividends which record date is in the second quarter but which effective date is in the following quarter are as follows:

Resolution	Class of shares	Amount of Dividends	Dividends per share	Record date	Effective date	Source of dividends
		(Millions of Yen)	(Yen)			
Board of Directors' meeting held on November 4, 2020	Ordinary shares	5,436 (Note)	7.5	September 30, 2020	December 1, 2020	Retained earnings
Board of Directors' meeting held on November 4, 2021	Ordinary shares	8,677 (Note)	13.0	September 30, 2021	December 1, 2021	Retained earnings

Note: The total amount of dividends during the half year ended September 30, 2020 and 2021 includes ¥3 million and ¥5 million respectively corresponding to the Company's shares owned by the Board Incentive Plan trust in which beneficiaries include directors and executive officers.

11. FINANCIAL INSTRUMENTS

(1) Fair value of financial instruments by type

Carrying amounts and fair values of the major financial instruments were as follows:

	Millions of Yen			
	As of March 31, 2021		As of September 30, 2021	
	Carrying amount	Fair value	Carrying amount	Fair value
Assets:				
Lease receivables	228,509	234,007	215,333	220,530
Derivative assets	407	407	383	383
Securities	17,770	17,770	17,329	17,329
Bonds	734	734	523	523
Total	247,420	252,918	233,568	238,765
Liabilities:				
Derivative liabilities	1,669	1,669	590	590
Bonds and borrowings	139,676	136,416	119,867	117,178
Total	141,345	138,085	120,457	117,768

Note:

(i) Cash and cash equivalents, time deposits and trade and other payables

These financial instruments are not included in the table above, as the carrying amounts approximate fair values due to the relatively short-term nature.

(ii) Trade and other receivables

Trade and other receivables settled in a short period are not included in the table above because the carrying amounts approximate the fair values due to the short maturities of these instruments.

The fair value of the receivables expected not to be recovered or settled in a short period is calculated per each receivable classified per certain business type based on the present value of such receivable discounted by the interest rate which takes into account the period to maturity and the credit risk.

Trade and other receivables using the inputs not based on observable market data described above are classified as Level 3 under the fair value measurement and disclosure framework. Trade and other receivables that are not material are not included in the table above.

(iii) Lease receivables

The fair value of lease receivables per each receivable classified per certain period is calculated based on the present value of such receivables discounted by the interest rate which takes into account the period to maturity and the credit risk. Lease receivables using the inputs not based on observable market data described above are classified as Level 3 under the fair value measurement and disclosure framework.

(iv) Derivatives

Derivative instruments include foreign currency contracts. These derivative instruments are classified as Level 2 since the fair values of these instruments are measured mainly by obtaining quotes from brokers or proper valuation methods based on available information.

(v) Securities and bonds

Securities and bonds include mainly marketable securities, bonds and unlisted securities. Marketable securities and bonds are held at fair value using quoted prices in an active market. Unlisted securities are classified as Level 3 since the fair value of unlisted securities is measured using comparable companies' analyses or other reasonable valuation methods.

(vi) Bonds and borrowings

Bonds and borrowings expected to be settled in less than 12 months are not included in the table above as the carrying amounts approximate fair values due to the short-term maturities of these instruments. The fair value of bonds, borrowings and lease liabilities are calculated from estimated present values using year-end borrowing rates applied to borrowings with similar maturities derived from future cash flows on a per-loan basis as well as calculated based on market prices. Bonds and borrowings using inputs described above are classified as Level 2 under the fair value measurement and disclosure framework, since they are valued using observable market data.

(vii) Measurement of financial instruments

Measurement methods for the financial instruments in accordance with IFRS9 'Financial Instruments' were as follows.

At amortized cost: trade receivables, bonds (as liabilities) and borrowings.

At fair value through profit or loss: derivative assets and liabilities.

At fair value through other comprehensive income: securities and bonds (as assets).

(2) Fair value measurement applied in condensed consolidated statement of financial position

The analysis of financial instruments subsequently measured at fair value is shown below. The fair value hierarchy of financial instruments is categorized as follows from Level 1 to Level 3:

Reclassification among the levels in the fair value hierarchy is recognized upon the date when the event or change in circumstances causing the reclassification to occur.

Level 1: Fair values measured using quoted prices in active markets with respect to identical assets or liabilities

Level 2: Fair values measured using inputs other than quoted prices that are observable, either directly or indirectly

Level 3: Fair values measured using inputs not based on observable market data

	Millions of Yen			Total
	Level 1	Level 2	Level 3	
As of March 31, 2021				
Financial assets at fair value through profit or loss:				
Derivative assets	-	407	-	407
Financial assets at fair value through other comprehensive income:				
Securities	15,317	-	2,453	17,770
Bonds	734	-	-	734
Total assets	16,051	407	2,453	18,911
Financial liabilities at fair value through profit or loss:				
Derivative liabilities	-	1,669	-	1,669
Total liabilities	-	1,669	-	1,669

	Millions of Yen			
	As of September 30, 2021			
	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss:				
Derivative assets	-	383	-	383
Financial assets at fair value through other comprehensive income:				
Securities	14,733	-	2,596	17,329
Bonds	523	-	-	523
Total assets	15,256	383	2,596	18,235
Financial liabilities at fair value through profit or loss:				
Derivative liabilities	-	590	-	590
Total liabilities	-	590	-	590

Note:

(i) Derivative instruments include foreign currency contracts. These derivative instruments are classified as Level 2 in the fair value hierarchy since the fair values of these instruments are measured mainly by obtaining quotes from brokers or proper valuation methods based on available information.

(ii) Securities and Bonds classified as Level 1 in the fair value hierarchy contains marketable equity securities and bonds. Marketable equity securities and bonds are valued using a market approach based on the quoted market prices of identical instruments in active markets. As for unlisted securities, Ricoh determines the fair value based on an approach using observable inputs such as comparable companies' share prices and unobservable inputs, therefore, unlisted securities are classified as Level 3.

A reconciliation of financial assets categorized at Level 3 from beginning balances to the ending balances is as follows:

	Millions of Yen	
	Half year ended	Half year ended
	September 30, 2020	September 30, 2021
Beginning balance	16,509	2,453
Gains and losses:		
- in other comprehensive income (Note)	53	(48)
Purchases	558	116
Sales	(54)	(6)
Decrease due to disposal of interest in subsidiaries	(14,142)	-
Others	(34)	81
Ending balance	2,890	2,596

Note:

Total gains and losses included in other comprehensive income relate to the shares not traded in the market. Related gains and losses are included in "Net changes in fair value of financial assets measured through other comprehensive income" in the condensed consolidated statement of comprehensive income.

12. SUPPLEMENTARY INFORMATION TO THE CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

The following amounts were charged to selling, general and administrative expenses for the half year and three months ended September 30, 2020 and 2021:

	Millions of Yen	
	Half year ended September 30, 2020	Half year ended September 30, 2021
Research and development expenses	40,297	37,994
Shipping and handling expenses	11,621	13,240
Advertising expenses	1,985	1,894

	Millions of Yen	
	Three months ended September 30, 2020	Three months ended September 30, 2021
Research and development expenses	20,916	19,402
Shipping and handling expenses	6,346	6,764
Advertising expenses	1,227	1,040

13. LOSS OF CONTROL OF SUBSIDIARY

(For the half year ended September 30, 2020)

1. Overview of loss of control

At a meeting on March 9, 2020, the Board of Directors of Ricoh Company Ltd. agreed to sell a portion of its shares in Ricoh Leasing Co., Ltd. (referred to as “Ricoh Leasing”), a consolidated subsidiary of the Company, to Mizuho Leasing Company, Ltd. (referred to as “Mizuho Leasing”).

As of April 23, 2020, Ricoh concluded the partial transfer of common shares in Ricoh Leasing to Mizuho Leasing. As a result of the share transfer, Ricoh’s voting rights in Ricoh Leasing changed to the ownership ratio of 33.7%, and Ricoh Leasing, which used to be a consolidated subsidiary of the Company, became an affiliate accounted for under the equity method.

2. Assets and liabilities as of the date which control was lost were as follows:

	Millions of Yen
	Carrying amount
Cash and cash equivalents	28,954
Trade and other receivables	219,572
Other financial assets	824,971
Property, plant and equipment	63,855
Other assets	46,144
Bonds and borrowings	(907,957)
Trade and other payables	(40,824)
Other liabilities	(51,229)
Net assets removed	183,486

Note: Assets and liabilities included in the derecognized subsidiary were the amounts before elimination of inter-company transactions.

3. Gain or loss arising from the sale of the subsidiary with loss of control was as follows:

	Millions of Yen
	Half year ended September 30, 2020
Cash received	36,800
Net assets removed	(183,486)
Non-controlling interests	84,676
Retained investment in former subsidiary	62,010
Gain or loss arising from the deconsolidation	-

Note: The loss amounting to ¥2,539 million from measuring the disposal group classified as held for sale at fair value less costs to sell was included in selling, general and administrative expenses.

4. Cash flows resulting from the sale of subsidiary were as follows:

	Millions of Yen
	Half year ended September 30, 2020
Cash received from the sale of subsidiary	36,800
Cash and cash equivalents of derecognized subsidiary	(28,954)
Net proceeds from the sale of subsidiary	7,846

(For the half year ended September 30, 2021)

There was no loss of control of subsidiary.

14. EARNINGS PER SHARE

Basic earnings per share and diluted earnings per share are as follows.

(1) Basic earnings per share

	Half year ended September 30, 2020	Half year ended September 30, 2021
Profit (loss) attributable to owners of the parent (millions of yen)	(22,195)	11,157
Weighted average number of ordinary shares outstanding (thousands of shares)	724,433	694,487
Basic earnings per share (yen)	(30.64)	16.07

	Three months ended September 30, 2020	Three months ended September 30, 2021
Profit (loss) attributable to owners of the parent (millions of yen)	(3,536)	6,370
Weighted average number of ordinary shares outstanding (thousands of shares)	724,434	682,073
Basic earnings per share (yen)	(4.88)	9.34

(2) Diluted earnings per share

	Half year ended September 30, 2020	Half year ended September 30, 2021
Profit (loss) attributable to owners of the parent (millions of yen)	(22,195)	11,157
Adjustments (millions of yen)	-	-
Profit (loss) used for calculation of diluted earnings per share (millions of yen)	(22,195)	11,157
Weighted average number of ordinary shares outstanding (thousands of shares) (*1)	724,433	694,487
Effect of dilutive potential ordinary shares		
Share-based payment (thousands of shares) (*2)	-	94
Weighted-average number of ordinary shares diluted (thousands of shares)	724,433	694,582
Diluted earnings per share (yen)	(30.64)	16.06

	Three months ended September 30, 2020	Three months ended September 30, 2021
Profit (loss) attributable to owners of the parent (millions of yen)	(3,536)	6,370
Adjustments (millions of yen)	-	-
Profit (loss) used for calculation of diluted earnings per share (millions of yen)	(3,536)	6,370
Weighted average number of ordinary shares outstanding (thousands of shares) (*1)	724,434	682,073
Effect of dilutive potential ordinary shares		
Share-based payment (thousands of shares) (*2)	-	96
Weighted-average number of ordinary shares diluted (thousands of shares)	724,434	682,170
Diluted earnings per share (yen)	(4.88)	9.34

(*1) For the purpose of calculation of basic earnings per share and diluted earnings per share, the shares of the Company held by Board Incentive Plan trust in which beneficiaries include directors and executive officers are accounted as treasury shares and the number of those shares are deducted from weighted-average number of ordinary shares outstanding during the period.

(*2) For the half year ended September 30, 2020 and three months ended September 30, 2020, since an increase in the number of ordinary shares due to share-based payment reduces loss per share for the period, potential shares have no dilutive effect.

15. CAPITAL COMMITMENTS AND CONTINGENCIES

As of March 31, 2021 and September 30, 2021, Ricoh had outstanding contractual commitments for acquisition of property, plant and equipment and other assets aggregating ¥5,956 million and ¥6,741 million, respectively.

As of March 31, 2021 and September 30, 2021, there were no significant contingent liabilities.

As of September 30, 2021, the Company and certain subsidiaries were parties to litigation involving routine matters, such as patent rights. In the opinion of management, the ultimate liability, if any, resulting from such litigation will not materially affect the financial position or the results of operations of Ricoh.

16. SUBSEQUENT EVENTS

(Share Repurchase)

At the meeting of the Board of Directors of the Company held on March 3, 2021, the Company resolved a share repurchase. The status of share repurchase after September 30, 2021 is as follows.

The status of share repurchase

- | | |
|----------------------|--|
| (1) Share category | Common stock |
| (2) Number of shares | 10,376,800 shares |
| (3) Repurchase cost | ¥11,662,952,900 |
| (4) Period | October 1, 2021, through November 8, 2021 |
| (5) Method | Open market purchase on Tokyo Stock Exchange |

(Reference)

1. The matters for resolution at the Board of Directors meeting held on March 3, 2021

- | | |
|------------------------|--|
| (1) Share category | Common stock |
| (2) Number of shares | Up to 145,000,000 shares
(representing 20.02% of issued and outstanding shares excluding treasury shares) |
| (3) Repurchase ceiling | ¥100 billion |
| (4) Period | March 4, 2021, through March 3, 2022 |
| (5) Method | Open market purchase on Tokyo Stock Exchange |

2. Total number of shares repurchase (as of November 8, 2021)

- | | |
|---------------------------------------|-------------------|
| (1) Total number of shares repurchase | 67,784,900 shares |
| (2) Total repurchase cost | ¥79,260,002,400 |

17. AUTHORIZATION OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The condensed consolidated financial statements were authorized for issue by Yoshinori Yamashita, Representative Director and President, and Hidetaka Matsuishi, Director and Executive Corporate Officer, on November 9, 2021.