

QUARTERLY REPORT

Third Quarter ended December 31, 2023

(Results for the Period from April 1, 2023 to December 31, 2023)

Performance Outline (Consolidated)

(1) Nine months ended December 31, 2022 and 2023 (Actual result) and Year ending March 31, 2024 (Forecast)

	Nine months ended December 31, 2022 Results	Nine months ended December 31, 2023 Results	Change	(Billions of yen)	
				Year ending March 31, 2024 Forecast	Change
Domestic sales	551.2	607.4	10.2%	856.7	6.6%
Overseas sales	977.3	1,090.2	11.6%	1,443.2	8.5%
Sales	1,528.6	1,697.6	11.1%	2,300.0	7.8%
Gross profit	538.8	596.6	10.7%	805.0	8.0%
Operating profit (loss)	39.6	37.1	(6.2%)	60.0	(23.8%)
Profit (loss) before income tax expenses	42.3	42.6	0.9%	66.5	(18.2%)
Profit (loss) attributable to owners of the parent	27.4	30.2	10.3%	44.0	(19.1%)
Exchange rate (Yen/US\$)	136.49	143.24	6.75	143.68	8.19
Exchange rate (Yen/EURO)	140.55	155.26	14.71	155.19	14.28
Earnings per share attributable to owners of the parent-basic (yen)	44.29	49.71	5.42	72.24	(15.89)
Earnings per share attributable to owners of the parent-diluted (yen)	44.28	49.69	5.41	72.19	(15.91)
Cash flows from operating activities	6.4	62.2	55.7	—	—
Cash flows from investing activities	(104.1)	(70.8)	33.2	—	—
Cash flows from financing activities	38.4	(39.2)	(77.7)	—	—
Cash and cash equivalents at end of period *1	180.6	171.3	(9.3)	—	—
Capital expenditures *2	28.5	33.6	5.0	48.0	2.5
Depreciation *2	31.0	32.4	1.3	43.0	1.0
R&D expenditures	77.3	81.7	4.4	108.0	0.2

	March 31, 2023	December 31, 2023	Change
Total assets	2,149.9	2,207.7	57.8
Equity attributable to owners of the parent	931.5	987.9	56.3
Interest-bearing debt *3	362.9	376.1	13.1
Equity attributable to owners of the parent ratio (%)	43.3	44.7	1.4
Equity per share attributable to owners of the parent (yen)	1,529.46	1,621.91	92.45

(2) Three months ended December 31, 2022 and 2023

(Billions of yen)

	Three months ended December 31, 2022	Three months ended December 31, 2023	Change
	Results	Results	
Domestic sales	199.6	203.2	1.8%
Overseas sales	355.4	381.8	7.4%
Sales	555.0	585.0	5.4%
Gross profit	192.5	210.3	9.3%
Operating profit (loss)	16.1	17.5	8.9%
Profit (loss) before income tax expenses	17.7	18.0	1.9%
Profit (loss) attributable to owners of the parent	12.5	14.6	17.1%
Exchange rate (Yen/US\$)	141.62	147.86	6.24
Exchange rate (Yen/EURO)	144.25	159.04	14.79
Earnings per share attributable to owners of the parent-basic (yen)	20.56	24.07	3.51
Earnings per share attributable to owners of the parent-diluted (yen)	20.56	24.06	3.50
Capital expenditures *2	10.0	11.6	1.6
Depreciation *2	10.5	11.0	0.4
R&D expenditures	27.5	26.8	(0.7)

*1 The amounts shown as "Cash and cash equivalents at end of the period" are shown on the condensed consolidated statement of cash flows.

*2 The amounts presented in capital expenditures and depreciation are for property, plant and equipment.

*3 The amounts are shown bonds and borrowings.

Ricoh Company, Ltd.

* The result forecasts and forward-looking statements included in this document are based on information available to the Company as at the date of submission of this quarterly report and certain assumptions that the Company considers reasonable. The Company makes no guarantees with respect to the achievement of its result forecasts or forward-looking statements. Actual results might be significantly different from the forecasts in the document, depending on various factors.

Ricoh Company, Ltd. and its Consolidated Subsidiaries

Financial Highlights for the Nine months ended December 31, 2023

[Prepared on the basis of International Financial Reporting Standards]

1. Results for the Period from April 1, 2023 to December 31, 2023

(1) Operating Results

	(Millions of yen)	
	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Sales	1,528,608	1,697,688
(% change from the previous corresponding period)	19.8	11.1
Operating profit (loss)	39,608	37,158
(% change from the previous corresponding period)	54.1	(6.2)
Profit (loss) before income tax expenses	42,321	42,684
(% change from the previous corresponding period)	37.8	0.9
Profit (loss) for the period	28,254	30,187
(% change from the previous corresponding period)	21.1	6.8
Profit (loss) attributable to owners of the parent	27,438	30,277
(% change from the previous corresponding period)	18.3	10.3
Comprehensive income (loss)	54,360	78,211
(% change from the previous corresponding period)	39.3	43.9
Earnings per share attributable to owners of the parent-basic (yen)	44.29	49.71
Earnings per share attributable to owners of the parent-diluted (yen)	44.28	49.69

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

(2) Financial Position

	(Millions of yen)	
	March 31, 2023	December 31, 2023
Total assets	2,149,956	2,207,785
Total equity	958,082	1,013,670
Equity attributable to owners of the parent	931,556	987,914
Equity attributable to owners of the parent ratio (%)	43.3	44.7

2. Dividend Information

	Year ended March 31, 2023 (Actual)	Year ending March 31, 2024 (Forecast)
Cash dividends, applicable to the year (yen)	34.00	36.00
Interim (yen)	17.00	18.00
Year-end (yen)	17.00	18.00

Notes: Revision of expected dividends during this period: No

3. Forecast of Operating Results from April 1, 2023 to March 31, 2024

	(Millions of yen)
	Year ending March 31, 2024
Sales	2,300,000
(% change from the previous corresponding period)	7.8
Operating profit (loss)	60,000
(% change from the previous corresponding period)	(23.8)
Profit (loss) before income tax expenses	66,500
(% change from the previous corresponding period)	(18.2)
Profit (loss) for the period	44,500
(% change from the previous corresponding period)	(20.0)
Profit (loss) attributable to owners of the parent	44,000
(% change from the previous corresponding period)	(19.1)
Earnings per share attributable to owners of the parent-basic (yen)	72.24

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

4. Others

- (1) Changes in significant subsidiaries: No
New: — (Company name: —)
Exclusion: — (Company name: —)
- (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
- (3) Number of common stock outstanding (including treasury stock):
As of December 31, 2023: 609,521,978 shares; As of March 31, 2023: 609,521,978 shares
- (4) Number of treasury stock:
As of December 31, 2023: 416,582 shares; As of March 31, 2023: 447,171 shares
- (5) Average number of common stock:
Nine months ended December 31, 2023: 609,095,069 shares; Nine months ended December 31, 2022: 619,533,305 shares

Notes: The Company has established the Board Incentive Plan trust in which beneficiaries include Directors and Executive Officers. The shares owned by the trust account relating to this trust are accounted for as treasury shares. (As of December 31, 2023: 334,900 shares; As of March 31, 2023: 371,400 shares)

Qualitative Information on Consolidated Financial Results for the Quarter under Review

1. Qualitative Information on Consolidated Business Results

* Overview of the Third Quarter of Fiscal 2023 (April 1 – December 31, 2023)

Ricoh started the 21st Mid-Term Management Strategy from April 2023.

As our medium- to long-term goal, we aim to become a digital services company that supports worker's creativity and transforms the workplace, in order to achieve our Mission & Vision of "Fulfillment through Work." We expand the range of workplaces where we provide digital services from offices, centered on the sale of MFPs, to services on frontlines and throughout society. At the same time, we will expand the customer value we provide to each workplace (office/frontline/social setting) and progressively transform into a digital services company. During this fiscal year, we will accelerate our transformation from an earnings structure focused on the office printing business and work to enhance profitability, with the aim of increasing profitability through business expansion and structural reforms centered on the office services business. We will also build flexible production and supply systems, raise our capacity to tackle changes in business environment and establish a new pillar of earnings in frontline digital services domains.

Although the global economy was gradually recovering, it remained unstable due to factors such as prolonged inflation and continued tight monetary policies mainly in Europe and the Americas, and serious situations in Russia/Ukraine and Israel/Palestine. During the nine months of this fiscal year, Japan's social and economic activities were normalized as a result of the category shift of COVID-19 to Class 5 infectious diseases, and increased demand for inbound. On the other hand, the future uncertainty continued due to inflation and yen depreciation. In the U.S., despite continued inflation, the economy remained firm against a backdrop of a favorable employment environment. Europe is experiencing a slowdown in its economic recovery due to the prolonged Russia/Ukraine situation, ongoing inflation, and other factors. In other regions, while economic activities in China were normalized, there were concerns that the economic recovery would be delayed due to the sluggish real estate market and the slowdown in personal consumption expenditures. During this period, the average exchange rates of Japanese yen against the U.S. dollar and Euro were ¥143.24 (up ¥6.75 from the previous corresponding period) and ¥155.26 (up ¥14.71 from the previous corresponding period) respectively.

Sales for the nine months of this fiscal year increased by 11.1% as compared to the previous corresponding period, to ¥1,697.6 billion. Sales increased mainly in the office services business due to the strong sales of Scrum series in Japan and the acquisitions in Europe and the Americas, in addition to the relaxation of restrictions on supplying merchandise experienced in the nine months of the previous fiscal year. In addition, sales increased due to the acquisition of PFU Limited (hereinafter, PFU), which became a consolidated subsidiary in September 2022, and yen depreciation.

In Japan, sales increased by 10.2% as compared to the previous corresponding period. Sales improved mainly in the office services business. Especially, Scrum series, which was expected to grow by the sales expansion targeting customers interests and needs such as back-office DX*, continued double-digit growth. In addition, sales increased due to the acquisition of PFU.

Sales in the Americas increased by 10.6% (an increase of 5.6% excluding foreign currency exchange fluctuations) as compared to the previous corresponding period. Sales of edge devices in the office printing business increased due to the resolution of supply shortages, particularly for A4 MFPs. In the office services business, sales increased because of the growth in the communication services field where Cenero, LLC. (hereinafter, Cenero) was acquired in September 2022 and the robust growth in outsourcing services for document related operations. In addition, due in part to the impact of the acquisition of PFU and yen depreciation, sales increased. Sales in the Europe, the Middle East, and Africa increased by 14.7% (an increase of 4.0% excluding foreign currency exchange fluctuations) as compared to the previous corresponding period. Sales of edge devices increased in the office printing business as the shortage of A4 MFPs and other products was resolved. In the office services business, sales of application services and IT services increased steadily, especially among acquired companies, and sales increased due to the consolidation of PFH Technology Group (hereinafter "PFH") in June 2023. In addition, due in part to yen depreciation, sales increased. Sales in other regions increased by 6.0% (an increase of 3.3% excluding foreign currency exchange fluctuations) as compared to the previous corresponding period. Sales grew due to yen depreciation as well as an improvement in sales of edge devices in the office printing business and inkjet head increased due to the normalization of economic activities following the lifting of the zero-covid policies in China. As a result, sales in the overseas market increased by 11.6% as compared to the previous corresponding period. Excluding effects of foreign currency fluctuations, sales in overseas would have increased by 4.6% as compared to the previous corresponding period.

* DX (digital transformation): Measures taken by companies in response to dramatic changes in the business environment to establish competitive advantage by transforming their products, services, and business models, as well as the operations themselves, organizations, processes, and corporate cultures, through utilization of data and digital technologies, based on the needs of customers and society.

Gross profit increased by 10.7% as compared to the previous corresponding period, to ¥596.6 billion. Profit increased due to the growth in the office services business and continued structural reforms as well as the impact of the acquisition of PFU and yen depreciation. On the other hand, gross profit margin decreased due to fluctuations in the product mix of MFPs in the office printing business.

Selling, general and administrative expenses increased by 12.5% as compared to the previous corresponding period, to ¥567.6 billion mainly due to the acquisition of PFU and yen depreciation, in addition to increases in personnel expenses due to business growth and inflation and structural reform expenses due to reorganization.

Operating profit decreased by ¥2.4 billion compared to the previous corresponding period, to ¥37.1 billion, because the increase in selling, general and administrative expenses exceeded the increase in gross profit.

Net financial income increased as compared to the previous corresponding period, reflecting higher foreign exchange gains. The share of profit of investments accounted for using the equity method was lower, reflecting worse performances among equity-method affiliates.

Profit before income tax expenses increased by ¥0.3 billion as compared to the previous corresponding period, to ¥42.6 billion.

Income tax expenses decreased by ¥1.5 billion as compared to the previous corresponding period, to ¥12.4 billion.

Due to the above result and a decrease in profit attributable to non-controlling interests, profit attributable to owners of the parent increased by ¥2.8 billion as compared to the previous corresponding period, to ¥30.2 billion.

Comprehensive income increased to ¥78.2 billion, owing largely to an increase in profit for the period and translation adjustments for foreign operations.

* Review by Business Segment

Digital Services

Digital Services sales were ¥1,341.3 billion and increased by 11.4% as compared to the previous corresponding period. In the office services business, Scrum packages continued to perform favorably due to increased sales of business packages in response to invoicing systems and the fiscal 2024 law amendment. In addition Scrum Asset, which offers solutions mainly to mid-sized companies, also grew at a rapid rate due to robust demand for services and security related services after the introduction of the system. In addition, the number of subscribers to RICOH kintone plus, a cloud-based business improvement platform developed jointly with Cybozu, Inc., also grew steadily.

In the Americas, sales increased due to growth in the area of communication services through the acquisition of Cenero, as well as the robust growth in outsourcing services for document related operations. In Europe, sales continued to increase due to steadily increase in sales of application services and IT services, especially among acquired companies. In June 2023, we completed the acquisition of PFH, the leading provider of IT infrastructure, cloud and managed workplace services in Ireland, and are working to strengthen our IT services. In the office printing business, sales of edge devices increased from the previous corresponding period due to the progress in the delivery of bulk sales, including A3 MFPs, mainly due to the resolution of the supply shortage of A4 MFPs.

As a result of growth in the office services business and implementation of pricing controls, including continuous cost pass-through and value-added sales, in addition to sales recovery of edge devices in the office printing business, Digital Services operating profit was ¥28.5 billion and increased by ¥9.2 billion as compared to the previous corresponding period.

Digital Products

Digital Products sales were ¥69.2 billion and increased by 25.4% (Sales including intersegment sales were ¥358.4 billion and decreased by 2.8%) as compared to the previous corresponding period. Though intersegment sales decreased due to production adjustments in A3 MFPs, revenue increased due to the acquisition of PFU. Despite efforts to improve profits by continuing structural reforms in production and development, Digital Products operating profit was ¥8.3 billion and decreased by ¥21.6 billion as compared to the previous corresponding period, mainly due to a decline in sales caused by production adjustments for high-value-added A3 MFPs resulting in fluctuations in product mixes and lower profit ratio.

Graphic Communications

Graphic Communications sales were ¥188.4 billion and increased by 11.2% as compared to the previous corresponding period. In the commercial printing business, sales of production printers continued to grow mainly in the Americas. Non-hardware sales were also robust, supported by an increase in print volumes accompanying an increase in the number of high-end models installed, mainly in Europe and the Americas. In the industrial printing business, sales increased as sales of inkjet head increased against the background of increased demand for sign graphic.

Despite increased expenses due to business growth and temporary increased expenses due to reorganization, Graphic Communications operating profit was ¥10.3 billion and increased by ¥0.3 billion as compared to the previous corresponding period due to sales increase and yen depreciation.

Industrial Solutions

Industrial Solutions sales were ¥79.4 billion and decreased by 5.2% as compared to the previous corresponding period. In the thermal media business, sales declined in Europe and the Americas due to sluggish demand and inventory adjustments by customers. In the industrial products business, sales of optical products declined due to the demand decrease for projectors in China.

Despite efforts to secure profits through pricing controls and cost reductions, Industrial Solutions operating profit (loss) was ¥1.0 billion (loss). (Operating profit (loss) was ¥0.5 billion (loss) in the previous corresponding period.)

In the industrial products business, the Company concluded a share transfer agreement to transfer the optical business, which develops, manufactures and sells automotive stereo cameras and optical lens modules used in projectors in October 2023.

Other

Other segment sales were ¥19.1 billion and increased by 19.5% as compared to the previous corresponding period. Sales increased due to steady growth of the camera business.

As a result of up-front investments to create new businesses, including these activities, Other segment operating profit (loss) was ¥7.7 billion (loss), improved by ¥1.0 billion from the previous corresponding period.

(Notes) 1. Digital services as a business segment are mainly limited to the office services business and the office printing sales business. This segment does not include all digital services, which Ricoh aims to transform into "a digital services company" that connects workplaces and support worker's creativity. "Digital Services" provided as "a digital services company" is included in all the business segments as well as Digital Services business segment.

2. The PFU business in Other segment has been reclassified into Digital Services and Digital Products from the first quarter. Prior year comparative figures have also been reclassified to conform to the current year's presentation.

2. Analysis of Consolidated Financial Position

*Assets, Liabilities and Equity

Total assets increased by ¥57.8 billion as compared to the end of the previous fiscal year, to ¥2,207.7 billion. Assets increased due to translation adjustments of foreign assets resulting from a significant yen depreciation, compared to the end of the previous fiscal year. After excluding the foreign exchange impact, total assets decreased by ¥25.2 billion.

The exchange rates for major currencies for the yen at the end of the third quarter were ¥141.83 against the U.S. dollar (up ¥8.30 from the previous fiscal year) and ¥157.12 against the euro (up ¥11.40).

“Cash and cash equivalents” decreased by ¥40.3 billion. “Inventories” increased by ¥12.1 billion due to inventory for sales, acquisitions, yen depreciation and others, though inventory of A3 MFPs decreased due to production adjustments. In addition, “Goodwill and intangible assets” increased by ¥34.6 billion due to acquisitions in Europe and yen depreciation.

The Company concluded a share transfer agreement to transfer the optical business in October 2023. Accordingly, assets and liabilities of the optical business were reclassified into “Assets classified as held for sale” and “Liabilities directly related to assets held for sale”.

Total liabilities increased by ¥2.2 billion as compared to the end of previous year, to ¥1,194.1 billion. “Trade and other payables” decreased by ¥40.5 billion mainly due to the payment of liabilities recorded at the end of the previous fiscal year. On the other hand, the total of current and non-current “Bonds and borrowings” increased by ¥13.1 billion and the total of “Other current liabilities” and “Other non-current liabilities” increased by ¥22.9 billion due to acquisitions, yen depreciation and other factors.

Total equity increased by ¥55.5 billion as compared to the end of previous fiscal year, to ¥1,013.6 billion. Yen depreciation resulted in an increase in exchange differences on translation of foreign operations.

Equity attributable to owners of the parent therefore increased by ¥56.3 billion, to ¥987.9 billion. The equity attributable to owners of the parent ratio remained safe, at 44.7%.

* Cash Flows (Nine months from April 1, 2023 to December 31, 2023)

Net cash provided by operating activities increased by ¥55.7 billion as compared to the previous corresponding period, to ¥62.2 billion. Cash proceeds increased mainly due to a decrease in trade and other receivables and a decrease in inventory increases compared to the previous corresponding period.

Net cash used in investing activities decreased by ¥33.2 billion as compared to the previous corresponding period, to ¥70.8 billion. Cash expenditures increased mainly due to the acquisition of PFU during the previous corresponding period.

Free cash flow (net cash provided by operating activities plus net cash used in investing activities) totaled ¥8.6 billion in expenditures, cash used decreased by ¥89.0 billion as compared to the previous corresponding period.

Net cash used in financing activities increased by ¥77.7 billion in expenditures as compared to the previous corresponding period, to ¥39.2 billion. In the nine months of this fiscal year, while cash expenditures related to the acquisition of treasury stock decreased compared to the previous corresponding period, cash expenditures increased mainly due to a decrease in financing and an increase in debt repayments.

As a result, the balance of cash and cash equivalent at the end of period decreased by ¥39.5 billion as compared to the end of previous fiscal year, to ¥171.3 billion.

3. Qualitative Information on Forecasted Consolidated Financial Results

During the nine months of this fiscal year, the office service business grew steadily, and sales grew. On the other hand, profits were squeezed because sales recovery of edge devices in the office printing business fell below expectations and fluctuations in the product mix caused by production adjustments. In thermal media business, sales have been slow to recover in Europe and the Americas due to sluggish demand.

From the fourth quarter of fiscal year, in the office services business continued to grow both in Japan and overseas. On the other hand, in the office printing business are not expected to be enough to recoup losses through the nine months of this fiscal year, and demand in thermal media business is expected to remain sluggish. As a result of careful consideration of these results, the forecasts for Sales, Gross profit, operating profit, Profit before income tax expenses and Profit attributable to owners of the parent announced in the quarterly report [IFRS] in November 2023 have been revised downward.

The actual exchange rates during the nine months of this fiscal year have been incorporated for the full year.

Exchange Rate Assumptions for the full year ending March 31, 2024

US\$ 1 = ¥143.68 (¥135.49 in previous fiscal year)

EURO 1 = ¥155.19 (¥140.91 in previous fiscal year)

	Year ending March 31, 2024 (Previous forecast) (A)	Year ending March 31, 2024 (Revised forecast) (B)	Change (B-A)	Year ended March 31, 2023 (C)	Change (B-C)/C
Domestic sales	864.0	856.7	(7.3)	803.9	6.6%
Overseas sales	1,466.0	1,443.2	(22.8)	1,330.2	8.5%
Sales	2,330.0	2,300.0	(30.0)	2,134.1	7.8%
Gross profit	815.0	805.0	(10.0)	745.4	8.0%
Operating profit (loss)	70.0	60.0	(10.0)	78.7	(23.8%)
Profit (loss) before income tax expenses	74.2	66.5	(7.7)	81.3	(18.2%)
Profit (loss) attributable to owners of the parent	50.0	44.0	(6.0)	54.3	(19.1%)

* The result forecasts and forward-looking statements included in this document are based on information available to the Company as at the date of submission of this quarterly report and certain assumptions that the Company considers reasonable. The Company makes no guarantees with respect to the achievement of its result forecasts or forward-looking statements. Actual results might be significantly different from the forecasts in the document, depending on various factors. Factors which may affect the actual business results include but are not limited to the economic situation in the geographic areas where Ricoh conducts business, including Japan, the Americas, Europe, Middle East, Africa, China and Asia, market environment, and currency exchange rates.

4. Condensed Consolidated Financial Statements

(1) Condensed Consolidated Statement of Financial Position

Assets

	(Millions of yen)		
	March 31, 2023	December 31, 2023	Change
Current Assets			
Cash and cash equivalents	221,890	181,548	(40,342)
Time deposits	207	249	42
Trade and other receivables	476,429	472,473	(3,956)
Other financial assets	93,906	102,452	8,546
Inventories	314,368	326,530	12,162
Other current assets	68,499	71,168	2,669
Subtotal	1,175,299	1,154,420	(20,879)
Assets classified as held for sale	—	8,365	8,365
Total Current Assets	1,175,299	1,162,785	(12,514)
Non-current assets			
Property, plant and equipment	196,512	195,478	(1,034)
Right-of-use assets	57,003	60,371	3,368
Goodwill and intangible assets	366,394	401,061	34,667
Other financial assets	135,158	155,052	19,894
Investments accounted for using the equity method	83,529	86,669	3,140
Other investments	19,359	18,620	(739)
Other non-current assets	44,540	50,247	5,707
Deferred tax assets	72,162	77,502	5,340
Total Non-current Assets	974,657	1,045,000	70,343
Total Assets	2,149,956	2,207,785	57,829

Liabilities and Equity

	(Millions of yen)		
	March 31, 2023	December 31, 2023	Change
Current Liabilities			
Bonds and borrowings	157,828	200,926	43,098
Trade and other payables	312,429	271,885	(40,544)
Lease liabilities	26,185	22,073	(4,112)
Other financial liabilities	2,582	26,242	23,660
Income tax payables	11,864	12,103	239
Provisions	10,968	9,857	(1,111)
Other current liabilities	307,258	327,725	20,467
Subtotal	829,114	870,811	41,697
Liabilities directly related to assets held for sale	—	1,105	1,105
Total Current Liabilities	829,114	871,916	42,802
Non-current Liabilities			
Bonds and borrowings	205,110	175,211	(29,899)
Lease liabilities	38,147	46,775	8,628
Other financial liabilities	27,566	7,160	(20,406)
Accrued pension and retirement benefits	41,058	39,075	(1,983)
Provisions	8,347	8,494	147
Other non-current liabilities	24,742	27,175	2,433
Deferred tax liabilities	17,790	18,309	519
Total Non-current Liabilities	362,760	322,199	(40,561)
Total Liabilities	1,191,874	1,194,115	2,241
Equity			
Common stock	135,364	135,364	—
Additional paid-in capital	158,529	158,424	(105)
Treasury stock	(427)	(400)	27
Other components of equity	167,368	215,930	48,562
Retained earnings	470,722	478,596	7,874
Equity attributable to owners of the parent	931,556	987,914	56,358
Non-controlling interests	26,526	25,756	(770)
Total Equity	958,082	1,013,670	55,588
Total Liabilities and Equity	2,149,956	2,207,785	57,829

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

Condensed Consolidated Statement of Profit or Loss

Nine months ended December 31, 2022 and 2023

(Millions of yen)				
	Nine months ended December 31, 2022	Nine months ended December 31, 2023	Change	%
Sales	1,528,608	1,697,688	169,080	11.1
Cost of sales	989,744	1,101,013	111,269	11.2
Percentage of sales (%)	<i>64.7</i>	<i>64.9</i>		
Gross profit	538,864	596,675	57,811	10.7
Percentage of sales (%)	<i>35.3</i>	<i>35.1</i>		
Selling, general and administrative expenses	504,551	567,606	63,055	12.5
Percentage of sales (%)	<i>33.0</i>	<i>33.4</i>		
Other income	5,295	8,089	2,794	52.8
Percentage of sales (%)	<i>0.3</i>	<i>0.5</i>		
Operating profit (loss)	39,608	37,158	(2,450)	(6.2)
Percentage of sales (%)	<i>2.6</i>	<i>2.2</i>		
Finance income	2,807	6,524	3,717	132.4
Percentage of sales (%)	<i>0.2</i>	<i>0.4</i>		
Finance costs	5,780	6,134	354	6.1
Percentage of sales (%)	<i>0.4</i>	<i>0.4</i>		
Share of profit (loss) of investments accounted for using the equity method	5,686	5,136	(550)	(9.7)
Percentage of sales (%)	<i>0.4</i>	<i>0.3</i>		
Profit (loss) before income tax expenses	42,321	42,684	363	0.9
Percentage of sales (%)	<i>2.8</i>	<i>2.5</i>		
Income tax expenses	14,067	12,497	(1,570)	(11.2)
Percentage of sales (%)	<i>0.9</i>	<i>0.7</i>		
Profit (loss) for the period	28,254	30,187	1,933	6.8
Percentage of sales (%)	<i>1.8</i>	<i>1.8</i>		
Profit (loss) attributable to:				
Owners of the parent	27,438	30,277	2,839	10.3
Percentage of sales (%)	<i>1.8</i>	<i>1.8</i>		
Non-controlling interests	816	(90)	(906)	—
Percentage of sales (%)	<i>0.1</i>	<i>(0.0)</i>		

	Nine months ended December 31, 2022	Nine months ended December 31, 2023	Change
Earnings per share attributable to owners of the parent-basic (yen)	44.29	49.71	5.42
Earnings per share attributable to owners of the parent-diluted (yen)	44.28	49.69	5.41

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

Three months ended December 31, 2022 and 2023

(Millions of yen)

	Three months ended December 31, 2022	Three months ended December 31, 2023	Change	%
Sales	555,072	585,098	30,026	5.4
Cost of sales	362,494	374,704	12,210	3.4
Percentage of sales (%)	65.3	64.0		
Gross profit	192,578	210,394	17,816	9.3
Percentage of sales (%)	34.7	36.0		
Selling, general and administrative expenses	178,031	195,781	17,750	10.0
Percentage of sales (%)	32.1	33.5		
Other income	1,613	2,984	1,371	85.0
Percentage of sales (%)	0.3	0.5		
Operating profit (loss)	16,160	17,597	1,437	8.9
Percentage of sales (%)	2.9	3.0		
Finance income	1,460	592	(868)	(59.5)
Percentage of sales (%)	0.3	0.1		
Finance costs	1,698	1,865	167	9.8
Percentage of sales (%)	0.3	0.3		
Share of profit (loss) of investments accounted for using the equity method	1,795	1,731	(64)	(3.6)
Percentage of sales (%)	0.3	0.3		
Profit (loss) before income tax expenses	17,717	18,055	338	1.9
Percentage of sales (%)	3.2	3.1		
Income tax expenses	4,805	3,193	(1,612)	(33.5)
Percentage of sales (%)	0.9	0.5		
Profit (loss) for the period	12,912	14,862	1,950	15.1
Percentage of sales (%)	2.3	2.5		
Profit (loss) attributable to:				
Owners of the parent	12,524	14,663	2,139	17.1
Percentage of sales (%)	2.3	2.5		
Non-controlling interests	388	199	(189)	(48.7)
Percentage of sales (%)	0.1	0.0		

	Three months ended December 31, 2022	Three months ended December 31, 2023	Change
Earnings per share attributable to owners of the parent-basic (yen)	20.56	24.07	3.51
Earnings per share attributable to owners of the parent-diluted (yen)	20.56	24.06	3.50

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

Condensed Consolidated Statement of Comprehensive Income

Nine months ended December 31, 2022 and 2023

	(Millions of yen)		
	Nine months ended December 31, 2022	Nine months ended December 31, 2023	Change
Profit (loss) for the period	28,254	30,187	1,933
Other comprehensive income (loss):			
Components that will not be reclassified subsequently to profit or loss:			
Remeasurements of defined benefit plans	(581)	–	581
Net changes in fair value of financial assets measured through other comprehensive income	(120)	45	165
Share of other comprehensive income of investments accounted for using equity method	(439)	(281)	158
Total components that will not be reclassified subsequently to profit or loss	(1,140)	(236)	904
Components that will be reclassified subsequently to profit or loss:			
Net changes in fair value of cash flow hedges	(77)	87	164
Exchange differences on translation of foreign operations	27,060	48,248	21,188
Share of other comprehensive income of investments accounted for using equity method	263	(75)	(338)
Total components that will be reclassified subsequently to profit or loss	27,246	48,260	21,014
Total other comprehensive income (loss)	26,106	48,024	21,918
Comprehensive income (loss)	54,360	78,211	23,851
Comprehensive income (loss) attributable to:			
Owners of the parent	53,750	77,754	24,004
Non-controlling interests	610	457	(153)

Three months ended December 31, 2022 and 2023

	(Millions of yen)		
	Three months ended December 31, 2022	Three months ended December 31, 2023	Change
Profit (loss) for the period	12,912	14,862	1,950
Other comprehensive income (loss):			
Components that will not be reclassified subsequently to profit or loss:			
Remeasurements of defined benefit plans	(11)	–	11
Net changes in fair value of financial assets measured through other comprehensive income	23	(169)	(192)
Share of other comprehensive income of investments accounted for using equity method	329	(337)	(666)
Total components that will not be reclassified subsequently to profit or loss	341	(506)	(847)
Components that will be reclassified subsequently to profit or loss:			
Net changes in fair value of cash flow hedges	70	87	17
Exchange differences on translation of foreign operations	(32,876)	(20,025)	12,851
Share of other comprehensive income of investments accounted for using equity method	197	(59)	(256)
Total components that will be reclassified subsequently to profit or loss	(32,609)	(19,997)	12,612
Total other comprehensive income (loss)	(32,268)	(20,503)	11,765
Comprehensive income (loss)	(19,356)	(5,641)	13,715
Comprehensive income (loss) attributable to:			
Owners of the parent	(19,330)	(5,447)	13,883
Non-controlling interests	(26)	(194)	(168)

Consolidated Sales by Product Category

Nine months ended December 31, 2022 and 2023

	(Millions of yen)			
	Nine months ended December 31, 2022	Nine months ended December 31, 2023	Change	%
<Digital Services>	1,203,994	1,341,366	137,372	11.4
Percentage of sales (%)	78.8	79.0		
<Digital Products>	55,202	69,221	14,019	25.4
Percentage of sales (%)	3.6	4.1		
<Graphic Communications>	169,558	188,478	18,920	11.2
Percentage of sales (%)	11.1	11.1		
<Industrial Solutions>	83,793	79,433	(4,360)	(5.2)
Percentage of sales (%)	5.5	4.7		
<Other>	16,061	19,190	3,129	19.5
Percentage of sales (%)	1.1	1.1		
Grand Total	1,528,608	1,697,688	169,080	11.1
Percentage of sales (%)	100.0	100.0		

Three months ended December 31, 2022 and 2023

	(Millions of yen)			
	Three months ended December 31, 2022	Three months ended December 31, 2023	Change	%
<Digital Services>	430,786	457,992	27,206	6.3
Percentage of sales (%)	77.6	78.3		
<Digital Products>	29,807	24,631	(5,176)	(17.4)
Percentage of sales (%)	5.4	4.2		
<Graphic Communications>	60,676	68,071	7,395	12.2
Percentage of sales (%)	10.9	11.6		
<Industrial Solutions>	27,994	27,567	(427)	(1.5)
Percentage of sales (%)	5.0	4.7		
<Other>	5,809	6,837	1,028	17.7
Percentage of sales (%)	1.0	1.2		
Grand Total	555,072	585,098	30,026	5.4
Percentage of sales (%)	100.0	100.0		

- (Notes) 1. Digital services as a business segment are mainly limited to the office services business and the office printing sales business. This segment does not include all digital services, which Ricoh aims to transform into "a digital services company" that connects workplaces and support worker's creativity. "Digital Services" provided as "a digital services company" is included in all the business segments as well as Digital Services business segment.
For the product line of each category, please refer to "(7) Segment Information" on page 17.
2. The PFU business in Other segment has been reclassified into Digital Services and Digital Products from the first quarter. Prior year comparative figures have also been reclassified to conform to the current year's presentation.

Consolidated Sales by Geographic Area

Nine months ended December 31, 2022 and 2023

	(Millions of yen)			
	Nine months ended December 31, 2022	Nine months ended December 31, 2023	Change	%
<Domestic>	551,232	607,414	56,182	10.2
Percentage of sales (%)	<i>36.1</i>	<i>35.8</i>		
<Overseas>	977,376	1,090,274	112,898	11.6
Percentage of sales (%)	<i>63.9</i>	<i>64.2</i>		
The Americas	441,934	488,563	46,629	10.6
Percentage of sales (%)	<i>28.9</i>	<i>28.8</i>		
Europe, Middle East and Africa	394,892	452,798	57,906	14.7
Percentage of sales (%)	<i>25.8</i>	<i>26.7</i>		
Other	140,550	148,913	8,363	6.0
Percentage of sales (%)	<i>9.2</i>	<i>8.8</i>		
Grand Total	1,528,608	1,697,688	169,080	11.1
Percentage of sales (%)	<i>100.0</i>	<i>100.0</i>		

Three months ended December 31, 2022 and 2023

	(Millions of yen)			
	Three months ended December 31, 2022	Three months ended December 31, 2023	Change	%
<Domestic>	199,646	203,287	3,641	1.8
Percentage of sales (%)	<i>36.0</i>	<i>34.7</i>		
<Overseas>	355,426	381,811	26,385	7.4
Percentage of sales (%)	<i>64.0</i>	<i>65.3</i>		
The Americas	158,260	168,282	10,022	6.3
Percentage of sales (%)	<i>28.5</i>	<i>28.8</i>		
Europe, Middle East and Africa	146,548	160,728	14,180	9.7
Percentage of sales (%)	<i>26.4</i>	<i>27.5</i>		
Other	50,618	52,801	2,183	4.3
Percentage of sales (%)	<i>9.1</i>	<i>9.0</i>		
Grand Total	555,072	585,098	30,026	5.4
Percentage of sales (%)	<i>100.0</i>	<i>100.0</i>		

(3) Condensed Consolidated Statement of Changes in Equity

(Millions of Yen)

	Common Stock	Additional paid-in capital	Treasury stock	Other components of equity		
				Remeasurements of defined benefit plans	Net changes in fair value of financial assets measured through other comprehensive income	Net changes in fair value of cash flow hedges
Balance as of April 1, 2022	135,364	180,942	(460)	—	4,540	246
Profit (loss) for the period						
Other comprehensive income (loss)				(581)	(555)	197
Comprehensive income (loss)	—	—	—	(581)	(555)	197
Net change in treasury stock		(21)	(30,005)			
Retirement of treasury stock			30,014			
Dividends declared and approved to owners						
Share-based payment transactions		72	18			
Change in scope of consolidation						
Written put options over non-controlling interests		(22,485)				
Transfer from other components of equity to retained earnings				581	(54)	
Transfer from retained earnings to additional paid-in capital		21				
Total transactions with owners	—	(22,413)	27	581	(54)	—
Balance as of December 31, 2022	135,364	158,529	(433)	—	3,931	443

	Other components of equity		Retained earnings	Equity attributable to owners of the parent	Non-controlling interests	Total equity
	Exchange differences on translation of foreign operations	Total other components of equity				
Balance as of April 1, 2022	121,555	126,341	459,855	902,042	3,783	905,825
Profit (loss) for the period			27,438	27,438	816	28,254
Other comprehensive income (loss)	27,251	26,312		26,312	(206)	26,106
Comprehensive income (loss)	27,251	26,312	27,438	53,750	610	54,360
Net change in treasury stock				(30,026)		(30,026)
Retirement of treasury stock			(30,014)	—		—
Dividends declared and approved to owners			(18,635)	(18,635)	(75)	(18,710)
Share-based payment transactions				90		90
Change in scope of consolidation				—	14,656	14,656
Written put options over non-controlling interests				(22,485)		(22,485)
Transfer from other components of equity to retained earnings		527	(527)	—		—
Transfer from retained earnings to additional paid-in capital			(21)	—		—
Total transactions with owners	—	527	(49,197)	(71,056)	14,581	(56,475)
Balance as of December 31, 2022	148,806	153,180	438,096	884,736	18,974	903,710

(Millions of Yen)

	Common Stock	Additional paid-in capital	Treasury stock	Other components of equity		
				Remeasurements of defined benefit plans	Net changes in fair value of financial assets measured through other comprehensive income	Net changes in fair value of cash flow hedges
Balance as of April 1, 2023	135,364	158,529	(427)	—	4,847	240
Profit (loss) for the period						
Other comprehensive income (loss)					(251)	10
Comprehensive income (loss)	—	—	—	—	(251)	10
Net change in treasury stock			(7)			
Dividends declared and approved to owners						
Share-based payment transactions		(105)	34			
Transfer from other components of equity to retained earnings					1,085	
Equity transactions with non-controlling shareholders						
Total transactions with owners	—	(105)	27	—	1,085	—
Balance as of December 31, 2023	135,364	158,424	(400)	—	5,681	250

	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, 2023	162,281	167,368	470,722	931,556	26,526	958,082
Profit (loss) for the period			30,277	30,277	(90)	30,187
Other comprehensive income (loss)	47,718	47,477		47,477	547	48,024
Comprehensive income (loss)	47,718	47,477	30,277	77,754	457	78,211
Net change in treasury stock				(7)		(7)
Dividends declared and approved to owners			(21,318)	(21,318)	(1,384)	(22,702)
Share-based payment transactions				(71)		(71)
Transfer from other components of equity to retained earnings		1,085	(1,085)	—		—
Equity transactions with non-controlling shareholders				—	157	157
Total transactions with owners	—	1,085	(22,403)	(21,396)	(1,227)	(22,623)
Balance as of December 31, 2023	209,999	215,930	478,596	987,914	25,756	1,013,670

(4) Condensed Consolidated Statement of Cash Flows

	(Millions of yen)	
	Nine months ended December 31, 2022	Nine months ended December 31, 2023
I. Cash Flows from Operating Activities:		
Profit (loss) for the period	28,254	30,187
Adjustments to reconcile profit for the period to net cash provided by (used in) operating activities -		
Depreciation and amortization	68,470	80,183
Other income	(425)	(338)
Share of (profit) loss of investments accounted for using the equity method	(5,686)	(5,136)
Finance income and costs	2,973	(390)
Income tax expenses	14,067	12,497
(Increase) decrease in trade and other receivables	(4,341)	25,142
(Increase) decrease in inventories	(63,299)	(282)
(Increase) decrease in lease receivables	13,566	(12,427)
Increase (decrease) in trade and other payables	(11,869)	(48,298)
Increase (decrease) in accrued pension and retirement benefits	(6,087)	(2,614)
Other, net	(6,751)	1,622
Interest and dividends received	4,111	5,767
Interest paid	(3,823)	(5,059)
Income taxes paid	(22,692)	(18,619)
Net cash provided by (used in) operating activities	6,468	62,235
II. Cash Flows from Investing Activities:		
Proceeds from sales of property, plant and equipment	2,157	439
Expenditures for property, plant and equipment	(28,548)	(33,637)
Expenditures for intangible assets	(25,589)	(25,405)
Payments for purchases of investment securities	(389)	(267)
Proceeds from sales of investment securities	489	975
Net (increase) decrease of time deposits	(42)	(24)
Purchase of business, net of cash acquired	(52,233)	(14,210)
Other, net	—	1,239
Net cash provided by (used in) investing activities	(104,155)	(70,890)
III. Cash Flows from Financing Activities:		
Net increase (decrease) of short-term debt	39,143	11,480
Proceeds from long-term debt	109,046	44,551
Repayments of long-term debt	(23,009)	(39,762)
Repayments of bonds	(13,725)	(10,000)
Repayments of lease liabilities	(24,226)	(22,942)
Dividends paid	(18,635)	(21,318)
Payments for purchase of treasury stock	(30,005)	(7)
Other, net	(105)	(1,227)
Net cash provided by (used in) financing activities	38,484	(39,225)
IV. Effect of Exchange Rate Changes on Cash and Cash Equivalents	5,814	8,297
V. Net Increase (decrease) in Cash and Cash Equivalents	(53,389)	(39,583)
VI. Cash and Cash Equivalents at Beginning of Year	234,020	210,884
VII. Cash and Cash Equivalents at End of Period	180,631	171,301

Notes: The difference in the amount of “cash and cash equivalents” between condensed consolidated statement of financial position and condensed consolidated statement of cash flows represents bank overdrafts.

(5) Notes on premise going concern

Not applicable

(6) Changes in material accounting policies

Material accounting policies which apply in the condensed consolidated financial statements are same as previous fiscal year excepting the table below.

IFRSs	Title	Summaries of new IFRSs/amendments
IAS 12	Income Taxes	Clarify accounting for deferred tax related to assets and liabilities arising from a single transaction.

The effect of adoption of above standards is minor.

(7) Segment Information

Operating Segment Information
Nine months ended December 31, 2022 and 2023

	(Millions of yen)			
	Nine months ended December 31, 2022	Nine months ended December 31, 2023	Change	%
Digital Services:				
Sales:				
Unaffiliated customers	1,203,994	1,341,366	137,372	11.4
Intersegment	—	—	—	—
Total	1,203,994	1,341,366	137,372	11.4
Operating expenses	1,184,757	1,312,835	128,078	10.8
Operating profit (loss)	19,237	28,531	9,294	48.3
Operating profit (loss) on sales in Digital Services (%)	1.6	2.1		
Digital Products:				
Sales:				
Unaffiliated customers	55,202	69,221	14,019	25.4
Intersegment	313,734	289,257	(24,477)	(7.8)
Total	368,936	358,478	(10,458)	(2.8)
Operating expenses	338,937	350,080	11,143	3.3
Operating profit (loss)	29,999	8,398	(21,601)	(72.0)
Operating profit (loss) on sales in Digital Products (%)	8.1	2.3		
Graphic Communications:				
Sales:				
Unaffiliated customers	169,558	188,478	18,920	11.2
Intersegment	—	—	—	—
Total	169,558	188,478	18,920	11.2
Operating expenses	159,545	178,163	18,618	11.7
Operating profit (loss)	10,013	10,315	302	3.0
Operating profit (loss) on sales in Graphic Communications (%)	5.9	5.5		
Industrial Solutions:				
Sales:				
Unaffiliated customers	83,793	79,433	(4,360)	(5.2)
Intersegment	1,819	1,122	(697)	(38.3)
Total	85,612	80,555	(5,057)	(5.9)
Operating expenses	86,121	81,636	(4,485)	(5.2)
Operating profit (loss)	(509)	(1,081)	(572)	—
Operating profit (loss) on sales in Industrial Solutions (%)	(0.6)	(1.3)		
Other:				
Sales:				
Unaffiliated customers	16,061	19,190	3,129	19.5
Intersegment	12,247	11,968	(279)	(2.3)
Total	28,308	31,158	2,850	10.1
Operating expenses	37,083	38,923	1,840	5.0
Operating profit (loss)	(8,775)	(7,765)	1,010	—
Operating profit (loss) on sales in Other (%)	(31.0)	(24.9)		
Eliminations and Corporate:				
Sales:				
Intersegment	(327,800)	(302,347)	25,453	
Total	(327,800)	(302,347)	25,453	—
Operating expenses:				
Intersegment	(327,800)	(302,347)	25,453	
Corporate	10,357	1,240	(9,117)	
Total	(317,443)	(301,107)	16,336	—
Operating profit (loss)	(10,357)	(1,240)	9,117	—
Consolidated:				
Sales:				
Unaffiliated customers	1,528,608	1,697,688	169,080	11.1
Intersegment	—	—	—	—
Total	1,528,608	1,697,688	169,080	11.1
Operating expenses	1,489,000	1,660,530	171,530	11.5
Operating profit (loss)	39,608	37,158	(2,450)	(6.2)
Operating profit (loss) on consolidated sales (%)	2.6	2.2		

Three months ended December 31, 2022 and 2023

(Millions of yen)

	Three months ended December 31, 2022	Three months ended December 31, 2023	Change	%
Digital Services:				
Sales:				
Unaffiliated customers	430,786	457,992	27,206	6.3
Intersegment	—	—	—	—
Total	430,786	457,992	27,206	6.3
Operating expenses	421,984	448,369	26,385	6.3
Operating profit (loss)	8,802	9,623	821	9.3
Operating profit (loss) on sales in Digital Services (%)	2.0	2.1		
Digital Products:				
Sales:				
Unaffiliated customers	29,807	24,631	(5,176)	(17.4)
Intersegment	109,554	99,384	(10,170)	(9.3)
Total	139,361	124,015	(15,346)	(11.0)
Operating expenses	132,979	117,445	(15,534)	(11.7)
Operating profit (loss)	6,382	6,570	188	2.9
Operating profit (loss) on sales in Digital Products (%)	4.6	5.3		
Graphic Communications:				
Sales:				
Unaffiliated customers	60,676	68,071	7,395	12.2
Intersegment	—	—	—	—
Total	60,676	68,071	7,395	12.2
Operating expenses	54,527	63,785	9,258	17.0
Operating profit (loss)	6,149	4,286	(1,863)	(30.3)
Operating profit (loss) on sales in Graphic Communications (%)	10.1	6.3		
Industrial Solutions:				
Sales:				
Unaffiliated customers	27,994	27,567	(427)	(1.5)
Intersegment	652	356	(296)	(45.4)
Total	28,646	27,923	(723)	(2.5)
Operating expenses	28,743	27,937	(806)	(2.8)
Operating profit (loss)	(97)	(14)	83	—
Operating profit (loss) on sales in Industrial Solutions (%)	(0.3)	(0.1)		
Other:				
Sales:				
Unaffiliated customers	5,809	6,837	1,028	17.7
Intersegment	4,053	4,170	117	2.9
Total	9,862	11,007	1,145	11.6
Operating expenses	12,511	13,495	984	7.9
Operating profit (loss)	(2,649)	(2,488)	161	—
Operating profit (loss) on sales in Other (%)	(26.9)	(22.6)		
Eliminations and Corporate:				
Sales:				
Intersegment	(114,259)	(103,910)	10,349	—
Total	(114,259)	(103,910)	10,349	—
Operating expenses:				
Intersegment	(114,259)	(103,910)	10,349	—
Corporate	2,427	380	(2,047)	—
Total	(111,832)	(103,530)	8,302	—
Operating profit (loss)	(2,427)	(380)	2,047	—
Consolidated:				
Sales:				
Unaffiliated customers	555,072	585,098	30,026	5.4
Intersegment	—	—	—	—
Total	555,072	585,098	30,026	5.4
Operating expenses	538,912	567,501	28,589	5.3
Operating profit (loss)	16,160	17,597	1,437	8.9
Operating profit (loss) on consolidated sales (%)	2.9	3.0		

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

Digital Services	Sales of MFPs (multifunctional printers), laser printers, digital duplicators, wide format printers, facsimile machine, scanners, personal computers, servers, network equipment, related parts & supplies, services, support, software and services & solutions related to documents
Digital Products	Production and OEM of MFPs (multifunctional printers), laser printers, digital duplicators, wide format printers, facsimile machine, network equipment, and related parts & supplies, production and sales of scanners, related parts & supplies and electronic components
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 and precision mechanical component
Other	Digital cameras, 360° cameras, environment, healthcare

- (Notes) 1. Digital services as a business segment are mainly limited to the office services business and the office printing sales business. This segment does not include all digital services, which Ricoh aims to transform into “a digital services company” that connects workplaces and support worker’s creativity. “Digital Services” provided as “a digital services company” is included in all the business segments as well as Digital Services business segment.
2. The PFU business in Other segment has been reclassified into Digital Services and Digital Products from the first quarter. Prior year comparative figures have also been reclassified to conform to the current year’s presentation.

(8) Significant subsequent events

(Conclusion of the Absorption-type Company Split Agreement)

In the “Notes to Consolidated Financial Statements – 37. SUBSEQUENT EVENTS ” for the previous fiscal year (including other disclosures*; hereinafter, “Previous Notes”), the Company and Toshiba Tec Corporation (“Toshiba Tec”) announced their intention to proceed with procedures such as a company split with the aim of integrating their businesses of the development and manufacturing of multifunction printers (“MFPs”) and other products (the “Business Integration”) and entering into a joint venture company which Ricoh Technologies Co., Ltd., a consolidated subsidiary of Ricoh, becomes the successor company with the Company and Toshiba Tec as shareholders to develop and manufacture MFPs and other products (the “Joint Venture”).

In order to implement the Business Integration, the Company resolved at Board of Directors’ meeting held on February 6, 2024 to enter into an absorption-type company split agreement between the Company and the Joint Venture (the “RicoH Absorption-type Split Agreement”) as well as to decide items such as the company name of the Joint Venture after the Absorption-type Split and entered into the RicoH Absorption-type Split Agreement on the same day. Toshiba Tec’s Board of Directors held on February 6, 2024 also resolved to enter into an absorption-type company split agreement between Toshiba Tec and the Joint Venture (the “Toshiba Tec Absorption-type Split Agreement” and together with the “RicoH Absorption-type Split Agreement” referred to below as the “Absorption-type Split Agreement”) and entered into the Toshiba Tec Absorption-type Split Agreement on the same day. As a result, certain matters that were previously undecided in the Previous Notes have been confirmed.

* (i) “Notice regarding a Business Partnership between Ricoh Company, Ltd., and Toshiba Tec Corporation by necessary procedures such as Company Split (Simplified Absorption-type Company Split), and the conclusion of a Business Integration Agreement and a Shareholders Agreement related to the integration of MFPs’ development and manufacturing” released on May 19, 2023, (ii) “(Corrections) Notice Regarding Partial Corrections to the ‘Notice regarding a Business Partnership between Ricoh Company, Ltd., and Toshiba Tec Corporation by necessary procedures such as Company Split (Simplified Absorption-type Company Split), and the conclusion of a Business Integration Agreement and a Shareholders Agreement related to the integration of MFPs’ development and manufacturing” released on July 19, 2023, (iii) “(Progress and changes in disclosure matters) Notice regarding a Business Partnership between Ricoh Company, Ltd., and Toshiba Tec Corporation by necessary procedures such as Company Split (Simplified Absorption-type Company Split), and the conclusion of a Business Integration Agreement and a Shareholders Agreement related to the integration of MFPs’ development and manufacturing” released on August 24, 2023, and (iv) “(Second Correction) Notice Regarding Partial Corrections to the ‘Notice regarding a Business Partnership between Ricoh Company, Ltd., and Toshiba Tec Corporation by necessary procedures such as Company Split (Simplified Absorption-type Company Split), and the conclusion of a Business Integration Agreement and a Shareholders Agreement related to the integration of MFPs’ development and manufacturing” released on November 24, 2023.

1. Nature of business of the division to be split

The Company	Toshiba Tec
Development, manufacturing and Original Equipment Manufacturing of MFPs, Printers, and those related peripheral equipment and consumables	Development, manufacturing of MFPs, Auto ID system, and those related products

2. Schedule of the Business Integration

Both companies’ Board of Directors to approve the conclusion of the Integration Agreement and the Shareholders Agreement	May 19, 2023
Conclusion of the Integration Agreement and the Shareholders Agreement	May 19, 2023
Both companies’ Board of Directors to approve the conclusion of the Absorption-type Split Agreement	February 6, 2024
Conclusion of the Absorption-type Split Agreement	February 6, 2024
Effective date of the Absorption-type Split	July 1, 2024

3. Details of the allotment related to the Absorption-type Split

The Joint Venture will allot and deliver 55 shares of its newly-issued common shares to the Company as consideration for the Joint Venture’s assumption of rights and obligations upon the RicoH Absorption-type Split becoming effective and 45 shares of its newly-issued common shares to Toshiba Tec as consideration for the assumption of rights and obligations upon the Toshiba Tec Absorption-type Split becoming effective.

As a result, the investment ratio in the Joint Venture after the Business Integration shall be 85% by the Company and 15% by Toshiba Tec as disclosed in Previous Notes.

4. Status of the successor company in the absorption-type split after the Absorption-type Split

	Successor Company in Absorption-type split
(1) Company name	ETRIA CO., LTD.
(2) Address	Yokohama-shi, Kanagawa, Japan
(3) Representative name	Katsunori Nakata, President and CEO
(4) Principal business	Development, production, and sales of office machines, industrial equipment, optical equipment, their peripheral devices and consumables, and other products.
(5) Capital stock	500 million yen
(6) Accounting date	March 31

5. Future Outlook

The impact of the Absorption-type Split and the Business Partnership on the consolidated business results of Ricoh for the fiscal year ending March 2024 is expected to be negligible.

(Share Repurchase and Retirement)

At the meeting of the Board of Directors of the Company held on February 6, 2024, the Company resolved a share repurchase in accordance with Article 156 of the Companies Act of Japan and pursuant to Article 165, Paragraph 3, of the Companies Act. The Board also decided to retire treasury shares under Article 178 of the Companies Act.

1. Reason for share repurchase and share retirement

To improve shareholder return and capital efficiency.

2. Share repurchase

- | | |
|------------------------|---|
| (1) Share category | Common stock |
| (2) Number of shares | Up to 36,000,000 shares
(representing 5.9% of issued and outstanding shares excluding treasury shares) |
| (3) Repurchase ceiling | Up to ¥30 billion |
| (4) Period | February 7, 2024, through August 30, 2024 |
| (5) Method | Open market purchase on Tokyo Stock Exchange |

3. Share retirement

- | | |
|----------------------|------------------------|
| (1) Share category | Common stock |
| (2) Number of shares | All shares repurchased |
| (3) Retirement date | September 30, 2024 |

(Reference)

Treasury stock as of December 31, 2023

- | | |
|---|--------------------|
| (1) Number of issued and outstanding shares (excluding treasury shares) | 609,105,396 shares |
| (2) Number of treasury shares | 416,582 shares |

-APPENDIX- (Nine months ended December 31, 2023)

1. Consolidated Sales by Product Category

Nine months ended December 31, 2022 and 2023

	(Millions of yen)					
	Nine months ended December 31, 2022	Nine months ended December 31, 2023	Change	%	Change excluding exchange impact	%
<Digital Services>	1,203,994	1,341,366	137,372	11.4	82,182	6.8
Percentage of sales (%)	78.8	79.0				
Domestic	472,855	521,690	48,835	10.3	48,835	10.3
Overseas	731,139	819,676	88,537	12.1	33,347	4.6
The Americas	315,893	346,015	30,122	9.5	13,811	4.4
Europe, Middle East and Africa	327,033	379,742	52,709	16.1	16,707	5.1
Other	88,213	93,919	5,706	6.5	2,829	3.2
<Digital Products>	55,202	69,221	14,019	25.4	13,815	25.0
Percentage of sales (%)	3.6	4.1				
Domestic	27,787	31,729	3,942	14.2	3,942	14.2
Overseas	27,415	37,492	10,077	36.8	9,873	36.0
The Americas	12,612	22,490	9,878	78.3	9,859	78.2
Europe, Middle East and Africa	4,619	8,145	3,526	76.3	3,523	76.3
Other	10,184	6,857	(3,327)	(32.7)	(3,509)	(34.5)
<Graphic Communications>	169,558	188,478	18,920	11.2	9,604	5.7
Percentage of sales (%)	11.1	11.1				
Domestic	19,630	18,729	(901)	(4.6)	(901)	(4.6)
Overseas	149,928	169,749	19,821	13.2	10,505	7.0
The Americas	85,794	94,259	8,465	9.9	3,941	4.6
Europe, Middle East and Africa	43,122	48,768	5,646	13.1	1,195	2.8
Other	21,012	26,722	5,710	27.2	5,369	25.6
<Industrial Solutions>	83,793	79,433	(4,360)	(5.2)	(6,852)	(8.2)
Percentage of sales (%)	5.5	4.7				
Domestic	24,570	27,977	3,407	13.9	3,407	13.9
Overseas	59,223	51,456	(7,767)	(13.1)	(10,259)	(17.3)
The Americas	24,042	22,112	(1,930)	(8.0)	(2,970)	(12.4)
Europe, Middle East and Africa	17,301	13,045	(4,256)	(24.6)	(5,479)	(31.7)
Other	17,880	16,299	(1,581)	(8.8)	(1,810)	(10.1)
<Other>	16,061	19,190	3,129	19.5	2,636	16.4
Percentage of sales (%)	1.1	1.1				
Domestic	6,390	7,289	899	14.1	899	14.1
Overseas	9,671	11,901	2,230	23.1	1,737	18.0
The Americas	3,593	3,687	94	2.6	(72)	(2.0)
Europe, Middle East and Africa	2,817	3,098	281	10.0	(12)	(0.4)
Other	3,261	5,116	1,855	56.9	1,821	55.8
Total	1,528,608	1,697,688	169,080	11.1	101,385	6.6
Percentage of sales (%)	100.0	100.0				
Domestic	551,232	607,414	56,182	10.2	56,182	10.2
Percentage of sales (%)	36.1	35.8				
Overseas	977,376	1,090,274	112,898	11.6	45,203	4.6
Percentage of sales (%)	63.9	64.2				
The Americas	441,934	488,563	46,629	10.6	24,569	5.6
Percentage of sales (%)	28.9	28.8				
Europe, Middle East and Africa	394,892	452,798	57,906	14.7	15,934	4.0
Percentage of sales (%)	25.8	26.7				
Other	140,550	148,913	8,363	6.0	4,700	3.3
Percentage of sales (%)	9.2	8.8				

Each category includes the following product line:

Digital Services	Sales of MFPs (multifunctional printers), laser printers, digital duplicators, wide format printers, facsimile machine, scanners, personal computers, servers, network equipment, related parts & supplies, services, support, software and services & solutions related to documents
Digital Products	Production and OEM of MFPs (multifunctional printers), laser printers, digital duplicators, wide format printers, facsimile machine, network equipment, and related parts & supplies, production and sales of scanners, related parts & supplies and electronic components
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 and precision mechanical component
Other	Digital cameras, 360°cameras, environment, healthcare

(Notes) 1. Digital services as a business segment are mainly limited to the office services business and the office printing sales business. This segment does not include all digital services, which Ricoh aims to transform into "a digital services company" that connects workplaces and support worker's creativity. "Digital Services" provided as "a digital services company" is included in all the business segments as well as Digital Services business segment.

2. The PFU business in Other segment has been reclassified into Digital Services and Digital Products from the first quarter. Prior year comparative figures have also been reclassified to conform to the current year's presentation.

2. Consolidated Sales by Product Category

Three months ended December 31, 2022 and 2023

	(Millions of yen)					
	Three months ended December 31, 2022	Three months ended December 31, 2023	Change	%	Change excluding exchange impact	%
<Digital Services>	430,786	457,992	27,206	6.3	8,395	1.9
Percentage of sales (%)	77.6	78.3				
Domestic	168,117	174,216	6,099	3.6	6,099	3.6
Overseas	262,669	283,776	21,107	8.0	2,296	0.9
The Americas	110,183	116,917	6,734	6.1	1,793	1.6
Europe, Middle East and Africa	121,020	133,909	12,889	10.7	397	0.3
Other	31,466	32,950	1,484	4.7	106	0.3
<Digital Products>	29,807	24,631	(5,176)	(17.4)	(5,254)	(17.6)
Percentage of sales (%)	5.4	4.2				
Domestic	14,550	10,283	(4,267)	(29.3)	(4,267)	(29.3)
Overseas	15,257	14,348	(909)	(6.0)	(987)	(6.5)
The Americas	7,540	8,420	880	11.7	874	11.6
Europe, Middle East and Africa	3,117	3,306	189	6.1	187	6.0
Other	4,600	2,622	(1,978)	(43.0)	(2,048)	(44.5)
<Graphic Communications>	60,676	68,071	7,395	12.2	4,091	6.7
Percentage of sales (%)	10.9	11.6				
Domestic	6,527	6,398	(129)	(2.0)	(129)	(2.0)
Overseas	54,149	61,673	7,524	13.9	4,220	7.8
The Americas	31,384	34,089	2,705	8.6	1,226	3.9
Europe, Middle East and Africa	15,620	18,002	2,382	15.2	753	4.8
Other	7,145	9,582	2,437	34.1	2,241	31.4
<Industrial Solutions>	27,994	27,567	(427)	(1.5)	(1,320)	(4.7)
Percentage of sales (%)	5.0	4.7				
Domestic	8,137	9,643	1,506	18.5	1,506	18.5
Overseas	19,857	17,924	(1,933)	(9.7)	(2,826)	(14.2)
The Americas	7,947	7,668	(279)	(3.5)	(604)	(7.6)
Europe, Middle East and Africa	5,756	4,412	(1,344)	(23.3)	(1,751)	(30.4)
Other	6,154	5,844	(310)	(5.0)	(471)	(7.7)
<Other>	5,809	6,837	1,028	17.7	835	14.4
Percentage of sales (%)	1.0	1.2				
Domestic	2,315	2,747	432	18.7	432	18.7
Overseas	3,494	4,090	596	17.1	403	11.5
The Americas	1,206	1,188	(18)	(1.5)	(74)	(6.1)
Europe, Middle East and Africa	1,035	1,099	64	6.2	(39)	(3.8)
Other	1,253	1,803	550	43.9	516	41.2
Total	555,072	585,098	30,026	5.4	6,748	1.2
Percentage of sales (%)	100.0	100.0				
Domestic	199,646	203,287	3,641	1.8	3,641	1.8
Percentage of sales (%)	36.0	34.7				
Overseas	355,426	381,811	26,385	7.4	3,107	0.9
Percentage of sales (%)	64.0	65.3				
The Americas	158,260	168,282	10,022	6.3	3,215	2.0
Percentage of sales (%)	28.5	28.8				
Europe, Middle East and Africa	146,548	160,728	14,180	9.7	(453)	(0.3)
Percentage of sales (%)	26.4	27.5				
Other	50,618	52,801	2,183	4.3	345	0.7
Percentage of sales (%)	9.1	9.0				

Each category includes the following product line:

Digital Services	Sales of MFPs (multifunctional printers), laser printers, digital duplicators, wide format printers, facsimile machine, scanners, personal computers, servers, network equipment, related parts & supplies, services, support, software and services & solutions related to documents
Digital Products	Production and OEM of MFPs (multifunctional printers), laser printers, digital duplicators, wide format printers, facsimile machine, network equipment, and related parts & supplies, production and sales of scanners, related parts & supplies and electronic components
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 and precision mechanical component
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(Notes) 1. Digital services as a business segment are mainly limited to the office services business and the office printing sales business. This segment does not include all digital services, which Ricoh aims to transform into "a digital services company" that connects workplaces and support worker's creativity. "Digital Services" provided as "a digital services company" is included in all the business segments as well as Digital Services business segment.

2. The PFU business in Other segment has been reclassified into Digital Services and Digital Products from the first quarter. Prior year comparative figures have also been reclassified to conform to the current year's presentation.

3. Forecast of Consolidated Performance

(Billions of yen)

	Nine months ended		Three months ending		Year ending	
	December 31, 2023	Change %	March 31, 2024 Forecast	Change %	March 31, 2024 Forecast	Change %
Sales	1,697.6	11.1	602.3	(0.5)	2,300.0	7.8
Gross profit	596.6	10.7	208.3	0.9	805.0	8.0
Operating profit	37.1	(6.2)	22.8	(41.6)	60.0	(23.8)
Profit before income tax expenses	42.6	0.9	23.8	(38.9)	66.5	(18.2)
Profit attributable to owners of the parent	30.2	10.3	13.7	(49.0)	44.0	(19.1)
Earnings per share attributable to owners of the parent-basic (yen)	49.71	5.42	22.53	(21.68)	72.24	(15.89)
Earnings per share attributable to owners of the parent- diluted (yen)	49.69	5.41	22.50	(21.70)	72.19	(15.91)
Capital expenditures	33.6		14.3		48.0	
Depreciation	32.4		10.5		43.0	
R&D expenditures	81.7		26.2		108.0	
Exchange rate (Yen/US\$)	143.24		145.00		143.68	
Exchange rate (Yen/EURO)	155.26		155.00		155.19	

* The amounts presented in capital expenditures and depreciation are for property, plant and equipment.

4. Forecast of Consolidated Sales by Product Category

(Billions of yen)

	Year ended March 31, 2023	Three months ending March 31, 2024		Year ending March 31, 2024			
	Results	Forecast	Forecast excluding exchange impact	Forecast	Change %	Forecast excluding exchange impact	Change %
<Digital Services>	1,684.3	458.6	437.2	1,800.0	6.9	1,721.9	2.2
Domestic	689.2	210.0	210.0	731.7	6.2	731.7	6.2
Overseas	995.1	248.5	227.2	1,068.2	7.4	990.1	(0.5)
The Americas	426.6	104.2	95.0	450.2	5.6	424.7	(0.4)
Europe, Middle East and Africa	451.9	115.9	106.3	495.6	9.7	450.0	(0.4)
Other	116.5	28.3	25.8	122.2	4.9	115.3	(1.1)
<Digital Products>	79.6	29.7	27.9	99.0	24.3	95.7	20.2
Domestic	41.4	16.9	16.9	48.6	17.3	48.6	17.3
Overseas	38.1	12.8	11.0	50.3	31.9	47.0	23.3
The Americas	19.7	6.2	5.3	28.7	45.1	27.0	36.9
Europe, Middle East and Africa	8.7	3.4	2.8	11.5	33.1	10.5	20.9
Other	9.6	3.1	2.8	10.0	3.8	9.4	(2.2)
<Graphic Communications>	234.8	83.5	77.3	272.0	15.8	255.7	8.9
Domestic	27.1	11.6	11.6	30.3	11.6	30.3	11.6
Overseas	207.6	71.9	65.7	241.6	16.4	225.3	8.5
The Americas	118.0	40.9	37.6	135.2	14.6	127.4	8.0
Europe, Middle East and Africa	60.2	20.4	18.6	69.2	15.0	62.8	4.4
Other	29.3	10.4	9.3	37.2	26.5	35.0	19.3
<Industrial Solutions>	113.5	27.5	25.9	107.0	(5.8)	102.4	(9.8)
Domestic	36.9	9.7	9.7	37.6	2.0	37.6	2.0
Overseas	76.6	17.8	16.2	69.3	(9.5)	64.7	(15.5)
The Americas	31.8	7.6	7.0	29.7	(6.4)	28.0	(11.7)
Europe, Middle East and Africa	21.9	4.5	4.1	17.5	(19.9)	15.9	(27.3)
Other	22.8	5.6	5.0	21.9	(4.0)	20.7	(9.5)
<Other>	21.7	2.8	2.5	22.0	1.1	21.1	(3.0)
Domestic	9.1	1.0	1.0	8.3	(8.2)	8.3	(8.2)
Overseas	12.6	1.7	1.5	13.6	7.8	12.7	0.7
The Americas	4.5	0.5	0.4	4.2	(8.1)	3.9	(13.2)
Europe, Middle East and Africa	3.6	0.4	0.4	3.5	(2.6)	3.2	(11.6)
Other	4.4	0.7	0.6	5.8	32.8	5.5	25.4
Total	2,134.1	602.3	571.1	2,300.0	7.8	2,196.9	2.9
Domestic	803.9	249.3	249.3	856.7	6.6	856.7	6.6
Overseas	1,330.2	352.9	321.7	1,443.2	8.5	1,340.1	0.7
The Americas	600.8	159.7	145.5	648.2	7.9	611.3	1.8
Europe, Middle East and Africa	546.4	144.8	132.4	597.6	9.4	542.6	(0.7)
Other	182.9	48.4	43.8	197.3	7.9	186.1	1.7

(Notes) 1. Digital services as a business segment are mainly limited to the office services business and the office printing sales business. This segment does not include all digital services, which Ricoh aims to transform into "a digital services company" that connects workplaces and support worker's creativity. "Digital Services" provided as "a digital services company" is included in all the business segments as well as Digital Services business segment.

2. The PFU business in Other segment has been reclassified into Digital Services and Digital Products from the first quarter. Prior year comparative figures have also been reclassified to conform to the current year's presentation.