

# RICOH

January 31, 2017

## QUARTERLY REPORT

Third Quarter ended December 31, 2016

(Results for the Period from April 1, 2016 to December 31, 2016)

### Performance Outline (Consolidated)

(1) Nine months ended December 31, 2015 and 2016(Actual result) and Year ending March 31, 2017 (Forecast)

	Nine months ended		Change	(Billions of yen)	
	December 31, 2015 Results	December 31, 2016 Results		Year ending March 31, 2017 Forecast	Change
Domestic sales	549.1	546.9	-0.4%	766.0	0.6%
Overseas sales	1,094.7	922.4	-15.7%	1,234.0	-14.7%
Sales	1,643.8	1,469.4	-10.6%	2,000.0	-9.5%
Gross profit	672.7	585.5	-13.0%	772.0	-12.5%
Operating profit	85.4	28.5	-66.6%	40.0	-60.9%
Profit before income tax expenses	81.1	26.1	-67.8%	38.0	-60.3%
Profit attributable to owners of the parent	51.4	4.1	-92.0%	10.0	-84.1%
Exchange rate (Yen/US\$)	121.67	106.61	-15.06	106.21	-13.91
Exchange rate (Yen/EURO)	134.42	118.03	-16.39	117.27	-15.41
Earnings per share attributable to owners of the parent-basic (yen).	70.93	5.68	-65.25	13.80	-73.07
Earnings per share attributable to owners of the parent-diluted (yen).	-	-	-	-	-
Cash flows from operating activities	33.1	24.1	-8.9	-	-
Cash flows from investing activities	-75.3	-63.2	12.1	-	-
Cash flows from financing activities	68.3	61.5	-6.8	-	-
Cash and cash equivalents at end of period	162.6	193.1	30.4	-	-
Capital expenditures	61.6	53.0	-8.5	78.0	-5.7
Depreciation	52.5	50.1	-2.3	70.0	1.2
R&D expenditures	86.5	83.7	-2.7	118.0	-0.5
	March 31, 2016	December 31, 2016	Change		
Total assets	2,776.4	2,834.9	58.4		
Equity attributable to owners of the parent	1,077.8	1,056.4	-21.3		
Interest-bearing debt	852.8	944.9	92.1		
Equity attributable to owners of the parent ratio (%)	38.8	37.3	-1.5		
Equity per share attributable to owners of the parent (yen)	1,486.87	1,457.43	-29.44		

## (2) Three months ended December 31, 2015 and 2016

(Billions of yen)

	Three months ended December 31, 2015 Results	Three months ended December 31, 2016 Results	Change
Domestic sales	182.1	182.2	0.0%
Overseas sales	366.5	315.7	-13.9%
Sales	548.6	497.9	-9.2%
Gross profit	226.0	198.2	-12.3%
Operating profit	29.3	12.0	-59.0%
Profit before income tax expenses	27.6	10.8	-60.7%
Profit attributable to owners of the parent	16.8	-0.8	-
Exchange rate (Yen/US\$)	121.42	109.33	-12.09
Exchange rate (Yen/EURO)	133.01	117.81	-15.20
Earnings per share attributable to owners of the parent-basic (yen).	23.28	-1.23	-24.51
Earnings per share attributable to owners of the parent-diluted (yen).	-	-	-
Capital expenditures	20.7	17.1	-3.5
Depreciation	17.9	17.0	-0.9
R&D expenditures	28.7	26.6	-2.1

**Ricoh Company, Ltd.**

\* The results forecasts and forward-looking statements included in this document are based on information available to the Company as at to date and certain assumptions that the Company considers reasonable. The Company makes no guarantees with respect to the achievement of its results forecasts or forward-looking statements. Actual results might be significantly different from the forecasts in the document, depending on various factors. For the assumptions for forecast and other related information, please refer to "3. Qualitative Information on Forecasted Consolidated Financial Results" on page 6.

# Ricoh Company, Ltd. and Consolidated Subsidiaries

Financial Highlights for the nine months ended December 31, 2016

[Prepared on the basis of International Financial Reporting Standards]

## 1. Results for the Period from April 1, 2016 to December 31, 2016

### (1) Operating Results

	(Millions of yen)	
	Nine months ended December 31, 2015	Nine months ended December 31, 2016
Sales	1,643,856	1,469,426
(% change from the previous corresponding period)	4.6	-10.6
Operating profit	85,460	28,575
(% change from the previous corresponding period)	-0.7	-66.6
Profit before income tax expenses	81,183	26,162
(% change from the previous corresponding period)	-4.4	-67.8
Profit for the period	55,465	8,623
(% change from the previous corresponding period)	-2.5	-84.5
Profit attributable to owners of the parent	51,415	4,114
(% change from the previous corresponding period)	-1.8	-92.0
Comprehensive income	53,650	12,038
(% change from the previous corresponding period)	-50.9	-77.6
Earnings per share attributable to owners of the parent-basic (yen)	70.93	5.68
Earnings per share attributable to owners of the parent-diluted (yen)	-	-

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

### (2) Financial Position

	(Millions of yen)	
	March 31, 2016	December 31, 2016
Total assets	2,776,461	2,834,906
Total equity	1,147,764	1,129,936
Equity attributable to owners of the parent	1,077,813	1,056,470
Equity attributable to owners of the parent ratio (%)	38.8	37.3

## 2. Dividend Information

	Year ended March 31, 2016 (Actual)	Year ending March 31, 2017 (Forecast)
Cash dividends, applicable to the year (yen)	35.00	35.00
Interim (yen)	17.50	22.50
Year-end (yen)	17.50	12.50

Notes: Revision of expected dividends during this period: Yes

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

The year-end dividends (forecast) are included ordinary dividends of ¥7.50 and 80 th anniversary dividends of ¥5.00.

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

	(Millions of yen)
	Year ending March 31, 2017
Sales	2,000,000
(% change from the previous corresponding period)	-9.5
Operating profit	40,000
(% change from the previous corresponding period)	-60.9
Profit before income tax expenses	38,000
(% change from the previous corresponding period)	-60.3
Profit attributable to owners of the parent	10,000
(% change from the previous corresponding period)	-84.1
Earnings per share attributable to owners of the parent-basic (yen)	13.80

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

## 4. Others

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

\* For details, please refer to "4.Others" on page 6.
- (3) Number of common stock outstanding (including treasury stock):  
As of December 31, 2016 : 744,912,078 shares ; As of March 31, 2016 : 744,912,078 shares
- (4) Number of treasury stock:  
As of December 31, 2016 : 20,028,097 shares ; As of March 31, 2016 : 20,023,429 shares
- (5) Average number of common stock:  
Nine months ended December 31, 2016 : 724,886,905 shares ; Nine months ended December 31, 2015 : 724,895,623 shares

## Qualitative Information on Consolidated Financial Results for the Quarter under Review

### 1. Qualitative Information on Consolidated Business Results

#### \* Overview of the nine months of Fiscal 2016 (April 1 – December 31, 2016)

Ricoh's sales for the nine months decreased by 10.6% as compared to the previous corresponding period, to ¥1,469.4 billion, mainly due to the decrease in sales in both the Imaging & Solutions and the Industrial Products segment. During this period, the average exchange rates of Japanese yen against U.S. dollar and Euro were ¥106.61 (up ¥15.06 from previous year) and ¥118.03 (up ¥16.39 from previous year) respectively. Sales would have decreased by 2.8% as compared to the previous corresponding period when excluding the impact of such foreign currency exchange fluctuation.

While the Japanese economy showed some signs of a gradual recovery, the future of the Japanese economy has been unpredictable caused by increasing geopolitical risk. Under such market conditions, sales in the Industrial Products segment and the Other segment increased but was offset by the sales decrease in the Imaging & Solutions segment. As a result, the sales in the domestic market decreased by 0.4% as compared to the previous corresponding period.

As for the overseas market, the U.S. economy become uncertain because of the result of president election, also the European economy remains uncertain with the Brexit. China and other developing countries in Asia are showing signs of an economic slowdown. Under such market conditions, the Other segment increased but was offset by the sales decrease in the Imaging & Solutions segment and the Industrial Products segment. As for overseas sales by region, sales in the Americas decreased by 15.4% (a decrease of 3.5% excluding foreign currency exchange fluctuation), sales in Europe, Middle East and Africa decreased by 15.8% (a decrease of 4.1% as above) and sales in Other region, which includes China, South East Asia and Oceania, decreased by 16.5% (a decrease of 5.0% as above). As a result, sales in the overseas market decreased by 15.7% as compared to the previous corresponding period. Excluding effects of foreign currency fluctuations, sales in overseas would have decreased by 4.0% as compared to the previous corresponding period.

Gross profit decreased by 13.0% as compared to the previous corresponding period, to ¥585.5 billion, mainly due to the decrease in sales.

Selling, general and administrative expenses decreased by 7.6% as compared to the previous corresponding period, to ¥559.1 billion. Though there was an increase of cost relating structural reforms for future business growth, the effects of foreign currency fluctuations and continuous group-wide activities to reduce costs have contributed in controlling these expenses. Other income decreased significantly as compared to the previous corresponding period.

As a result, operating profit decreased by 66.6% as compared to the previous corresponding period, to ¥28.5 billion.

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

Profit before income tax expenses decreased by 67.8% as compared to the previous corresponding period, to ¥26.1 billion.

Income tax expenses include expenses related to reaching an agreement of Advance Pricing Arrangement (APA) which determines the transfer pricing methodology between Japan and U.S. tax authorities.

As a result, profit attributable to owners of the parent decreased by 92.0% as compared to the previous corresponding period, to ¥4.1 billion.

Comprehensive income decreased by 77.6% as compared to the previous corresponding period, to ¥12.0 billion due to the decrease in profit for the period.

In the third quarter, Ricoh recorded a loss of ¥6.9 billion, including the loss that was recorded by our subsidiary listed in India, whose disclosure was delayed, in the financial closing for the year ended March 31, 2016.

## \* Review by Business Segment

### Imaging & Solutions

#### Office Imaging

Sales in this category decreased by 13.0% to ¥929.0 billion. Sales in Other region increased, but was offset by the impact of the strengthening of the yen and low sales in the Americas and in Europe, Middle East and Africa.

#### Production Printing

Sales in this category decreased by 10.6% to ¥147.9 billion. Sales of color cut sheet printers increased in the domestic market and related parts & supplies and services of that increased in both domestic and overseas, but was offset by the impact of the strengthening of the yen and the decrease in sales volume in Europe, Middle East and Africa.

#### Network System Solutions

Sales in this category decreased by 7.1% to ¥217.5 billion. In the domestic market, sales of IT products increased. In the overseas market, sales of IT services increased in the Americas and Europe, Middle East and Africa, but was offset by the sales decrease in Other region such as India.

As a result of the above, overall sales in the Imaging & Solutions segment decreased by 11.8% as compared to the previous corresponding period, to ¥1,294.4 billion. Operating profit decreased by 50.1% as compared to the previous corresponding period, to ¥59.5 billion mainly due to the decrease in sales and the incurring costs related to our subsidiary listed in India.

### Industrial Products

Sales in the Industrial Products segment decreased by 3.5% to ¥91.3 billion as compared to the previous corresponding period. Industrial Products segment increased mainly in the domestic market, but was offset by the impact of the strengthening of the yen at overseas. As a result, operating profit in this segment decreased by 15.1% to ¥7.1 billion as compared to the previous corresponding period.

### Other

Sales in the Other segment increased by 3.1% as compared to the previous corresponding period, to ¥83.6 billion due to the increase in income and profit at Leasing business. Camera business has expanded the products lineup such as Spherical cameras and Digital SLR (Single-lens reflex). As a result, operating profit in the Other segment increased by 53.2% as compared to the previous corresponding period, to ¥3.1 billion.

## 2. Analysis of Consolidated Financial Position

### \*Assets, Liabilities and Equity

Total assets increased by ¥58.4 billion as compared to the previous corresponding period, to ¥2,834.9 billion, mainly due to the increase in “Cash and cash equivalents” and “Inventories”.

Total liabilities increased by ¥76.2 billion as compared to the previous corresponding period, to ¥1,704.9 billion, mainly due to the increase in “Bonds and borrowings”.

Total Equity decreased by ¥17.8 billion as compared to the previous corresponding period, to ¥1,129.9 billion, mainly due to the decrease in “Retained earnings”.

### \*Cash Flows (Nine months ended December 31, 2016)

Net cash provided by operating activities decreased by ¥8.9 billion as compared to the previous corresponding period, to ¥24.1 billion, mainly due to the decrease in profit for the period.

Net cash used in investing activities decreased by ¥12.1 billion as compared to the previous corresponding period, to ¥63.2 billion, mainly due to the decrease in expenditures for property, plant and equipment.

Net cash provided by financing activities decreased by ¥6.8 billion as compared to the previous corresponding period, to ¥61.5 billion, mainly due to the increase in repayments of long-term debt.

As a result, the balance of cash and cash equivalent at the end of period increased by ¥25.6 billion as compared to the end of previous year, to ¥193.1 billion.

### 3. Qualitative Information on Forecasted Consolidated Financial Results

Based upon the business results in the third quarter and the changes in the business environment, Ricoh revised downward its forecast of sales, gross profit and profit attributable to owners of the parent from those previously announced in October. Ricoh will maintain the assumed exchange rates set forth in October of ¥105.00 against U.S. dollar and of ¥115.00 against Euro in the fourth quarter, and has incorporated the actual exchange rates during the nine months ended in the annual exchange rates assumption.

Along with revision of forecast for the fiscal year ending March 31, 2017, Ricoh truly regrets to announce that it has decided to change forecasted dividend at the year end from ¥22.50 (ordinary dividends of ¥17.50 and 80 th anniversary dividends of ¥5.00), which were announced in October 2016, downward to ¥12.50 (ordinary dividends of ¥7.50 and 80 th anniversary dividends of ¥5.00). Consequently, total dividends for the fiscal year ending March, 2017 are revised to ¥35.00 includes ¥22.50 paid in December 2016.

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

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

US\$ 1 = ¥106.21 (¥120.12 in previous fiscal year)

EURO 1 = ¥117.27 (¥132.68 in previous fiscal year)

(Billions of yen)						
	Year ended March 31, 2016 (A)	Year ending March 31, 2017 (Previous forecast) (B)	Year ending March 31, 2017 (Revised forecast) (C)	Change (C-B)	Change (C-A)/A	
Domestic sales	761.5	766.0	766.0	-	0.6%	
Overseas sales	1,447.4	1,244.0	1,234.0	-10.0	-14.7%	
Sales	2,209.0	2,010.0	2,000.0	-10.0	-9.5%	
Gross profit	881.9	776.0	772.0	-4.0	-12.5%	
Operating profit	102.2	40.0	40.0	-	-60.9%	
Profit before income tax expenses	95.6	38.0	38.0	-	-60.3%	
Profit attributable to owners of the parent	62.9	18.0	10.0	-8.0	-84.1%	

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

### 4. Others

(1) Changes in significant subsidiaries

Not applicable

(2) Changes in accounting policies

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

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

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

## 5. Condensed Consolidated Financial Statements

### (1) Condensed Consolidated Statement of Financial Position

#### Assets

	(Millions of yen)		
	March 31, 2016	December 31, 2016	Change
<b>Current Assets</b>			
Cash and cash equivalents	167,547	193,154	25,607
Time deposits	973	658	-315
Trade and other receivables	564,204	542,450	-21,754
Other financial assets	272,347	277,251	4,904
Inventories	207,092	234,717	27,625
Other current assets	61,032	60,600	-432
<b>Total Current Assets</b>	<b>1,273,195</b>	<b>1,308,830</b>	<b>35,635</b>
<b>Non-current assets</b>			
Property, plant and equipment	276,551	274,912	-1,639
Goodwill and intangible assets	413,836	405,615	-8,221
Other financial assets	620,171	636,416	16,245
Investments accounted for using the equity method	935	971	36
Other investments	67,084	78,968	11,884
Other non-current assets	38,905	39,815	910
Deferred tax assets	85,784	89,379	3,595
<b>Total Non-current Assets</b>	<b>1,503,266</b>	<b>1,526,076</b>	<b>22,810</b>
<b>Total Assets</b>	<b>2,776,461</b>	<b>2,834,906</b>	<b>58,445</b>

#### Liabilities and Equity

	(Millions of yen)		
	March 31, 2016	December 31, 2016	Change
<b>Current Liabilities</b>			
Bonds and borrowings	260,755	345,100	84,345
Trade and other payables	286,123	275,110	-11,013
Other financial liabilities	1,820	1,532	-288
Income tax payables	15,220	13,441	-1,779
Other current liabilities	242,950	253,439	10,489
<b>Total Current Liabilities</b>	<b>806,868</b>	<b>888,622</b>	<b>81,754</b>
<b>Non-current Liabilities</b>			
Bonds and borrowings	592,045	599,899	7,854
Other financial liabilities	3,745	2,542	-1,203
Accrued pension and retirement benefits	139,049	132,893	-6,156
Other non-current liabilities	82,392	72,456	-9,936
Deferred tax liabilities	4,598	8,558	3,960
<b>Total Non-current Liabilities</b>	<b>821,829</b>	<b>816,348</b>	<b>-5,481</b>
<b>Total Liabilities</b>	<b>1,628,697</b>	<b>1,704,970</b>	<b>76,273</b>
<b>Equity</b>			
Common stock	135,364	135,364	-
Additional paid-in capital	186,423	186,423	-
Treasury stock	-37,312	-37,315	-3
Other components of equity	114,914	118,610	3,696
Retained earnings	678,424	653,388	-25,036
Equity attributable to owners of the parent	1,077,813	1,056,470	-21,343
Non-controlling interests	69,951	73,466	3,515
<b>Total Equity</b>	<b>1,147,764</b>	<b>1,129,936</b>	<b>-17,828</b>
<b>Total Liabilities and Equity</b>	<b>2,776,461</b>	<b>2,834,906</b>	<b>58,445</b>

## (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, 2015 and 2016

(Millions of yen)

	Nine months ended December 31, 2015	Nine months ended December 31, 2016	Change	%
Sales	1,643,856	1,469,426	-174,430	-10.6
Cost of sales	971,113	883,918	-87,195	-9.0
Percentage of sales (%)	59.1	60.2		
Gross profit	672,743	585,508	-87,235	-13.0
Percentage of sales (%)	40.9	39.8		
Selling, general and administrative expenses	605,231	559,138	-46,093	-7.6
Percentage of sales (%)	36.8	38.1		
Other income	17,948	2,205	-15,743	-87.7
Percentage of sales (%)	1.1	0.2		
Operating profit	85,460	28,575	-56,885	-66.6
Percentage of sales (%)	5.2	1.9		
Finance income	3,784	3,599	-185	-4.9
Percentage of sales (%)	0.2	0.3		
Finance costs	8,127	6,045	-2,082	-25.6
Percentage of sales (%)	0.5	0.4		
Share of profit (loss) of investments accounted for using the equity method	66	33	-33	-50.0
Percentage of sales (%)	0.0	0.0		
Profit before income tax expenses	81,183	26,162	-55,021	-67.8
Percentage of sales (%)	4.9	1.8		
Income tax expenses	25,718	17,539	-8,179	-31.8
Percentage of sales (%)	1.5	1.2		
Profit for the period	55,465	8,623	-46,842	-84.5
Percentage of sales (%)	3.4	0.6		
Profit attributable to:				
Owners of the parent	51,415	4,114	-47,301	-92.0
Percentage of sales (%)	3.1	0.3		
Non-controlling interests	4,050	4,509	459	11.3
Percentage of sales (%)	0.3	0.3		

  

	Nine months ended December 31, 2015	Nine months ended December 31, 2016	Change
Earnings per share attributable to owners of the parent-basic (yen)	70.93	5.68	-65.25
Earnings per share attributable to owners of the parent-diluted (yen)	-	-	-

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



Three months ended December 31, 2015 and 2016

(Millions of yen)

	Three months ended December 31, 2015	Three months ended December 31, 2016	Change	%
Sales	548,678	497,983	-50,695	-9.2
Cost of sales	322,671	299,700	-22,971	-7.1
Percentage of sales (%)	58.8	60.2		
Gross profit	226,007	198,283	-27,724	-12.3
Percentage of sales (%)	41.2	39.8		
Selling, general and administrative expenses	197,070	186,844	-10,226	-5.2
Percentage of sales (%)	36.0	37.5		
Other income	405	586	181	44.7
Percentage of sales (%)	0.1	0.1		
Operating profit	29,342	12,025	-17,317	-59.0
Percentage of sales (%)	5.3	2.4		
Finance income	353	149	-204	-57.8
Percentage of sales (%)	0.1	0.1		
Finance costs	2,092	1,288	-804	-38.4
Percentage of sales (%)	0.4	0.3		
Share of profit (loss) of investments accounted for using the equity method	18	-18	-36	-
Percentage of sales (%)	0.0	-0.0		
Profit before income tax expenses	27,621	10,868	-16,753	-60.7
Percentage of sales (%)	5.0	2.2		
Income tax expenses	9,533	10,238	705	7.4
Percentage of sales (%)	1.7	2.1		
Profit for the period	18,088	630	-17,458	-96.5
Percentage of sales (%)	3.3	0.1		
Profit attributable to:				
Owners of the parent	16,872	-888	-17,760	-
Percentage of sales (%)	3.1	-0.2		
Non-controlling interests	1,216	1,518	302	24.8
Percentage of sales (%)	0.2	0.3		

  

	Three months ended December 31, 2015	Three months ended December 31, 2016	Change
Earnings per share attributable to owners of the parent-basic (yen)	23.28	-1.23	-24.51
Earnings per share attributable to owners of the parent-diluted (yen)	-	-	-

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

Condensed Consolidated Statement of Comprehensive Income

Nine months ended December 31, 2015 and 2016

	(Millions of yen)		
	Nine months ended December 31, 2015	Nine months ended December 31, 2016	Change
Profit for the period	55,465	8,623	-46,842
Other comprehensive income (loss):			
Components that will not be reclassified subsequently to profit or loss:			
Remeasurement of defined benefit plan	1,505	-154	-1,659
Total components that will not be reclassified subsequently to profit or loss	1,505	-154	-1,659
Components that will be reclassified subsequently to profit or loss:			
Net gain on fair value of available-for-sale financial assets	4,047	8,519	4,472
Net gain (loss) on fair value of cash flow hedges	-157	398	555
Exchange differences on translation of foreign operations	-7,210	-5,348	1,862
Total components that will be reclassified subsequently to profit or loss	-3,320	3,569	6,889
Total other comprehensive income (loss)	-1,815	3,415	5,230
Comprehensive income	53,650	12,038	-41,612
Comprehensive income attributable to:			
Owners of the parent	50,011	7,656	-42,355
Non-controlling interests	3,639	4,382	743

Three months ended December 31, 2015 and 2016

	(Millions of yen)		
	Three months ended December 31, 2015	Three months ended December 31, 2016	Change
Profit for the period	18,088	630	-17,458
Other comprehensive income (loss):			
Components that will not be reclassified subsequently to profit or loss:			
Remeasurement of defined benefit plan	1,505	-2	-1,507
Total components that will not be reclassified subsequently to profit or loss	1,505	-2	-1,507
Components that will be reclassified subsequently to profit or loss:			
Net gain on fair value of available-for-sale financial assets	2,305	8,996	6,691
Net gain on fair value of cash flow hedges	144	1,231	1,087
Exchange differences on translation of foreign operations	-5,898	75,573	81,471
Total components that will be reclassified subsequently to profit or loss	-3,449	85,800	89,249
Total other comprehensive income (loss)	-1,944	85,798	87,742
Comprehensive income	16,144	86,428	70,284
Comprehensive income attributable to:			
Owners of the parent	14,982	84,438	69,456
Non-controlling interests	1,162	1,990	828

Consolidated Sales by Product Category

Nine months ended December 31, 2015 and 2016

	(Millions of yen)			
	Nine months ended December 31, 2015	Nine months ended December 31, 2016	Change	%
<Imaging & Solutions>				
Office Imaging	1,068,342	929,054	-139,288	-13.0
Percentage of sales (%)	65.0	63.2		
Production Printing	165,475	147,911	-17,564	-10.6
Percentage of sales (%)	10.1	10.1		
Network System Solutions	234,258	217,513	-16,745	-7.1
Percentage of sales (%)	14.3	14.8		
Imaging & Solutions Total	1,468,075	1,294,478	-173,597	-11.8
Percentage of sales (%)	89.4	88.1		
<Industrial Products>				
Industrial Products	94,674	91,332	-3,342	-3.5
Percentage of sales (%)	5.8	6.2		
<Other>				
Other	81,107	83,616	2,509	3.1
Percentage of sales (%)	4.8	5.7		
Grand Total	1,463,856	1,469,426	-174,430	-10.6
Percentage of sales (%)	100.0	100.0		

Three months ended December 31, 2015 and 2016

	(Millions of yen)			
	Three months ended December 31, 2015	Three months ended December 31, 2016	Change	%
<Imaging & Solutions>				
Office Imaging	357,012	313,943	-43,069	-12.1
Percentage of sales (%)	65.1	63.0		
Production Printing	57,338	52,597	-4,741	-8.3
Percentage of sales (%)	10.4	10.6		
Network System Solutions	75,671	72,589	-3,082	-4.1
Percentage of sales (%)	13.8	14.6		
Imaging & Solutions Total	490,021	439,129	-50,892	-10.4
Percentage of sales (%)	89.3	88.2		
<Industrial Products>				
Industrial Products	31,254	32,150	896	2.9
Percentage of sales (%)	5.7	6.4		
<Other>				
Other	27,403	26,704	-699	-2.6
Percentage of sales (%)	5.0	5.4		
Grand Total	548,678	497,983	-50,695	-9.2
Percentage of sales (%)	100.0	100.0		

\* Each category includes the following product line:

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

Consolidated Sales by Geographic Area

Nine months ended December 31, 2015 and 2016

	(Millions of yen)			
	Nine months ended December 31, 2015	Nine months ended December 31, 2016	Change	%
<Domestic>	549,146	546,996	-2,150	-0.4
Percentage of sales (%)	33.4	37.2		
<Overseas>	1,094,710	922,430	-172,280	-15.7
Percentage of sales (%)	66.6	62.8		
The Americas	524,758	443,704	-81,054	-15.4
Percentage of sales (%)	31.9	30.2		
Europe, Middle East and Africa	397,330	334,654	-62,676	-15.8
Percentage of sales (%)	24.2	22.8		
Other	172,622	144,072	-28,550	-16.5
Percentage of sales (%)	10.5	9.8		
Grand Total	1,643,856	1,469,426	-174,430	-10.6
Percentage of sales (%)	100.0	100.0		

Three months ended December 31, 2015 and 2016

	(Millions of yen)			
	Three months ended December 31, 2015	Three months ended December 31, 2016	Change	%
<Domestic>	182,125	182,205	80	0.0
Percentage of sales (%)	33.2	36.6		
<Overseas>	366,553	315,778	-50,775	-13.9
Percentage of sales (%)	66.8	63.4		
The Americas	171,888	150,859	-21,029	-12.2
Percentage of sales (%)	31.3	30.3		
Europe, Middle East and Africa	137,346	113,726	-23,620	-17.2
Percentage of sales (%)	25.0	22.8		
Other	57,319	51,193	-6,126	-10.7
Percentage of sales (%)	10.5	10.3		
Grand Total	548,678	497,983	-50,695	-9.2
Percentage of sales (%)	100.0	100.0		

## (3) Condensed Consolidated Statement of Changes in Equity

(Millions of Yen)

	Common Stock	Additional paid-in capital	Treasury stock	Other components of equity		
				Remeasurement of defined benefit plan	Net gain (loss) on fair value of available-for-sale financial assets	Net gain (loss) on fair value of cash flow hedges
Balance as of April 1, 2015	135,364	186,083	-37,295	-	17,082	803
Profit for the period						
Other comprehensive income (loss)				1,505	4,120	-45
Comprehensive income	-	-	-	1,505	4,120	-45
Net change in treasury stock			-15			
Dividends declared and approved to owners						
Transfer from other components of equity to retained earnings				-1,505		
Acquisition of non-controlling interests		340				
Total transactions with owners	-	340	-15	-1,505	-	-
Balance as of December 31, 2015	135,364	186,423	-37,310	-	21,202	758

	Other components of equity		Retained earnings	Equity attributable to owners of the parent	Non-controlling interests	Total equity
	Exchange differences on translation of foreign operations	Total other components of equity				
Balance as of April 1, 2015	135,662	153,547	646,468	1,084,167	70,145	1,154,312
Profit for the period			51,415	51,415	4,050	55,465
Other comprehensive income (loss)	-6,984	-1,404		-1,404	-411	-1,815
Comprehensive income	-6,984	-1,404	51,415	50,011	3,639	53,650
Net change in treasury stock				-15		-15
Dividends declared and approved to owners			-25,009	-25,009	-882	-25,891
Transfer from other components of equity to retained earnings		-1,505	1,505	-		-
Acquisition of non-controlling interests				340	-2,608	-2,268
Total transactions with owners	-	-1,505	-23,504	-24,684	-3,490	-28,174
Balance as of December 31, 2015	128,678	150,638	674,379	1,109,494	70,294	1,179,788

(Millions of Yen)

	Common Stock	Additional paid-in capital	Treasury stock	Other components of equity		
				Remeasurement of defined benefit plan	Net gain (loss) on fair value of available-for-sale financial assets	Net gain (loss) on fair value of cash flow hedges
Balance as of April 1, 2016	135,364	186,423	-37,312	-	23,617	-267
Profit for the period						
Other comprehensive income (loss)				-154	8,524	399
Comprehensive income	-	-	-	-154	8,524	399
Net change in treasury stock			-3			
Dividends declared and approved to owners						
Transfer from other components of equity to retained earnings				154		
Acquisition of non-controlling interests						
Total transactions with owners	-	-	-3	154	-	-
Balance as of December 31, 2016	135,364	186,423	-37,315	-	32,141	132

	Other components of equity		Retained earnings	Equity attributable to owners of the parent	Non-controlling interests	Total equity
	Exchange differences on translation of foreign operations	Total other components of equity				
Balance as of April 1, 2016	91,564	114,914	678,424	1,077,813	69,951	1,147,764
Profit for the period			4,114	4,114	4,509	8,623
Other comprehensive income (loss)	-5,227	3,542		3,542	-127	3,415
Comprehensive income	-5,227	3,542	4,114	7,656	4,382	12,038
Net change in treasury stock				-3		-3
Dividends declared and approved to owners			-28,996	-28,996	-867	-29,863
Transfer from other components of equity to retained earnings		154	-154	-	-	-
Acquisition of non-controlling interests				-		-
Total transactions with owners	-	154	-29,150	-28,999	-867	-29,866
Balance as of December 31, 2016	86,337	118,610	653,388	1,056,470	73,466	1,129,936

## (4) Condensed Consolidated Statement of Cash Flows

	(Millions of yen)	
	Nine months ended December 31, 2015	Nine months ended December 31, 2016
<b>I. Cash Flows from Operating Activities:</b>		
Profit for the period	55,465	8,623
Adjustments to reconcile profit for the period to net cash provided by operating activities—		
Depreciation and amortization	81,201	78,997
Other income	-17,948	-2,205
Share of profit (loss) of investments accounted for using the equity method	-66	-33
Finance income and costs	4,343	2,446
Income tax expenses	25,718	17,539
Decrease in trade and other receivables	6,022	16,444
Increase in inventories	-11,333	-26,126
Increase in lease receivables	-27,336	-18,485
Decrease in trade and other payables	-31,327	-11,339
Decrease in accrued pension and retirement benefits	-9,763	-6,128
Other, net	-16,958	-9,878
Interest and dividends received	1,711	1,962
Interest paid	-4,604	-5,521
Income taxes paid	-21,977	-22,100
<b>Net cash provided by operating activities</b>	<b>33,148</b>	<b>24,196</b>
<b>II. Cash Flows from Investing Activities:</b>		
Proceeds from sales of property, plant and equipment	18,011	12,906
Expenditures for property, plant and equipment	-61,622	-53,049
Expenditures for intangible assets	-20,526	-18,121
Payments for purchases of available-for-sale securities	-623	-386
Proceeds from sales of available-for-sale securities	2,450	755
Decrease in time deposits	404	222
Purchase of business, net of cash acquired	-4,820	-287
Other, net	-8,655	-5,250
<b>Net cash used in investing activities</b>	<b>-75,381</b>	<b>-63,210</b>
<b>III. Cash Flows from Financing Activities:</b>		
Net proceeds of short-term debt	44,071	38,916
Proceeds from long-term debt	151,587	233,019
Repayments of long-term debt	-59,130	-202,093
Proceeds from issuance of bonds	20,000	31,567
Repayments of bonds	-60,000	-10,000
Dividends paid	-25,009	-28,996
Payments for purchase of treasury stock	-14	-5
Other, net	-3,150	-887
<b>Net cash provided by financing activities</b>	<b>68,355</b>	<b>61,521</b>
<b>IV. Effect of Exchange Rate Changes on Cash and Cash Equivalents</b>	<b>-1,172</b>	<b>3,100</b>
<b>V. Net Increase in Cash and Cash Equivalents</b>	<b>24,950</b>	<b>25,607</b>
<b>VI. Cash and Cash Equivalents at Beginning of Year</b>	<b>137,722</b>	<b>167,547</b>
<b>VII. Cash and Cash Equivalents at End of Period</b>	<b>162,672</b>	<b>193,154</b>

## (5) Notes on premise going concern

Not applicable

## (6) Segment Information

## (a) Operating Segment Information

Nine months ended December 31, 2015 and 2016

	(Millions of yen)			
	Nine months ended December 31, 2015	Nine months ended December 31, 2016	Change	%
<b>Imaging &amp; Solutions:</b>				
Sales:				
Unaffiliated customers	1,468,075	1,294,478	-173,597	-11.8
Intersegment	-	-	-	
Total	1,468,075	1,294,478	-173,597	-11.8
Operating expenses	1,348,620	1,234,913	-113,707	-8.4
Operating profit	119,455	59,565	-59,890	-50.1
Operating profit on sales in Imaging & Solutions (%)	8.1	4.6		
<b>Industrial Products:</b>				
Sales:				
Unaffiliated customers	94,674	91,332	-3,342	-3.5
Intersegment	9,279	8,643	-636	-6.9
Total	103,953	99,975	-3,978	-3.8
Operating expenses	95,521	92,818	-2,703	-2.8
Operating profit	8,432	7,157	-1,275	-15.1
Operating profit on sales in Industrial Products (%)	8.1	7.2		
<b>Other:</b>				
Sales:				
Unaffiliated customers	81,107	83,616	2,509	3.1
Intersegment	-	-	-	
Total	81,107	83,616	2,509	3.1
Operating expenses	79,022	80,421	1,399	1.8
Operating profit	2,085	3,195	1,110	53.2
Operating profit on sales in Other (%)	2.6	3.8		
<b>Corporate and Eliminations:</b>				
Sales:				
Intersegment	-9,279	-8,643	636	
Total	-9,279	-8,643	636	-
Operating expenses:				
Intersegment	-9,279	-8,643	636	
Corporate	44,512	41,342	-3,170	
Total	35,233	32,699	-2,534	-
Operating loss	-44,512	-41,342	3,170	-
<b>Consolidated:</b>				
Sales:				
Unaffiliated customers	1,643,856	1,469,426	-174,430	-10.6
Intersegment	-	-	-	
Total	1,643,856	1,469,426	-174,430	-10.6
Operating expenses	1,558,396	1,440,851	-117,545	-7.5
Operating profit	85,460	28,575	-56,885	-66.6
Operating profit on consolidated sales (%)	5.2	1.9		

(Supplemental information)

Finance business included in the above is as follows:

	(Millions of yen)			
	Nine months ended December 31, 2015	Nine months ended December 31, 2016	Change	%
Sales	104,897	103,259	-1,638	-1.6
Operating expenses	81,735	80,082	-1,653	-2.0
Operating profit	23,162	23,177	15	0.1
Operating profit on sales in Finance Business (%)	22.1	22.4		



Three months ended December 31, 2015 and 2016

(Millions of yen)				
	Three months ended December 31, 2015	Three months ended December 31, 2016	Change	%
<b>Imaging &amp; Solutions:</b>				
Sales:				
Unaffiliated customers	490,021	439,129	-50,892	-10.4
Intersegment	-	-	-	-
Total	490,021	439,129	-50,892	-10.4
Operating expenses	449,262	415,022	-34,240	-7.6
Operating profit	40,759	24,107	-16,652	-40.9
Operating profit on sales in Imaging & Solutions (%)	8.3	5.5		
<b>Industrial Products:</b>				
Sales:				
Unaffiliated customers	31,254	32,150	896	2.9
Intersegment	3,282	3,141	-141	-4.3
Total	34,536	35,291	755	2.2
Operating expenses	32,207	32,608	401	1.2
Operating profit	2,329	2,683	354	15.2
Operating profit on sales in Industrial Products (%)	6.7	7.6		
<b>Other:</b>				
Sales:				
Unaffiliated customers	27,403	26,704	-699	-2.6
Intersegment	-	-	-	-
Total	27,403	26,704	-699	-2.6
Operating expenses	26,639	26,204	-435	-1.6
Operating profit	764	500	-264	-34.6
Operating profit on sales in Other (%)	2.8	1.9		
<b>Corporate and Eliminations:</b>				
Sales:				
Intersegment	-3,282	-3,141	141	-
Total	-3,282	-3,141	141	-
Operating expenses:				
Intersegment	-3,282	-3,141	141	-
Corporate	14,510	15,265	755	-
Total	11,228	12,124	896	-
Operating loss	-14,510	-15,265	-755	-
<b>Consolidated:</b>				
Sales:				
Unaffiliated customers	548,678	497,983	-50,695	-9.2
Intersegment	-	-	-	-
Total	548,678	497,983	-50,695	-9.2
Operating expenses	519,336	485,958	-33,378	-6.4
Operating profit	29,342	12,025	-17,317	-59.0
Operating profit on consolidated sales (%)	5.3	2.4		

(Supplemental information)

Finance business included in the above is as follows:

(Millions of yen)				
	Three months ended December 31, 2015	Three months ended December 31, 2016	Change	%
Sales	34,943	33,373	-1,570	-4.5
Operating expenses	27,360	25,657	-1,703	-6.2
Operating profit	7,583	7,716	133	1.8
Operating profit on sales in Finance Business (%)	21.7	23.1		

## (b) Geographic Segment Information

Nine months ended December 31, 2015 and 2016

	(Millions of yen)			
	Nine months ended December 31, 2015	Nine months ended December 31, 2016	Change	%
<b>Japan:</b>				
Sales:				
Unaffiliated customers	574,013	569,677	-4,336	-0.8
Intersegment	357,530	328,603	-28,927	-8.1
Total	931,543	898,280	-33,263	-3.6
Operating expenses	899,664	894,665	-4,999	-0.6
Operating profit	31,879	3,615	-28,264	-88.7
Operating profit on sales in Japan (%)	3.4	0.4		
<b>The Americas:</b>				
Sales:				
Unaffiliated customers	524,646	443,464	-81,182	-15.5
Intersegment	4,766	4,695	-71	-1.5
Total	529,412	448,159	-81,253	-15.3
Operating expenses	513,965	439,856	-74,109	-14.4
Operating profit	15,447	8,303	-7,144	-46.2
Operating profit on sales in the Americas (%)	2.9	1.9		
<b>Europe, Middle East and Africa:</b>				
Sales:				
Unaffiliated customers	393,650	332,199	-61,451	-15.6
Intersegment	783	716	-67	-8.6
Total	394,433	332,915	-61,518	-15.6
Operating expenses	378,406	321,628	-56,778	-15.0
Operating profit	16,027	11,287	-4,740	-29.6
Operating profit on sales in Europe, Middle East and Africa (%)	4.1	3.4		
<b>Other:</b>				
Sales:				
Unaffiliated customers	151,547	124,086	-27,461	-18.1
Intersegment	207,753	182,867	-24,886	-12.0
Total	359,300	306,953	-52,347	-14.6
Operating expenses	335,120	294,599	-40,521	-12.1
Operating profit	24,180	12,354	-11,826	-48.9
Operating profit on sales in Other (%)	6.7	4.0		
<b>Corporate and Eliminations:</b>				
Sales:				
Intersegment	-570,832	-516,881	53,951	
Total	-570,832	-516,881	53,951	-
Operating expenses	-568,759	-509,897	58,862	-
Operating loss	-2,073	-6,984	-4,911	-
<b>Consolidated:</b>				
Sales:				
Unaffiliated customers	1,643,856	1,469,426	-174,430	-10.6
Intersegment	-	-	-	
Total	1,643,856	1,469,426	-174,430	-10.6
Operating expenses	1,558,396	1,440,851	-117,545	-7.5
Operating profit	85,460	28,575	-56,885	-66.6
Operating profit on consolidated sales (%)	5.2	1.9		

Three months ended December 31, 2015 and 2016

(Millions of yen)

	Three months ended December 31, 2015	Three months ended December 31, 2016	Change	%
<b>Japan:</b>				
Sales:				
Unaffiliated customers	190,557	189,368	-1,189	-0.6
Intersegment	118,440	119,538	1,098	0.9
Total	308,997	308,906	-91	-0.0
Operating expenses	299,907	303,080	3,173	1.1
Operating profit	9,090	5,826	-3,264	-35.9
Operating profit on sales in Japan (%)	2.9	1.9		
<b>The Americas:</b>				
Sales:				
Unaffiliated customers	171,874	150,798	-21,076	-12.3
Intersegment	1,745	1,906	161	9.2
Total	173,619	152,704	-20,915	-12.0
Operating expenses	167,572	149,741	-17,831	-10.6
Operating profit	6,047	2,963	-3,084	-51.0
Operating profit on sales in the Americas (%)	3.5	1.9		
<b>Europe, Middle East and Africa:</b>				
Sales:				
Unaffiliated customers	136,080	113,097	-22,983	-16.9
Intersegment	333	254	-79	-23.7
Total	136,413	113,351	-23,062	-16.9
Operating expenses	129,676	109,424	-20,252	-15.6
Operating profit	6,737	3,927	-2,810	-41.7
Operating profit on sales in Europe, Middle East and Africa (%)	4.9	3.5		
<b>Other:</b>				
Sales:				
Unaffiliated customers	50,167	44,720	-5,447	-10.9
Intersegment	70,345	62,183	-8,162	-11.6
Total	120,512	106,903	-13,609	-11.3
Operating expenses	111,580	100,081	-11,499	-10.3
Operating profit	8,932	6,822	-2,110	-23.6
Operating profit on sales in Other (%)	7.4	6.4		
<b>Corporate and Eliminations:</b>				
Sales:				
Intersegment	-190,863	-183,881	6,982	-
Total	-190,863	-183,881	6,982	-
Operating expenses	-189,399	-176,368	13,031	-
Operating loss	-1,464	-7,513	-6,049	-
<b>Consolidated:</b>				
Sales:				
Unaffiliated customers	548,678	497,983	-50,695	-9.2
Intersegment	-	-	-	-
Total	548,678	497,983	-50,695	-9.2
Operating expenses	519,336	485,958	-33,378	-6.4
Operating profit	29,342	12,025	-17,317	-59.0
Operating profit on consolidated sales (%)	5.3	2.4		

-APPENDIX-

1. Consolidated Sales by Product Category

Nine months ended December 31, 2015 and 2016

	(Millions of yen)					
	Nine months ended December 31, 2015	Nine months ended December 31, 2016	Change	%	Change excluding exchange impact	%
<Imaging & Solutions>						
Office Imaging	1,068,342	929,054	-139,288	-13.0	-45,973	-4.3
Percentage of sales (%)	65.0	63.2				
Domestic	282,466	270,661	-11,805	-4.2	-11,805	-4.2
Overseas	785,876	658,393	-127,483	-16.2	-34,168	-4.3
Production Printing	165,475	147,911	-17,564	-10.6	164	0.1
Percentage of sales (%)	10.1	10.1				
Domestic	22,331	23,155	824	3.7	824	3.7
Overseas	143,144	124,756	-18,388	-12.8	-660	-0.5
Network System Solutions	234,258	217,513	-16,745	-7.1	-6,664	-2.8
Percentage of sales (%)	14.3	14.8				
Domestic	145,006	147,859	2,853	2.0	2,853	2.0
Overseas	89,252	69,654	-19,598	-22.0	-9,517	-10.7
Imaging & Solutions Total	1,468,075	1,294,478	-173,597	-11.8	-52,473	-3.6
Percentage of sales (%)	89.4	88.1				
Domestic	449,803	441,675	-8,128	-1.8	-8,128	-1.8
Overseas	1,018,272	852,803	-165,469	-16.3	-44,345	-4.4
The Americas	502,863	424,838	-78,025	-15.5	-18,019	-3.6
Europe, Middle East and Africa	377,805	315,973	-61,832	-16.4	-17,913	-4.7
Other	137,604	111,992	-25,612	-18.6	-8,413	-6.1
<Industrial Products>						
Industrial Products	94,674	91,332	-3,342	-3.5	2,823	3.0
Percentage of sales (%)	5.8	6.2				
Domestic	29,621	33,936	4,315	14.6	4,315	14.6
Overseas	65,053	57,396	-7,657	-11.8	-1,492	-2.3
The Americas	18,927	15,948	-2,979	-15.7	-761	-4.0
Europe, Middle East and Africa	15,416	13,789	-1,627	-10.6	3	0.0
Other	30,710	27,659	-3,051	-9.9	-734	-2.4
<Other>						
Other	81,107	83,616	2,509	3.1	4,037	5.0
Percentage of sales (%)	4.8	5.7				
Domestic	69,722	71,385	1,663	2.4	1,663	2.4
Overseas	11,385	12,231	846	7.4	2,374	20.9
The Americas	2,968	2,918	-50	-1.7	371	12.5
Europe, Middle East and Africa	4,109	4,892	783	19.1	1,462	35.6
Other	4,308	4,421	113	2.6	541	12.6
Grand Total	1,643,856	1,469,426	-174,430	-10.6	-45,613	-2.8
Percentage of sales (%)	100.0	100.0				
Domestic	549,146	546,996	-2,150	-0.4	-2,150	-0.4
Percentage of sales (%)	33.4	37.2				
Overseas	1,094,710	922,430	-172,280	-15.7	-43,463	-4.0
Percentage of sales (%)	66.6	62.8				
The Americas	524,758	443,704	-81,054	-15.4	-18,409	-3.5
Percentage of sales (%)	31.9	30.2				
Europe, Middle East and Africa	397,330	334,654	-62,676	-15.8	-16,448	-4.1
Percentage of sales (%)	24.2	22.8				
Other	172,622	144,072	-28,550	-16.5	-8,606	-5.0
Percentage of sales (%)	10.5	9.8				

\* Each category includes the following product line:

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

Three months ended December 31, 2015 and 2016

(Millions of yen)

	Three months ended December 31, 2015	Three months ended December 31, 2016	Change	%	Change excluding exchange impact	%
<Imaging & Solutions>						
Office Imaging	357,012	313,943	-43,069	-12.1	-17,207	-4.8
Percentage of sales (%)	65.1	63.0				
Domestic	96,819	92,436	-4,383	-4.5	-4,383	-4.5
Overseas	260,193	221,507	-38,686	-14.9	-12,824	-4.9
Production Printing	57,338	52,597	-4,741	-8.3	613	1.1
Percentage of sales (%)	10.4	10.6				
Domestic	7,183	7,762	579	8.1	579	8.1
Overseas	50,155	44,835	-5,320	-10.6	34	0.1
Network System Solutions	75,671	72,589	-3,082	-4.1	207	0.3
Percentage of sales (%)	13.8	14.6				
Domestic	44,711	46,797	2,086	4.7	2,086	4.7
Overseas	30,960	25,792	-5,168	-16.7	-1,879	-6.1
Imaging & Solutions Total	490,021	439,129	-50,892	-10.4	-16,387	-3.3
Percentage of sales (%)	89.3	88.2				
Domestic	148,713	146,995	-1,718	-1.2	-1,718	-1.2
Overseas	341,308	292,134	-49,174	-14.4	-14,669	-4.3
The Americas	165,028	144,485	-20,543	-12.4	-4,626	-2.8
Europe, Middle East and Africa	130,849	107,630	-23,219	-17.7	-9,264	-7.1
Other	45,431	40,019	-5,412	-11.9	-779	-1.7
<Industrial Products>						
Industrial Products	31,254	32,150	896	2.9	2,576	8.2
Percentage of sales (%)	5.7	6.4				
Domestic	10,005	12,125	2,120	21.2	2,120	21.2
Overseas	21,249	20,025	-1,224	-5.8	456	2.1
The Americas	5,609	5,632	23	0.4	647	11.5
Europe, Middle East and Africa	5,117	4,450	-667	-13.0	-164	-3.2
Other	10,523	9,943	-580	-5.5	-27	-0.3
<Other>						
Other	27,403	26,704	-699	-2.6	-308	-1.1
Percentage of sales (%)	5.0	5.4				
Domestic	23,407	23,085	-322	-1.4	-322	-1.4
Overseas	3,996	3,619	-377	-9.4	14	0.4
The Americas	1,251	742	-509	-40.7	-439	-35.1
Europe, Middle East and Africa	1,380	1,646	266	19.3	479	34.7
Other	1,365	1,231	-134	-9.8	-26	-1.9
Grand Total	548,678	497,983	-50,695	-9.2	-14,119	-2.6
Percentage of sales (%)	100.0	100.0				
Domestic	182,125	182,205	80	0.0	80	0.0
Percentage of sales (%)	33.2	36.6				
Overseas	366,553	315,778	-50,775	-13.9	-14,199	-3.9
Percentage of sales (%)	66.8	63.4				
The Americas	171,888	150,859	-21,029	-12.2	-4,418	-2.6
Percentage of sales (%)	31.3	30.3				
Europe, Middle East and Africa	137,346	113,726	-23,620	-17.2	-8,949	-6.5
Percentage of sales (%)	25.0	22.8				
Other	57,319	51,193	-6,126	-10.7	-832	-1.5
Percentage of sales (%)	10.5	10.3				

\* Each category includes the following product line:

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

## 2. Forecast of Consolidated Performance

(Billions of yen)

	Nine months ended		Three months ending		Year ending	
	December 31, 2016	Change %	March 31, 2017 Forecast	Change %	March 31, 2017 Forecast	Change %
Sales	1,469.4	-10.6	530.6	-6.1	2,000.0	-9.5
Gross profit	585.5	-13.0	186.4	-10.9	772.0	-12.5
Operating profit	28.5	-66.6	11.4	-32.1	40.0	-60.9
Profit before income tax expenses	26.1	-67.8	11.8	-18.4	38.0	-60.3
Profit attributable to owners of the parent	4.1	-92.0	5.8	-49.1	10.0	-84.1
Earnings per share attributable to owners of the parent-basic (yen)	5.68	-	8.12	-	13.80	-
Earnings per share attributable to owners of the parent- diluted (yen)	-	-	-	-	-	-
Capital expenditures	53.0		25.0		78.0	
Depreciation	50.1		19.9		70.0	
R&D expenditures	83.7		34.3		118.0	
Exchange rate (Yen/US\$)	106.61		105.00		106.21	
Exchange rate (Yen/EURO)	118.03		115.00		117.27	

## 3. Forecast of Consolidated Sales by Product Category

(Billions of yen)

	Year ended	Three months ending		Year ending March 31, 2017			
	March 31, 2016	Forecast	Forecast (Note)	Forecast	Change %	Forecast (Note)	Change %
<Imaging & Solutions>							
Office Imaging	1,432.0	328.0	350.4	1,257.0	-12.2	1,372.8	-4.1
Domestic	391.2	108.4	108.4	379.0	-3.1	379.0	-3.1
Overseas	1,040.8	219.6	242.0	877.9	-15.6	993.7	-4.5
Production Printing	223.8	54.9	59.5	202.8	-9.4	225.1	0.6
Domestic	31.1	9.0	9.0	32.1	3.4	32.1	3.4
Overseas	192.7	45.9	50.5	170.6	-11.4	192.9	0.1
Network System Solutions	318.6	87.8	90.3	305.3	-4.2	317.8	-0.2
Domestic	203.7	63.8	63.8	211.6	3.9	211.6	3.9
Overseas	114.8	24.0	26.5	93.6	-18.5	106.2	-7.5
Imaging & Solutions Total	1,974.5	470.7	500.2	1,765.1	-10.6	1,915.8	-3.0
Domestic	626.0	181.2	181.2	622.8	-0.5	622.8	-0.5
Overseas	1,348.4	289.5	319.0	1,142.3	-15.3	1,292.9	-4.1
The Americas	665.0	144.1	158.3	568.9	-14.5	643.2	-3.3
Europe, Middle East and Africa	505.4	106.9	118.3	422.8	-16.3	478.2	-5.4
Other	177.9	38.5	42.3	150.4	-15.4	171.4	-3.6
<Industrial Products>							
Industrial Products	125.4	33.0	34.9	124.3	-0.9	132.3	5.5
Domestic	41.4	13.6	13.6	47.5	14.6	47.5	14.6
Overseas	83.9	19.4	21.3	76.7	-8.6	84.8	1.1
The Americas	24.8	6.2	6.8	22.1	-11.0	24.9	0.3
Europe, Middle East and Africa	20.3	4.7	5.2	18.4	-9.0	20.6	1.5
Other	38.7	8.5	9.3	36.1	-6.7	39.2	1.3
<Other>							
Other	109.0	26.9	27.2	110.5	1.3	112.3	3.0
Domestic	94.0	24.2	24.2	95.5	1.7	95.5	1.7
Overseas	15.0	2.7	3.0	14.9	-0.6	16.7	11.5
The Americas	3.8	0.5	0.6	3.4	-11.1	3.9	2.4
Europe, Middle East and Africa	5.2	1.1	1.2	5.9	14.0	6.7	28.8
Other	5.9	1.1	1.2	5.5	-6.8	6.0	2.1
Grand Total	2,209.0	530.6	562.3	2,000.0	-9.5	2,160.5	-2.2
Domestic	761.5	219.0	219.0	766.0	0.6	765.9	0.6
Overseas	1,447.4	311.6	343.3	1,234.0	-14.7	1,394.6	-3.7
The Americas	693.7	150.8	165.7	594.5	-14.3	672.2	-3.1
Europe, Middle East and Africa	531.0	112.7	124.7	447.3	-15.8	505.6	-4.8
Other	222.6	48.1	52.8	192.1	-13.7	216.8	-2.6

(Note) Excluding foreign exchange impact