

Edgar Filing: RICOH CO LTD - Form 6-K

RICOH CO LTD
Form 6-K
February 13, 2014

FORM 6-K

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

REPORT OF FOREIGN PRIVATE ISSUER

Pursuant to Rule 13a-16 or 15d-16
of the Securities Exchange Act of 1934

For the month of February 2014

Commission File Number 2 - 68279

RICOH COMPANY, LTD.

(Translation of Registrant's name into English)

13-1, Ginza 8-Chome, Chuo-ku, Tokyo 104-8222, Japan

(Address of Principal Executive Offices)

(Indicate by check mark whether the registrant files or will file annual reports
under cover Form 20-F or Form 40-F.)

Form 20-F ☒ Form 40-F ☐

(Indicate by check mark if the registrant is submitting the Form 6-K in paper as
permitted by Regulation S-T Rule 101(b)(1): ☐)

(Indicate by check mark if the registrant is submitting the Form 6-K in paper as
permitted by Regulation S-T Rule 101(b)(7): ☐)

(Indicate by check mark whether by furnishing the information contained in this
Form, the registrant is also thereby furnishing the information to the
Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of
1934.)

Yes ☐ No ☒

(If "Yes" is marked, indicate below the file number assigned to the registrant
in connection with Rule 12g3-2(b): 82-__)

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the
registrant has duly caused this report to be signed on its behalf by the
undersigned, thereunto duly authorized.

Ricoh Company, Ltd.

(Registrant)

Edgar Filing: RICOH CO LTD - Form 6-K

By: /S/ Zenji Miura

Zenji Miura
Representative Director, President
and Chief Executive Officer
(principal executive officer)

February 13, 2014

RICOH COMPANY, LTD.

Consolidated Financial Statements
For the Nine Months Ended December 31, 2013

This is an English translation of the Quarterly Securities Report (Shihanki Hokokusho) for the nine months ended December 31, 2013 pursuant to the Japanese Financial Instrument and Exchange Law.

Ricoh Company, Ltd. and Consolidated Subsidiaries
CONSOLIDATED BALANCE SHEETS
March 31, 2013 and December 31, 2013

	Millions of	
	March 31,	Dec
	2013	
ASSETS		
Current assets:		
Cash and cash equivalents	117,051	
Time deposits	3,280	
Trade receivables:		
Notes	36,772	
Accounts	488,233	
Less- Allowance for doubtful receivables	(15,424)	
Current maturities of long-term finance receivables, net	235,889	
Inventories:		
Finished goods	101,568	
Work in process and raw materials	93,799	
Deferred income taxes and other	65,051	
Total current assets	1,126,219	
Property, plant and equipment, at cost:		
Land	45,809	
Buildings	271,272	
Machinery and equipment	701,590	
Construction in progress	17,891	
Total	1,036,562	
Less- accumulated depreciation	(745,687)	
Net property, plant and equipment	290,875	
Investments and other assets:		

Edgar Filing: RICOH CO LTD - Form 6-K

Long-term finance receivables, net	466,608
Investment securities	54,102
Investments in and advances to affiliates	1,026
Goodwill	221,217
Other intangible assets	107,702
Lease deposits and other	92,948
<hr/>	
Total investments and other assets	943,603
<hr/>	
Total assets	2,360,697
<hr/>	

1

	Millions of	
	March 31,	Deco
	2013	
<hr/>		
LIABILITIES AND SHAREHOLDERS' EQUITY		
<hr/>		
Current liabilities:		
Short-term borrowings	65,219	
Current maturities of long-term indebtedness	161,180	
Trade payables:		
Notes	15,197	
Accounts	241,341	
Accrued income taxes	12,091	
Accrued expenses and other	205,339	
<hr/>		
Total current liabilities	700,367	
<hr/>		
Long-term liabilities:		
Long-term indebtedness	476,381	
Accrued pension and severance costs	164,289	
Deferred income taxes and other	61,002	
<hr/>		
Total long-term liabilities	701,672	
<hr/>		
Equity:		
Ricoh Company, Ltd. shareholders' equity:		
Common stock	135,364	
Additional paid-in capital	186,083	
Retained earnings	759,783	
Accumulated other comprehensive loss	(146,088)	
Treasury stock at cost	(37,146)	
<hr/>		
Total Ricoh Company, Ltd. shareholders' equity	897,996	
<hr/>		
Noncontrolling interests	60,662	
<hr/>		
Total equity	958,658	
<hr/>		
Total liabilities and equity	2,360,697	
<hr/>		

Edgar Filing: RICOH CO LTD - Form 6-K

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

2

Ricoh Company, Ltd. and Consolidated Subsidiaries
CONSOLIDATED STATEMENTS OF OPERATIONS
For the Nine Months Ended December 31, 2012 and 2013

	Millions of
	Nine months ended December 31, 2012
Net Sales:	
Products	620,920
Post sales and rentals	680,676
Other revenue	85,503
Total	1,387,099
Cost of sales:	
Products	448,652
Post sales and rentals	313,731
Other revenue	61,314
Total	823,697
Gross profit	563,402
Selling, general and administrative expenses	522,919
Operating income	40,483
Other (income) expenses:	
Interest and dividend income	(1,916)
Interest expense	5,047
Gain on sale of investment securities, net	(24)
Foreign currency exchange loss, net	1,301
Other, net	(199)
Total	4,209
Income before income taxes and equity in earnings of affiliates	36,274
Provision for income taxes:	
Current	13,575
Deferred	1,935
Total	15,510
Equity in earnings of affiliates	47
Consolidated net income	20,811
Net income attributable to noncontrolling interests	3,509

Edgar Filing: RICOH CO LTD - Form 6-K

Net income attributable to Ricoh Company, Ltd.

17,302

Yen

Nine months ended
December 31, 2012

Per share of common stock:

Net income attributable to Ricoh Company, Ltd.

Basic	23.86
Diluted	--

Cash dividends paid per share	21.00
-------------------------------	-------

Per American Depositary Share, each representing 5 shares of
common stock:

Net income attributable to Ricoh Company, Ltd.

Basic	119.30
Diluted	--

Cash dividends paid per share	105.00
-------------------------------	--------

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

3

For the Three Months Ended December 31, 2012 and 2013

Millions of

Three months ended
December 31, 2012

Net Sales:

Products	206,212
Post sales and rentals	234,469
Other revenue	28,951

Total	469,632
-------	---------

Cost of sales:

Products	151,118
Post sales and rentals	108,546
Other revenue	20,972

Edgar Filing: RICOH CO LTD - Form 6-K

Total	280,636
Gross profit	188,996
Selling, general and administrative expenses	175,901
Operating income	13,095
Other (income) expenses:	
Interest and dividend income	(380)
Interest expense	1,492
Gain (loss) on sale of investment securities, net	1
Foreign currency exchange gain (loss), net	341
Other, net	(143)
Total	1,311
Income before income taxes and equity in earnings of affiliates	11,784
Provision for income taxes:	
Current	2,816
Deferred	2,293
Total	5,109
Equity in earnings of affiliates	(10)
Consolidated net income	6,665
Net income attributable to noncontrolling interest	1,076
Net income attributable to Ricoh Company, Ltd.	5,589

	Yen	
	Three months ended December 31, 2012	Th De
Per share of common stock:		
Net income attributable to Ricoh Company, Ltd.		
Basic	7.71	
Diluted	--	
Cash dividends paid per share	12.50	
Per American Depositary Share, each representing 5 shares of common stock:		
Net income attributable to Ricoh Company, Ltd.		
Basic	38.55	
Diluted	--	
Cash dividends paid per share	62.50	

Edgar Filing: RICOH CO LTD - Form 6-K

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

4

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME For the Nine Months Ended December 31, 2012 and 2013

	Millions of
	Nine months ended December 31, 2012
Consolidated net income	20,811
Other comprehensive income (loss), net of tax:	
Net unrealized holding gains (losses) on available-for-sale securities	(449)
Pension liability adjustments	(747)
Net unrealized gains (losses) on derivative instruments	(117)
Foreign currency translation adjustments	22,028
Total	20,715
Comprehensive income	41,526
Comprehensive income attributable to noncontrolling interests	3,351
Comprehensive income attributable to Ricoh Company, Ltd.	38,175

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

For the Three Months Ended December 31, 2012 and 2013

	Millions of
	Three months ended December 31, 2012
Consolidated net income	6,665
Other comprehensive income (loss), net of tax:	
Net unrealized holding gains on available-for-sale securities	1,040
Pension liability adjustments	(4,195)
Net unrealized gains on derivative instruments	175
Foreign currency translation adjustments	50,876
Total	47,896
Comprehensive income	54,561
Comprehensive income attributable to noncontrolling interests	1,204

Edgar Filing: RICOH CO LTD - Form 6-K

Comprehensive income attributable to Ricoh Company, Ltd.

53,357

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

5

Ricoh Company, Ltd. and Consolidated Subsidiaries CONSOLIDATED STATEMENTS OF CASH FLOWS For the Nine Months Ended December 31, 2012 and 2013

	Millions
	----- Nine months ended December 31, 2012 -----
CASH FLOWS FROM OPERATING ACTIVITIES:	
Consolidated net income	20,811
Adjustments to reconcile consolidated net income to net cash provided by operating activities	
Depreciation and amortization	62,918
Equity in earnings of affiliates, net of dividends received	(47)
Deferred income taxes	1,935
Gain on sale of investment securities, net	(24)
Pension and severance costs, less payment	(2,843)
Changes in assets and liabilities, net of effects from acquisition-	
Increase in trade receivables	(4,714)
Increase in inventories	(9,259)
Increase in finance receivables	(12,800)
Decrease in trade payables	(15,464)
Decrease in accrued income taxes and accrued expenses and other	(17,068)
Other, net	4,895
Net cash provided by operating activities	28,340
CASH FLOWS FROM INVESTING ACTIVITIES:	
Proceeds from sales of property, plant and equipment	1,399
Expenditures for property, plant and equipment, including interest capitalized	(61,156)
Expenditures for intangible assets	(8,340)
Payments for purchases of available-for-sale securities	(91)
Proceeds from sales of available-for-sale securities	64
(Increase) Decrease in time deposits, net	(1,276)
Other, net	(6,886)
Net cash used in investing activities	(76,286)
CASH FLOWS FROM FINANCING ACTIVITIES:	
Net proceeds (repayments) of debt with original maturities of three months or less	(19,644)
Proceeds from debt with original maturities of more than three months	128,762
Repayments of debt with original maturities of more than three months	(87,786)
Proceeds from issuance of long-term debt securities	20,000

Edgar Filing: RICOH CO LTD - Form 6-K

Repayment of long-term debt securities	--
Dividends paid	(15,226)
Payment for purchase of treasury stock	(8)
Other, net	(694)
<hr/>	
Net cash provided by financing activities	25,404
<hr/>	
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	740
<hr/>	
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(21,802)
<hr/>	
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	156,210
<hr/>	
CASH AND CASH EQUIVALENTS AT END OF PERIOD	134,408
<hr/>	

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

6

Ricoh Company, Ltd. and Consolidated Subsidiaries NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING AND REPORTING POLICIES

According to the article 95 of the "Regulations Regarding Terms, Forms and Preparation of Interim Consolidated Financial Statements" (Cabinet office Ordinance No.64, 2007), the accompanying consolidated financial statements of Ricoh (Ricoh Company, Ltd. and its consolidated subsidiaries) have been prepared in conformity with U.S. generally accepted accounting principles. Significant accounting and reporting policies are summarized below:

The accompanying consolidated financial statements for the nine months ended December 31, 2013 are presented in Japanese yen, the functional currency of the Company and its domestic subsidiaries.

The books of the Company and its domestic subsidiaries are maintained in conformity with Japanese accounting principles and practices, while foreign subsidiaries maintain their books in conformity with the standards of their country of domicile.

The accompanying consolidated financial statements reflect necessary adjustments, not recorded in the books, to present them in conformity with U.S. generally accepted accounting principles ("U.S. GAAP").

(A) PRINCIPLES OF CONSOLIDATION

The accompanying consolidated financial statements include the accounts of the Company and all majority-owned subsidiaries. The accounts of variable interest entity are included in the consolidated financial statements, if applicable. Investments in entities in which Ricoh has the ability to exercise significant influence over the entities' operating and financial policies (generally 20% to 50% ownership) are accounted for on an equity basis. All significant inter-company balances and transactions have been eliminated in consolidation.

(B) REVENUE RECOGNITION

Edgar Filing: RICOH CO LTD - Form 6-K

Ricoh generates revenue principally through the sale of equipment, supplies and related services under separate contractual arrangements for each. Ricoh recognizes revenue when (1) it has a firm contract, (2) the product has been shipped to and accepted by the customer or the service has been provided, (3) the sales price is fixed or determinable and (4) amounts are reasonably assured of collection.

Products sales are recognized at the time of delivery and installation at the customer location. Equipment revenues are based on established prices by product type and model and are net of discounts. A sales return is accepted only when the equipment is defective and does not meet Ricoh's product performance specifications. Other than installation, there are no customer acceptance clauses in the sales contract.

Post sales and rentals result primarily from maintenance contracts that are normally entered into at the time the equipment is sold. Standard service fee prices are established depending on equipment classification and include a cost value for the estimated services to be performed based on historical experience plus a profit margin thereon. As a matter of policy, Ricoh does not discount such prices. On a monthly basis, maintenance service revenues are earned and recognized by Ricoh and billed to the customer in accordance with the contract and include a fixed monthly fee plus a variable amount based on usage. The length of the contract ranges up to five years; however, most contracts are cancelable at any time by the customer upon a short notice period. Leases not qualifying as sales-type leases or direct financing leases are accounted for as operating leases and related revenue is recognized over the lease term.

7

Ricoh enters into arrangements with multiple elements, which may include any combination of products, equipment, installation and maintenance. Consideration in a multiple-element arrangement is allocated at the inception of the arrangement to all deliverables on the basis of the relative selling price if both of the following criteria are met: the delivered item(s) has value to the customer on a stand-alone basis; and the delivery of the undelivered item must be probable and controlled by Ricoh if the arrangement includes the right of return. If these criteria are not met, revenue is deferred until the undelivered elements are fulfilled and accounted for as a single unit of accounting.

Revenue from the sale of equipment under sales-type leases is recognized as product sales at the inception of the lease. Other revenue consists primarily of interest income on sales-type leases and direct-financing leases, which are recognized as other revenue over the life of each respective lease using the interest method.

(C) FOREIGN CURRENCY TRANSLATION

For foreign operations with functional currencies other than the Japanese yen, assets and liabilities are translated at the exchange rates in effect at each fiscal year-end, and income and expenses are translated at the average rates of exchange prevailing during each fiscal year. The resulting translation adjustments are included as a part of accumulated other comprehensive income (loss) and noncontrolling interests in equity.

All foreign currency transaction gains and losses are included in other income and expenses in the period incurred.

(D) CASH EQUIVALENTS

Edgar Filing: RICOH CO LTD - Form 6-K

Cash and cash equivalents include highly liquid investments such as certificates of deposits (CD) and time deposits with maturities of three months or less.

In addition, short term investments such as money management funds (MMF) and free financial funds (FFF) with maturities of three months or less are also classified into cash and cash equivalents, as they are readily convertible to cash and present insignificant risk of changes in value.

(E) DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGING ACTIVITIES

As discussed further in Note 8, Ricoh manages its exposure to certain market risks, primarily foreign currency and interest rate risks, through the use of derivative instruments. As a matter of policy, Ricoh does not enter into derivative contracts for trading or speculative purposes.

Ricoh recognizes all derivative instruments as either assets or liabilities in the consolidated balance sheets and measures those instruments at fair value. When Ricoh enters into a derivative contract, it makes a determination as to whether or not for accounting purposes the derivative is part of a hedging relationship. In general, a derivative may be designated as either (1) a hedge of the fair value changes of a recognized asset or liability or an unrecognized firm commitment ("fair value hedge"), (2) a hedge of the variability of the expected cash flows associated with an existing asset or liability or a forecasted transaction ("cash flow hedge"), or (3) a foreign currency fair value or cash flow hedge ("foreign currency hedge"). Ricoh formally documents all relationships between hedging instruments and hedged items, as well as its risk-management objective and strategy for undertaking various hedge transactions. This process includes linking all derivatives that are designated as fair value, cash flow, or foreign currency hedges to specific assets and liabilities on the consolidated balance sheets or to specific firm commitments or forecasted transactions.

8

For derivative contracts that are designated and qualify as fair value hedges including foreign currency fair value hedges, the derivative instrument is marked-to-market with gains and losses recognized in current period earnings to offset the respective losses and gains recognized on the change in fair value of the hedged item. For derivative contracts that are designated and qualify as cash flow hedges including foreign currency cash flow hedges, the effective portion of gains and losses on these contracts is reported as a component of accumulated other comprehensive income (loss) and noncontrolling interests in equity, and reclassified into earnings in the same period the hedged item or transaction affects earnings. Any hedge ineffectiveness on cash flow hedges is immediately recognized in earnings. For all derivative instruments that are not designated as part of a hedging relationship and for designated derivative instruments that do not qualify for hedge accounting, the contracts are recorded at fair value with the gain or loss recognized in current period earnings.

(F) ALLOWANCE FOR DOUBTFUL TRADE RECEIVABLES AND FINANCE RECEIVABLES

Ricoh records allowances for doubtful receivables that are based upon historical experience and specific customer collection issues. The estimated amount of probable credit losses in its existing receivables is determined from write-off history adjusted to reflect current economic conditions and specific allowances for receivables including nonperforming leases, impaired loans or other accounts for which Ricoh has concluded it will be unable to collect all amounts due according to original terms of the lease or loan agreement. Account balances net

Edgar Filing: RICOH CO LTD - Form 6-K

of expected recovery from available collateral are charged-off against the allowances when collection is considered remote.

(G) SECURITIES

Ricoh's investments in debt and marketable equity securities are classified as available-for-sale securities. Available-for-sale securities are reported at fair value with unrealized gains and losses, net of related taxes, reported in accumulated other comprehensive income (loss) and noncontrolling interests in equity.

Individual securities classified as available-for-sale securities are reduced to fair market value by a charge to income for other than temporary declines in value. Factors considered in assessing whether an indication of other than temporary impairment exists with respect to available-for-sale securities include: financial condition and near term prospects of issuer and intent and ability of Ricoh to retain its investments for a period of time sufficient to allow for any anticipated recovery in market value.

The cost of the securities sold is computed based on the average cost of each security held at the time of sale.

Investments in affiliated companies over which Ricoh has the ability to exercise significant influence, but does not hold a controlling financial interest, are accounted for by the equity method.

Non-marketable equity securities owned by Ricoh primarily relate to less than 20% owned companies and funds are stated at cost unless indication of impairment exist, which require the investment to be written down to its estimated fair value.

(H) INVENTORIES

Inventories are mainly stated at the lower of average cost or net realizable values. Inventory costs include raw materials, labor and manufacturing overheads.

9

(I) PROPERTY, PLANT AND EQUIPMENT

The depreciation of property, plant and equipment is computed principally by using the straight-line method over the estimated useful lives. The depreciation period generally ranges from 5 years to 50 years for buildings and 2 years to 12 years for machinery and equipment.

Ordinary maintenance and repairs are charged to expense as incurred. Major replacements and improvements are capitalized. When properties are retired or otherwise disposed of, the property and related accumulated depreciation accounts are relieved of the applicable amounts, and any differences are included in earnings.

(J) CAPITALIZED SOFTWARE COSTS

Ricoh capitalizes certain internal and external costs incurred to acquire or create internal use software during the application development stage as well as upgrades and enhancements that result in additional functionality. The capitalized software is amortized on a straight line basis generally from 3 years to 5 years.

Edgar Filing: RICOH CO LTD - Form 6-K

(K) GOODWILL AND OTHER INTANGIBLE ASSETS

Goodwill is not amortized and is required to be tested at least annually for impairment. Acquired intangible assets with a definite useful life are amortized over their respective estimated useful lives and reviewed for impairment when an indication of impairment is identified. Other intangible assets with definite useful lives, consisting primarily of software, customer relationships and trademarks are amortized on a straight line basis over 1 year to 20 years. Any acquired intangible assets determined to have an indefinite useful life are not amortized, but instead are tested annually for impairment based on its fair value until its life would be determined to no longer be indefinite. In performing the goodwill impairment test, Ricoh utilizes the two-step approach prescribed. The first step requires a comparison of the carrying amount of the reporting units to the fair value of these units. If the carrying amount of a reporting unit exceeds its fair value, Ricoh will perform the second step of the goodwill impairment test to measure the amount of impairment loss, if any.

(L) PENSION AND RETIREMENT ALLOWANCES PLANS

Ricoh recognizes the overfunded or underfunded status of the defined benefit plans as an asset or liability in the consolidated balance sheets, with a corresponding adjustment to accumulated other comprehensive income (loss) and noncontrolling interests, net of tax. The expected long-term rate of return on plan assets used for pension accounting is determined based on the historical long-term rate of return on plan assets. The discount rate is determined based on the rates of return of high-quality fixed-income investments currently available and expected to be available during the period to maturity of the pension benefits.

(M) INCOME TAXES

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences and carryforwards are expected to be realized or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

Ricoh recognizes interest and penalties related to unrecognized tax benefits in provision for income taxes in the consolidated statements of operations.

10

(N) RESEARCH AND DEVELOPMENT EXPENSES AND ADVERTISING COSTS

Research and development expenses and advertising costs are expensed as incurred.

(O) SHIPPING AND HANDLING COSTS

Shipping and handling costs, which mainly include transportation to customers, are included in selling, general and administrative expenses in the consolidated statements of operations.

(P) IMPAIRMENT OR DISPOSAL OF LONG-LIVED ASSETS

Edgar Filing: RICOH CO LTD - Form 6-K

Long-lived assets and acquired intangible assets with a definite life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset or asset group may not be recoverable. Recoverability of assets to be held and used is assessed by comparing the carrying amount of an asset or asset group to the expected future undiscounted net cash flows of the asset or asset group. If an asset or asset group is considered to be impaired, the impairment charge to be recognized is measured as the amount by which the carrying amount of the asset or asset group exceeds fair value. Long-lived assets meeting the criteria to be considered as held for sale are reported at the lower of their carrying amount or fair value less costs to sell.

(Q) NET INCOME ATTRIBUTABLE TO RICOH COMPANY, LTD. PER SHARE

Basic net income attributable to Ricoh Company, Ltd. per share of common stock is calculated by dividing net income attributable to Ricoh Company, Ltd. by the weighted-average number of shares of common stock outstanding during the period. The calculation of diluted net income attributable to Ricoh Company, Ltd. per share of common stock is similar to the calculation of basic net income attributable to Ricoh Company, Ltd. per share, except that the weighted-average number of shares outstanding includes the additional dilution from potential common stock equivalents such as convertible bonds.

(R) USE OF ESTIMATES

Management of Ricoh has made a number of estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and the disclosures of fair value of financial instruments and contingent assets and liabilities, to prepare these financial statements in conformity with U.S. generally accepted accounting principles. Actual results could differ from those estimates.

Ricoh has identified seven areas where it believes assumptions and estimates are particularly critical to the consolidated financial statements. These are determination of the allowance for doubtful receivables, impairment of securities, impairment of long-lived assets including goodwill, uncertain tax positions, realizability of deferred tax assets, the valuation of assets and liabilities in business combinations and pension accounting.

(S) RECENTLY ADOPTED NEW ACCOUNTING STANDARDS

Ricoh adopted retroactively Accounting Standards Update (ASU) 2011-11 and ASU 2013-01 from April 1 2013. ASU 2011-11 requires an entity to disclose information about offsetting and related arrangements. ASU 2013-01 replaced ASU 2011-11. The updates create new disclosure requirements requiring entities to disclose both gross and net information for derivatives and other financial instruments that are either offset in the Statement of assets and liabilities or subject to an enforceable master netting arrangement or similar agreement. These ASU's impact disclosures only and will have no impact on Ricoh's consolidated financial position.

Ricoh adopted ASU 2013-02 from April 1 2013. This ASU requires an entity to report the effect of reclassifications out of accumulated other comprehensive income. This ASU will only impact disclosures and will have no impact on Ricoh's consolidated financial position.

Edgar Filing: RICOH CO LTD - Form 6-K

(T) RECLASSIFICATION

Certain reclassifications have been made to the prior year's financial statements to conform to the current year's presentation.

12

2. SECURITIES

Investment securities as of March 31, 2013 and December 31, 2013 consist of the following:

	Millions of Yen	
	March 31, 2013	December 31, 2013
Investment securities:		
Available-for-sale securities	52,319	59,331
Non-marketable equity securities	1,783	2,051
	54,102	61,382

The noncurrent security types of available-for-sale securities, and the respective cost, gross unrealized holding gains, gross unrealized holding losses and fair value as of March 31, 2013 and December 31, 2013 are as follows:

	Millions of Yen						
	March 31, 2013				December 31, 2013		
	Cost	Gross unrealized holding gains	Gross unrealized holding losses	Fair value	Cost	Gross unrealized holding gains	Gross unrealized holding losses
Noncurrent:							
Equity securities	35,378	15,058	69	50,367	30,706	26,720	32
Corporate debt securities	1,836	116	--	1,952	1,916	21	--
	37,214	15,174	69	52,319	32,622	26,741	32

Gross unrealized holding losses and the fair value of available-for-sale securities, aggregated by investment category and length of time that individual securities have been in a continuous unrealized loss position at March 31, 2013 and December 31, 2013 are as follows:

Millions of Yen	
March 31, 2013	

Edgar Filing: RICOH CO LTD - Form 6-K

	Less than 12 months		12 months or longer		To
	Gross unrealized holding losses		Gross unrealized holding losses		
	Fair value		Fair value		Fair value
Noncurrent:					
Available-for-sale:					
Equity securities	61	5	288	64	349

	Millions of Yen				
	December 31, 2013				
	Less than 12 months		12 months or longer		To
	Gross unrealized holding losses		Gross unrealized holding losses		
	Fair value		Fair value		Fair value
Noncurrent:					
Available-for-sale:					
Equity securities	38	4	143	28	181

13

Gross unrealized holding losses of available-for-sale securities as of March 31, 2013 and December 31, 2013 consist of 13 and 9 kinds of securities. Ricoh concluded that the decline in fair value of investment securities at period end to be temporary, with considering such factors as financial and operating conditions of issuer, the industry in which the issuer operates and other relevant factors. Ricoh judged the degree of decline in fair value of investment securities against the fair value to be immaterial.

The contractual maturities of debt securities classified as available-for-sale as of December 31, 2013 are as follows:

	Millions of Yen	
	Cost	Fair value
Due after one year through five years	773	764
Over five years	1,143	1,173
	1,916	1,937

There were no significant proceeds from the sales of available-for-sale securities for the nine months ended December 31, 2012. The proceeds from the

Edgar Filing: RICOH CO LTD - Form 6-K

sales of available-for-sale securities for the nine months ended December 31, 2013 was Yen 7,153 million.

There were no significant realized gains or losses on sales of available-for-sale securities for the nine months ended December 31, 2012. The realized gains on sales of available-for-sale securities for the nine months ended December 31, 2013 was Yen 2,349 million. There were no significant realized losses on sales of available-for-sale securities for the nine months ended December 31, 2013.

There were no significant realized gains or losses on valuation of available-for-sale securities for the nine months ended December 31, 2012 and 2013.

3. PENSION AND RETIREMENT ALLOWANCE PLANS

From October 1, 2013, some of domestic subsidiaries have modified a portion of the existing defined benefit pension plans into defined contribution plan. As a result of this modification, Ricoh recognized curtailment gain in net periodic pension cost for the three months and the six months ended September 30, 2013.

The net periodic pension costs of the pension plans consist of the following components:

	Millions of Yen	
	Nine months ended December 31, 2012	Nine months ended December 31, 2013
Service cost	9,370	9,020
Interest cost	9,804	10,469
Expected return on plan assets	(7,942)	(10,702)
Net amortization	2,768	2,317
Curtailment gain	--	(5,951)
Total net periodic pension cost	14,000	5,153

14

	Millions of Yen	
	Three months ended December 31, 2012	Three months ended December 31, 2013
Service cost	3,148	2,836
Interest cost	3,327	3,496
Expected return on plan assets	(2,687)	(3,556)
Net amortization	929	708
Curtailment gain	--	(901)
Total net periodic pension cost	4,717	2,583

4. EQUITY

The change in Ricoh shareholders' equity, noncontrolling interests and total equity for the nine months ended December 31, 2012 and 2013 are as follows:

Edgar Filing: RICOH CO LTD - Form 6-K

	Millions of Yen			
	Nine months ended December 31, 2012			Nine months ended
	Ricoh Shareholders' Equity	Noncontrolling Interests	Total Equity	Ricoh Shareholders' Equity
Equity, Beginning of Period	822,704	56,314	879,018	897,996
Net income	17,302	3,509	20,811	43,563
Unrealized gains (losses) on securities	(447)	(2)	(449)	7,618
Pension liability adjustments	(761)	14	(747)	7,094
Unrealized gains (losses) on derivatives	(115)	(2)	(117)	586
Foreign currency translation adjustments	22,196	(168)	22,028	70,659
Comprehensive income	38,175	3,351	41,526	129,520
Cash dividends on Common stock	(15,226)	--	(15,226)	(23,925)
Distributions to Noncontrolling interests	--	(697)	(697)	--
Net changes in Treasury stock	(14)	--	(14)	(120)
Other	(7)	--	(7)	(3)
Equity, End of Period	845,632	58,968	904,600	1,003,468

5. OTHER COMPREHENSIVE INCOME (LOSS)

Changes in accumulated other comprehensive income (loss) during the nine months ended December 31, 2013 is as follows:

	Millions of Yen			
	Nine months ended December 31, 2013			
	Unrealized gains (losses) on securities	Pension liability adjustments	Unrealized gains (losses) on derivatives	Foreign currency translation adjustments
Beginning balance	8,665	(64,266)	(861)	(89,626)
Other comprehensive income before reclassifications	9,161	5,537	818	70,479
Reclassifications from other comprehensive income	(1,492)	1,456	71	--
Other comprehensive income	7,669	6,993	889	70,479
Less: Other comprehensive income attributable to noncontrolling interests	51	(101)	303	(180)

Edgar Filing: RICOH CO LTD - Form 6-K

Ending balance	16,283	(57,172)	(275)	(18,967)
----------------	--------	----------	-------	----------

15

Tax effects allocated to other comprehensive income before reclassifications resulting from unrealized gains (losses) on securities, pension liability adjustments, unrealized gains (losses) on derivatives and foreign currency translation adjustments are Yen (4,767) million, Yen (3,088) million, Yen (495) million and Yen (226) million, respectively.

Changes in accumulated other comprehensive income (loss) during the three months ended December 31, 2013 is as follows:

	Millions of Yen			
	Three months ended December 31, 2013			
	Unrealized gains (losses) on securities	Pension liability adjustments	Unrealized gains (losses) on derivatives	Foreign currency translation adjustments
Beginning balance	11,797	(58,012)	(444)	(62,702)
Other comprehensive income before reclassifications	4,501	381	359	43,766
Reclassifications from other comprehensive income	(21)	456	25	--
Other comprehensive income	4,480	837	384	43,766
Less: Other comprehensive income attributable to noncontrolling interests	(6)	(3)	215	31
Ending balance	16,283	(57,172)	(275)	(18,967)

Tax effects allocated to other comprehensive income before reclassifications resulting from unrealized gains (losses) on securities, pension liability adjustments, unrealized gains (losses) on derivatives and foreign currency translation adjustments are Yen (2,477) million, Yen (213) million, Yen (215) million and Yen (85) million, respectively.

Reclassifications out of accumulated other comprehensive income (loss) during the nine months ended December 31, 2013 is as follows:

	Millions of Yen			
	Nine months ended December 31, 2013			

Edgar Filing: RICOH CO LTD - Form 6-K

	Reclassification out of Accumulated other comprehensive income	Affected line items in consolidated statement operations
Unrealized gains and losses on securities:		
	2,324	Gain on sale of investment securities, net
	(832)	Provision for income tax
	1,492	Consolidated net income
Pension liability adjustments:		
	(2,317)	(b)
	861	Provision for income tax
	(1,456)	Consolidated net income

16

	Millions of Yen	
	Nine months ended December 31, 2013	
	Reclassification out of Accumulated other comprehensive income	Affected line items in consolidated statement operations
Unrealized gains and losses on derivatives:	(115)	Interest expense
	44	Provision for income tax
	(71)	Consolidated net income
Total reclassification adjustments, net of tax	(35)	

(a) Amounts in parentheses indicate losses in consolidated statements of operations.

(b) This accumulated other comprehensive income (loss) component is included in the computation of net periodic pension cost. (See Note 3 for the information.)

Reclassifications out of accumulated other comprehensive income (loss) during the three months ended December 31, 2013 is as follows:

	Millions of Yen
	Three months ended December 31, 2013
Reclassification out	

Edgar Filing: RICOH CO LTD - Form 6-K

	of Accumulated other comprehensive income	Affected line items in consolidated statement operations
Unrealized gains and losses on securities:		
	32	Gain on sale of investm
	(11)	securities, net
	-----	Provision for income ta
	21	Consolidated net income

Pension liability adjustments:		
	(708)	(b)
	252	Provision for income ta

	(456)	Consolidated net income

Unrealized gains and losses on derivatives:	(40)	Interest expense
	15	Provision for income ta

	(25)	Consolidated net income

Total reclassification adjustments, net of tax	(460)	
	=====	

(a) Amounts in parentheses indicate losses in consolidated statements of operations.

(b) This accumulated other comprehensive income (loss) component is included in the computation of net periodic pension cost. (See Note 3 for the information.)

17

6. DIVIDENDS

Cash dividends paid during the nine months ended December 31, 2012 is as follows:

Resolved at the General meetings of Shareholders on June 26, 2012

Total amount of dividends (million of yen)	6,163
Dividend per share of common stock (yen)	8.50
Record date	March 31, 2012
Effective date	June 27, 2012
Resource for dividend	Retained earnings
=====	

Resolved at the Board meeting on October 30, 2012

Total amount of dividends (millions of yen)	9,063
Dividend per share of common stock (yen)	12.50
Record date	September 30, 2012
Effective date	December 3, 2012
Resource for dividend	Retained earnings
=====	

Cash dividends paid during the nine months ended December 31, 2013 is as follows:

Edgar Filing: RICOH CO LTD - Form 6-K

Resolved at the General meetings of Shareholders on June 21, 2013

Total amount of dividends (million of yen)	11,963
Dividend per share of common stock (yen)	16.50
Record date	March 31, 2013
Effective date	June 24, 2012
Resource for dividend	Retained earnings

Resolved at the Board meeting on October 31, 2013

Total amount of dividends (millions of yen)	11,962
Dividend per share of common stock (yen)	16.50
Record date	September 30, 2013
Effective date	December 2, 2013
Resource for dividend	Retained earnings

7. PER SHARE DATA

Ricoh shareholders' equity per share was Yen 1,238.55 and Yen 1,384.23 as of March 31, 2013 and December 31, 2013, respectively. Dividends per share shown in the consolidated statement of operations are computed based on dividends paid for the third quarter ended December 31, 2012 and 2013.

A reconciliation of the numerator and the denominators of the basic and diluted per share computations for net income attributable to Ricoh Company, Ltd. are as follows:

	Thousands of shares	
	Nine months ended December 31, 2012	Nine months December 31,
Weighted average number of shares of common stock outstanding	725,069	725,000

	Millions of Yen	
	Nine months ended December 31, 2012	Nine months December 31,
Net income attributable to Ricoh Company, Ltd.	17,302	43,563

	Yen	
	Nine months ended	Nine months

Edgar Filing: RICOH CO LTD - Form 6-K

	December 31, 2012	December 31,
Net income attributable to Ricoh Company, Ltd. per share:	23.86	60.09

	Thousands of shares	
	Three months ended December 31, 2012	Three months December 31,
Weighted average number of shares of common stock outstanding	725,059	724,997

	Millions of Yen	
	Three months ended December 31, 2012	Three months December 31,
Net income attributable to Ricoh Company, Ltd.	5,589	18,852

	Yen	
	Three months ended December 31, 2012	Three months December 31,
Net income attributable to Ricoh Company, Ltd. per share:	7.71	26.00

Diluted net income per share attributable to Ricoh Company, Ltd. for the nine months and three months ended December 31, 2012 and 2013 is omitted because the Company did not have potentially dilutive common shares that were outstanding for the period.

8. DERIVATIVE FINANCIAL INSTRUMENTS

Risk Management Policy

Ricoh enters into various derivative financial instrument contracts in the normal course of business in connection with the management of its assets and liabilities.

Ricoh uses derivative instruments to reduce risk and protect market value of assets and liabilities in conformity with the Ricoh's policy. Ricoh does not use derivative financial instruments for trading or speculative purposes, nor is it a party to leveraged derivatives.

All derivative instruments are exposed to credit risk arising from the inability of counterparties to meet the terms of the derivative contracts. However, Ricoh does not expect any counterparties to fail to meet their obligations because these counterparties are financial institutions with satisfactory credit ratings. Ricoh utilizes a number of counterparties to minimize the concentration

Edgar Filing: RICOH CO LTD - Form 6-K

of credit risk.

Foreign Exchange Risk Management

Ricoh conducts business on a global basis and holds assets and liabilities denominated in foreign currencies. Ricoh enters into foreign exchange contracts and foreign currency options to hedge against the potentially adverse impacts of foreign currency fluctuations on these assets and liabilities denominated in foreign currencies.

19

Interest Rate Risk Management

Ricoh enters into interest rate swap agreements (including interest rate and currency swap agreements) to hedge against the potential adverse impacts of changes in fair value or cash flow fluctuations on interest of its outstanding debt.

Fair Value Hedges

Changes in the fair value of derivative instruments and the related hedged items designated and qualifying as fair value hedges are included in other (income) expenses in the consolidated statements of operations. The critical terms of the hedged debt obligations and the interest rate swaps are identical and there is no hedging ineffectiveness nor are net gains or losses excluded from the assessment of hedge effectiveness for the nine months ended December 31, 2013.

Cash Flow Hedges

Changes in the fair value of derivative instruments designated and qualifying as cash flow hedges are included in accumulated other comprehensive income (loss) and noncontrolling interests on the consolidated balance sheets. These amounts are reclassified into earnings as interest on the hedged loans is paid. The critical terms of the hedged debt obligations and the interest rate swaps are identical and there is no hedging ineffectiveness nor are net gains or losses excluded from the assessment of hedge effectiveness for the nine months ended December 31, 2013. Ricoh expects that it will reclassify into earnings through other expenses during the next 12 months approximately Yen 129 million of the balance of accumulated other comprehensive income as of December 31, 2013.

Undesignated Derivative Instruments

Derivative instruments not designated as hedging instruments are held mainly to reduce the risk relating to the variability in exchange rates on assets and liabilities denominated in foreign currencies. Changes in the fair value of these instruments are included in other (income) expenses in the consolidated statement of operations.

Contract amounts of derivative instruments at March 31, 2013 and December 31, 2013 are shown in the following tables:

	Millions of Yen	
	March 31, 2013	December 31, 2013
Interest rate swap agreements	311,883	339,308
Foreign currency contracts	214,512	227,073
Foreign currency options	8,451	14,135

Edgar Filing: RICOH CO LTD - Form 6-K

The location and fair value amounts of derivatives in consolidated balance sheet are shown in the following tables:

20

Derivatives designated as hedging instruments

	Current		Long-term	
	Fair value		Fair value	
	Balance sheet Location	Millions of Yen	Balance sheet Location	Millions of Yen
	March 31, 2013	December 31, 2013	March 31, 2013	December 31, 2013
Asset Derivatives				
Interest rate swap agreements	Deferred income taxes and other	--	Lease deposits and other	2
Liability Derivatives				
Interest rate swap agreements	Accrued expenses and other	217	Deferred income taxes and other	142

Derivatives not designated as hedging instruments

	Current		Long-term	
	Fair value		Fair value	
	Balance sheet Location	Millions of Yen	Balance sheet Location	Millions of Yen
	March 31, 2013	December 31, 2013	March 31, 2013	December 31, 2013
Asset Derivatives				
Foreign currency contracts	Deferred income taxes and other	531	Lease deposits and other	785
Foreign currency options		99		--
Total		630		785
Liability Derivatives				
Interest rate swap agreements	Accrued expenses and other	3		31

Edgar Filing: RICOH CO LTD - Form 6-K

Foreign currency contracts	10,114	Deferred income taxes and other	24,401
Foreign currency options	15		583
<hr/>			
Total	10,132		25,015
<hr/>			

Total fair value amounts of derivatives

	Millions of Yen	
	Fair value	
	March 31, 2013	December 31, 2013
Total Asset Derivatives	1,465	2,574
Total Liability Derivatives	22,702	26,644

The location and amount of gains and losses related to derivatives reported in the consolidated statement of operations for the nine months ended December 31, 2012 are shown in the following tables:

21

Derivatives designated as hedging instruments

	Millions of Yen			
	Gain or (Loss) Recognized in OCI on Derivative (Effective Portion)	Gain or (Loss) Accumulated OCI (Effective Portion)	Reclassified from OCI Into Income	Gain or (Loss) Derivative
	Amount	Location	Amount	Location
Cash flow hedge				
Interest rate swap agreements	(579)	Interest expense	(101)	--

Derivatives not designated as hedging instruments

	Gain or (Loss) Recognized in Income on Derivative	
	Location	Millions of Yen
		December 31, 2012
Interest rate swap agreements	Other, net	(16)
Foreign currency contracts	Foreign currency exchange (gain)loss, net	(8,157)

Edgar Filing: RICOH CO LTD - Form 6-K

Foreign currency options	Foreign currency exchange (gain)loss, net	(491)

Total		(8,664)
=====		

The location and amount of gains and losses related to derivatives reported in the consolidated statement of operations for the three months ended December 31, 2012 are shown in the following tables:

Derivatives designated as hedging instruments

Millions of Yen				

	Gain or (Loss) Recognized in OCI on Derivative (Effective Portion)	Gain or (Loss) Reclassified from Accumulated OCI Into Income (Effective Portion)	Gain or (Loss) Derivati	
	Amount	Location	Amount	Location

Cash flow hedge				
Interest rate swap agreements	(6)	Interest expense	(34)	--
=====				

Derivatives not designated as hedging instruments

Gain or (Loss) Recognized in Income on Derivative		

	Location	Millions of Yen
		December 31, 2012

Interest rate swap agreements	Other, net	(11)
Foreign currency contracts	Foreign currency exchange (gain)loss, net	(16,931)
Foreign currency options	Foreign currency exchange (gain)loss, net	(1,463)

Total		(18,405)
=====		

The location and amount of gains and losses related to derivatives reported in the consolidated statement of operations for the nine months ended December 31, 2013 are shown in the following tables:

Derivatives designated as hedging instruments

Millions of Yen

Edgar Filing: RICOH CO LTD - Form 6-K

	Gain or (Loss) Recognized in OCI on Derivative (Effective Portion)	Gain or (Loss) Reclassified from Accumulated OCI Into Income (Effective Portion)	Gain or (Loss) Derivative
	Amount	Location	Amount
Cash flow hedge			
Interest rate swap agreements	1,313	Interest expense	(115)

	Millions of Yen			
	Gain or (loss) recognized in income on derivative instruments		Gain or (loss) recognized in income on hedged item	
	Location	Amount	Location	Amount
Fair value hedge				
Interest rate swap agreements	Other, net	29	Other, net	(29)

Derivatives not designated as hedging instruments

	Gain or (Loss) Recognized in Income on Derivative	
	Location	Millions of Yen
		December 31, 2013
Interest rate swap agreements	Other, net	74
Foreign currency contracts	Foreign currency exchange (gain)loss, net	(3,697)
Foreign currency options	Foreign currency exchange (gain)loss, net	(667)
Total		(4,290)

The location and amount of gains and losses related to derivatives reported in the consolidated statement of operations for the three months ended December 31, 2013 are shown in the following tables:

Derivatives designated as hedging instruments

Millions of Yen

Edgar Filing: RICOH CO LTD - Form 6-K

	Gain or (Loss) Recognized in OCI on Derivative (Effective Portion)	Gain or (Loss) Reclassified from Accumulated OCI Into Income (Effective Portion)	Gain or (Loss) Derivative
	Amount	Location	Amount
Cash flow hedge			
Interest rate swap agreements	574	Interest expense	(40)

	Millions of Yen			
	Gain or (loss) recognized in income on derivative instruments		Gain or (loss) recognized in income on hedged item	
	Location	Amount	Location	Amount
Fair value hedge				
Interest rate swap agreements	Other, net	12	Other, net	(12)

Derivatives not designated as hedging instruments

	Gain or (Loss) Recognized in Income on Derivative	
	Location	Millions of Yen
		December 31, 2013
Interest rate swap agreements	Other, net	7
Foreign currency contracts	Foreign currency exchange (gain)loss, net	(6,744)
Foreign currency options	Foreign currency exchange (gain)loss, net	(592)
Total		(7,329)

9. COMMITMENTS AND CONTINGENT LIABILITIES

As of December 31, 2013, there were no significant contingent liabilities.

As of December 31, 2013 the Company and certain of its subsidiaries were parties to litigation involving routine matters, such as patent rights. In the opinion of management, the ultimate liability, if any, resulting from such litigation will not materially affect the consolidated financial position or the results of operations of Ricoh.

Edgar Filing: RICOH CO LTD - Form 6-K

10. DISCLOSURES ABOUT THE FAIR VALUE OF FINANCIAL INSTRUMENTS

(A) CASH AND CASH EQUIVALENTS, TIME DEPOSITS, TRADE RECEIVABLES, SHORT-TERM BORROWINGS, CURRENT MATURITIES OF LONG-TERM INDEBTEDNESS, TRADE PAYABLES AND ACCRUED EXPENSES

The following summary excludes cash and cash equivalents, time deposits, trade receivables, short-term borrowings, current maturities of long-term indebtedness, trade payables and accrued expenses for which fair values approximate their carrying amounts because of the short maturities of these instruments.

(B) INVESTMENT SECURITIES

The fair value of the investment securities is principally based on quoted market price. Ricoh have not estimated the fair value of non-marketable equity securities, as it is not practicable. Because there were no quoted market prices for non-marketable equity securities and each security had different nature and characteristics, reasonable estimates of fair values could not be made without incurring excessive costs. The carrying amounts of non-marketable equity securities were Yen 1,783 million and Yen 2,051 million as of March 31, 2013 and December 31, 2013, respectively. The following summary excludes non-marketable equity securities.

(C) INSTALLMENT LOANS

The fair value of installment loans is based on the present value of future cash flows using the current interest rate for similar instruments of comparable maturity. Installment loans using inputs described above are classified as Level 2 under the Fair Value Measurement and Disclosure framework. The 3 levels of inputs that are used to measure the fair values are defined in Note 11.

(D) LONG-TERM INDEBTEDNESS

The fair value of each of the long-term indebtedness instruments is based on the present value of future cash flows associated with each instrument discounted using the current borrowing rate for similar instruments of comparable maturity. Long-term indebtedness using inputs described above are classified as Level 2 under the Fair Value Measurement and Disclosure framework.

(E) INTEREST RATE SWAP AGREEMENTS, FOREIGN CURRENCY CONTRACTS AND FOREIGN CURRENCY OPTIONS

The fair value of interest rate swap agreements, foreign currency contracts and foreign currency options is estimated by obtaining quotes from brokers or suitable valuation method based on available data.

The estimated fair value of the financial instruments as of March 31, 2013 and December 31, 2013 are summarized as follows:

	Millions of Yen			
	March 31, 2013		December 31, 2013	
	Carrying amount	Estimated fair value	Carrying amount	Estimated fair value
Investment securities	52,319	52,319	59,331	59,331

Edgar Filing: RICOH CO LTD - Form 6-K

Installment loans, net	89,657	90,655	93,822	94,866
Long-term indebtedness	(476,381)	(475,018)	(489,159)	(487,437)
Interest rate swap agreements:				
assets	835	835	1,787	1,787
liabilities	2,239	2,239	1,660	1,660
Foreign currency contracts:				
assets	531	531	787	787
liabilities	20,448	20,448	24,401	24,401
Foreign currency options:				
assets	99	99	--	--
liabilities	15	15	583	583
=====				

25

Limitations: Fair value estimates are made at a specific point in time, based on relevant market information and information about the financial instrument. These estimates are subjective in nature and involve uncertainties and matters of significant judgment and therefore cannot be determined with precision. Changes in assumptions could significantly affect the estimates.

11. FAIR VALUE MEASUREMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The three levels fair value hierarchy that prioritizes the inputs used to measure fair value is established. The three levels of inputs used to measure fair value are as follows:

Level 1 - Inputs are quoted prices in active markets for identical assets or liabilities.

Level 2 - Inputs are quoted prices for similar assets or liabilities in an active market, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable and market-corroborated inputs which are derived principally from or corroborated by observable market data.

Level 3 - Inputs are derived from valuation techniques in which one or more significant inputs or value drivers are unobservable.

The following tables present the fair-value hierarchy levels of Ricoh's assets and liabilities that are measured at fair value on a recurring basis as of March 31, 2013 and December 31, 2013.

26

	Millions of Yen			
	March 31, 2013			
	Level 1	Level 2	Level 3	Total

Assets:				
Available-for-sale securities:				
Domestic equity securities	41,622	--	--	41,622
Foreign equity securities	8,745	--	--	8,745

Edgar Filing: RICOH CO LTD - Form 6-K

Foreign corporate bonds	1,952	--	--	1,952
Derivative instruments				
Interest rate swap agreements	--	835	--	835
Foreign currency contracts	--	531	--	531
Foreign currency options	--	99	--	99

Total assets	52,319	1,465	--	53,784
=====				
Liabilities:				
Derivatives instruments				
Interest rate swap agreements	--	2,239	--	2,239
Foreign currency contracts	--	20,448	--	20,448
Foreign currency options	--	15	--	15

Total liabilities	--	22,702	--	22,702
=====				

Millions of Yen

December 31, 2013

Level 1 Level 2 Level 3 Total

Assets:				
Available-for-sale securities:				
Domestic equity securities	55,059	--	--	55,059
Foreign equity securities	2,335	--	--	2,335
Foreign corporate bonds	1,937	--	--	1,937
Derivative instruments				
Interest rate swap agreements	--	1,787	--	1,787
Foreign currency contracts	--	787	--	787
Foreign currency options	--	--	--	--

Total assets	59,331	2,574	--	61,905
=====				
Liabilities:				
Derivatives instruments				
Interest rate swap agreements	--	1,660	--	1,660
Foreign currency contracts	--	24,401	--	24,401
Foreign currency options	--	583	--	583

Total liabilities	--	26,644	--	26,644
=====				

Available-for-sale securities

Available-for-sale securities classified Level 1 in the fair value hierarchy contains marketable securities and bonds. Marketable securities and bonds are valued using a market approach based on the quoted market prices of identical instruments in active markets.

Derivative instruments

Ricoh uses foreign exchange contracts, foreign currency options and interest rate swap agreements to manage exposure to the variability of cash flow. These derivative instruments are classified as Level 2 in the fair value hierarchy, since they are valued using observable market data such as LIBOR-based yield curves.

Assets and liabilities measured at fair value on a nonrecurring basis

There were no material assets and liabilities measured at fair value on a

Edgar Filing: RICOH CO LTD - Form 6-K

non-recurring basis during the nine months ended December 31, 2012 and 2013.

12. TRANSFER OF FINANCIAL ASSETS

Ricoh Leasing Company, Ltd. transferred its lease receivables to a trust and received the beneficial interests in the trust originated from the transferred assets. Subsequently, Ricoh Leasing Company, Ltd. transferred the non-subordinated beneficial interests to and received cash as consideration from transferees, such as Special Purpose Entity ("SPE") that are different from the trust mentioned above, as a part of securitization programs. The retained subordinated interests were considered as variable interests, since the subordinated interests had the obligation to absorb the expected loss of the trust.

27

Ricoh performs a qualitative analysis to determine the primary beneficiary of a Variable Interest Entity ("VIE"). The primary beneficiary of a VIE has both the : (1) power to direct the activities of a VIE that most significantly impact the entity's economic performance and (2) obligation to absorb losses or the right to receive benefits from the VIE that could potentially be significant to the VIE.

Ricoh Leasing Company, Ltd. was considered as the primary beneficiary since Ricoh Leasing Company, Ltd. acted as a special servicer for lease receivables transferred to the trust and therefore, deemed to meet the criteria (1) and (2) above.

As a result of the above consideration, Ricoh consolidated the trust and eliminating the retained subordinated beneficial interests on the consolidated balance sheet. The consolidated assets and liabilities as of March 31, 2013 and December 31, 2013 are as follows:

	Millions of Yen	
	March 31, 2013	December 31, 2013
Current maturities of long-term finance receivables, net	12,039	13,035
Long-term finance receivables, net	24,442	18,021
Current maturities of long-term indebtedness	10,161	10,154
Long-term indebtedness	20,624	16,516
=====		

The transferring of the non-subordinated beneficial interests was recorded as secured loans, since Ricoh Leasing Company, Ltd. retained subordinated beneficial interests and such interests did not meet the definition of participating interest. Lease receivables are only to be used to settle obligation of the trust's liabilities or transferee's liabilities in substantially. Servicing assets or liabilities related to securitization transactions initiated were not recorded, because the servicing fees adequately compensate Ricoh.

Apart from the transactions mentioned above, Ricoh's foreign subsidiaries transferred lease receivables with recourse. Ricoh recorded these transfers as secured loans, since these transactions did not meet the derecognition criteria

Edgar Filing: RICOH CO LTD - Form 6-K

of financial assets. The assets and liabilities that were accounted for as secured loans are as follows:

	Millions of Yen	
	March 31, 2013	December 31, 2013
Current maturities of long-term finance receivables, net	1,743	1,513
Long-term finance receivables, net	5,575	4,477
Current maturities of long-term indebtedness	1,743	1,513
Long-term indebtedness	5,575	4,477

28

13. CREDIT QUALITY OF FINANCING RECEIVABLES AND THE ALLOWANCE FOR DOUBTFUL RECEIVABLES

(A) FINANCING RECEIVABLES AND ALLOWANCE FOR DOUBTFUL RECEIVABLES

The financial subsidiaries of the Company have financing receivables and Ricoh classifies them into three categories; "lease receivables", "installment loans" and "installment receivables and other". These receivables consist of a large number of smaller-balance homogenous loans, lease receivables and installment receivables. Financing receivables classified as "lease receivables" and "installment receivables and other" are resulting from sale and lease transactions of mainly office equipment. Financing receivables classified as "installment loans" are resulting from financial services.

Ricoh continuously monitors overdue financing receivables, which Ricoh considers as uncollectible risk receivables. For financing receivables with specific customer collection issues, Ricoh individually evaluates their collectability in order to determine the amount of allowance for doubtful receivables. For other financing receivables, Ricoh categorizes these receivables into groups by their nature and characteristics. Ricoh collectively evaluates the collectability by each group, using its historical experience of write-off and determines the amount of allowance for doubtful receivables.

29

Financing receivables and allowance for doubtful receivables as of December 31, 2012 and December 31, 2013 are as follows:

Millions of Yen			
December 31, 2012			
Lease receivables	Installment loans	Installment receivables and other	Total

Edgar Filing: RICOH CO LTD - Form 6-K

Allowance for doubtful receivables:				
Beginning balance	8,472	1,747	2,595	12,814
Charge-offs	(1,293)	(22)	(56)	(1,371)
Recoveries	--	--	--	--
Provision	1,124	(240)	(1,287)	(403)
Translation adjustment	128	--	--	128
Ending balance	8,431	1,485	1,252	11,168
Allowance for doubtful receivables:				
Individually evaluated	2,355	422	665	3,442
Collectively evaluated	6,076	1,063	587	7,726
Financing receivables:				
Individually evaluated	61,621	461	2,720	64,802
Collectively evaluated	569,980	89,135	47,054	706,169
Total:Financing receivables	631,601	89,596	49,774	770,971

Millions of Yen

December 31, 2013

	Lease receivables	Installment loans	Installment receivables and other	Total
Allowance for doubtful receivables:				
Beginning balance	8,727	1,522	1,265	11,514
Charge-offs	(1,309)	(203)	(38)	(1,550)
Recoveries	(23)	--	--	(23)
Provision	941	300	(77)	1,164
Translation adjustment	278	--	--	278
Ending balance	8,614	1,619	1,150	11,383
Allowance for doubtful receivables:				
Individually evaluated	2,332	445	480	3,257
Collectively evaluated	6,282	1,174	670	8,126
Financing receivables:				
Individually evaluated	53,181	531	2,762	56,474
Collectively evaluated	618,657	94,910	61,933	775,500
Total:Financing receivables	671,838	95,441	64,695	831,974

Edgar Filing: RICOH CO LTD - Form 6-K

Ricoh ascribes the fact of past due to credit quality indicators and classifies financing receivables into Overdue and Current.

Analysis of the age of the recorded financing receivables as of March 31, 2013 and December 31, 2013 are as follows:

Millions of Yen				
March 31, 2013				
	Lease receivables	Installment loans	Installment receivables and other	Total
Current	616,658	90,606	54,649	761,913
Overdue	4,909	573	1,967	7,449
Total:Financing receivables	621,567	91,179	56,616	769,362

Millions of Yen				
December 31, 2013				
	Lease receivables	Installment loans	Installment receivables and other	Total
Current	665,586	94,875	63,178	823,639
Overdue	6,252	566	1,517	8,335
Total:Financing receivables	671,838	95,441	64,695	831,974

14. SEGMENT INFORMATION

Ricoh's operating segments are comprised of Imaging & Solutions, including copiers and related supplies, communications and information systems, Industrial Products, including thermal media and semiconductors, and Other, including digital cameras.

Segment Profit (loss) is determined by subtracting cost of sales and selling, general and administrative expenses from sales, and is used by Ricoh's management in deciding how to allocate resources and in assessing performance. Segment Profit (loss) excludes certain corporate expenses, such as costs related to human resources, legal relations, investor relations, public relations, corporate planning and environmental activities.

The following tables present certain information regarding Ricoh's operating segments and by geographic areas for the nine and three months ended December 31, 2012 and 2013, respectively. Intersegment sales are made at arm's-length prices. No single customer accounted for 10% or more of the total revenues for the nine and three months ended December 31, 2012 and 2013.

(A) OPERATING SEGMENT INFORMATION

	Millions of Yen	
	Nine months ended December 31, 2012	Nine months ended December 31, 2013
Segment Sales:		
Imaging & Solutions	1,207,241	1,413,041
Industrial Products	73,401	81,784
Other	109,657	119,721
Intersegment transaction	(3,200)	(3,025)
Total Segment Sales	1,387,099	1,611,521
Segment Profit (loss):		
Imaging & Solutions	91,879	124,863
Industrial Products	(445)	3,619
Other	(2,368)	(333)
Total Segment Profit (loss)	89,066	128,149
Reconciling Items:		
Corporate expenses and Elimination	(48,583)	(49,948)
Interest and dividend income	1,916	1,548
Interest expense	(5,047)	(5,237)
Gain on sale of investment securities, net	24	2,324
Foreign currency exchange loss, net	(1,301)	(1,306)
Other, net	199	364
Income before Income Taxes and Equity in Earnings of Affiliates	36,274	75,894

	Millions of Yen	
	Three months ended December 31, 2012	Three months ended December 31, 2013
Segment Sales:		
Imaging & Solutions	409,604	489,824
Industrial Products	23,912	28,159
Other	37,264	38,955
Intersegment transaction	(1,148)	(994)
Total Segment Sales	469,632	555,944
Segment Profit (loss):		
Imaging & Solutions	32,286	47,056
Industrial Products	213	1,421

Edgar Filing: RICOH CO LTD - Form 6-K

Other	(1,625)	165
<hr/>		
Total Segment Profit (loss)	30,874	48,642
<hr/>		
Reconciling Items:		
Corporate expenses and Elimination	(17,779)	(16,301)
Interest and dividend income	380	418
Interest expense	(1,492)	(1,609)
Gain on sale of investment securities, net	(1)	32
Foreign currency exchange gain (loss), net	(341)	169
Other, net	143	160
<hr/>		
Income before Income Taxes and Equity in Earnings of Affiliates	11,784	31,511
<hr/>		

Intersegment sales represent sales of Industrial Products segment to Imaging & Solutions segment.

32

(B) GEOGRAPHIC INFORMATION

Sales which are attributed to countries based on location of customers are as follows:

	Millions of Yen	
	Nine months ended December 31, 2012	Nine months ended December 31, 2013
<hr/>		
Sales-		
Japan	640,902	672,306
The Americas	353,827	433,658
Europe, Middle East and Africa	294,340	376,918
Other	98,030	128,639
<hr/>		
Consolidated	1,387,099	1,611,521
<hr/>		

	Millions of Yen	
	Three months ended December 31, 2012	Three months ended December 31, 2013
<hr/>		
Sales-		
Japan	210,140	228,502
The Americas	119,508	147,589
Europe, Middle East and Africa	107,177	136,342
Other	32,807	43,511
<hr/>		

Edgar Filing: RICOH CO LTD - Form 6-K

Consolidated

469,632

555,944

15. SUPPLEMENTARY INFORMATION TO THE STATEMENT OF OPERATIONS

The following amounts were charged to selling, general and administrative expenses for the nine months and three months ended December 31, 2012 and 2013:

	Millions of Yen	
	Nine months ended December 31, 2012	Nine months ended December 31, 2013
Research and development costs	82,188	85,964
Advertising costs	9,254	9,431
Shipping and handling costs	17,695	19,588

	Millions of Yen	
	Three months ended December 31, 2012	Three months ended December 31, 2013
Research and development costs	27,418	28,326
Advertising costs	3,586	3,291
Shipping and handling costs	6,381	6,653