

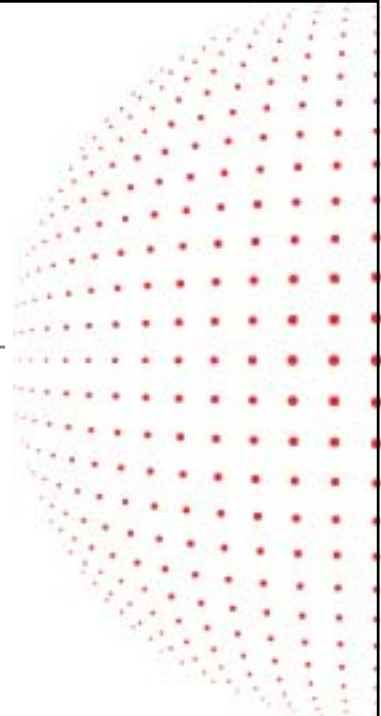
Ricoh's Medium-Term Management Strategy

March 2, 2007

Masamitsu Sakurai

President and CEO
Ricoh Company, Ltd.

RICOH

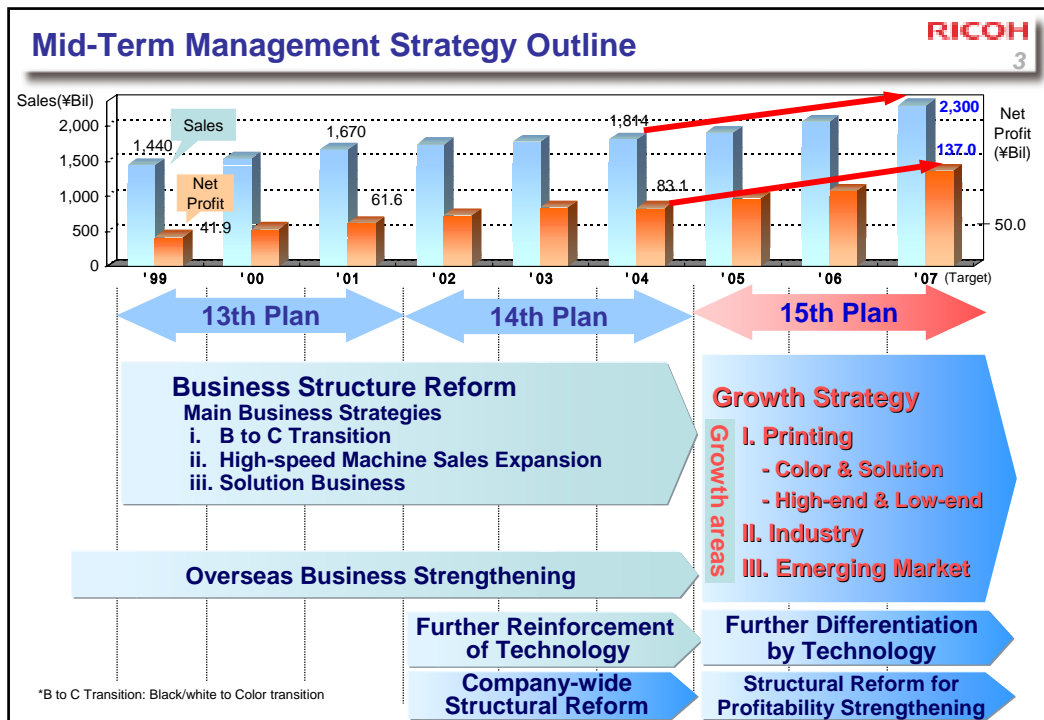


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Agenda

- I. 15th Mid-Term Plan Outline
- II. Growth Strategy Execution
 - Business Strategy
 - FY2007/3 Financial Forecast

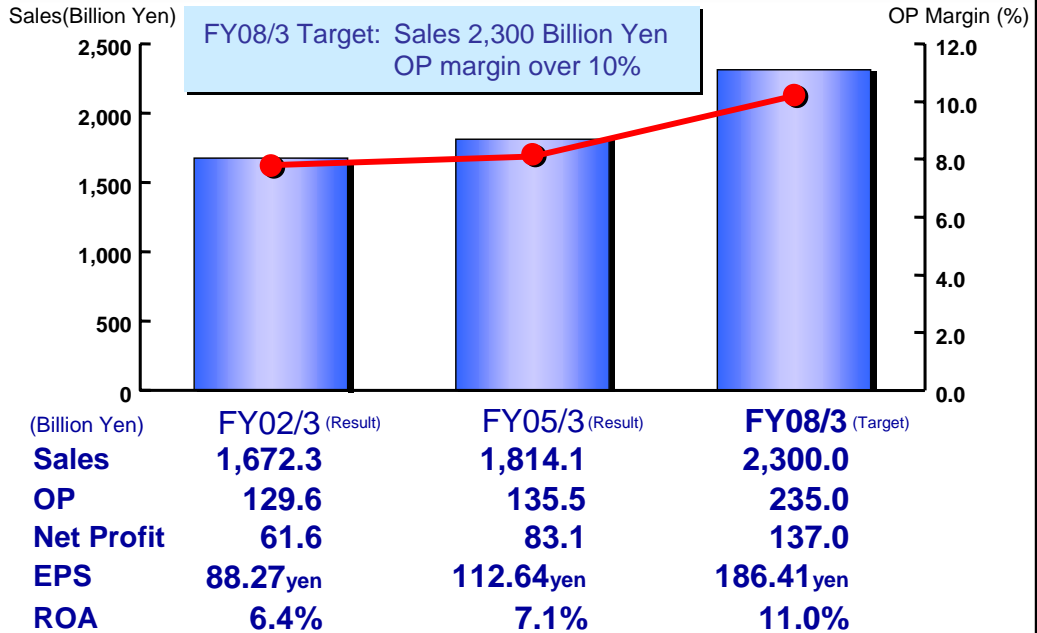
I. 15th Mid-Term Plan Outline



Financial Target

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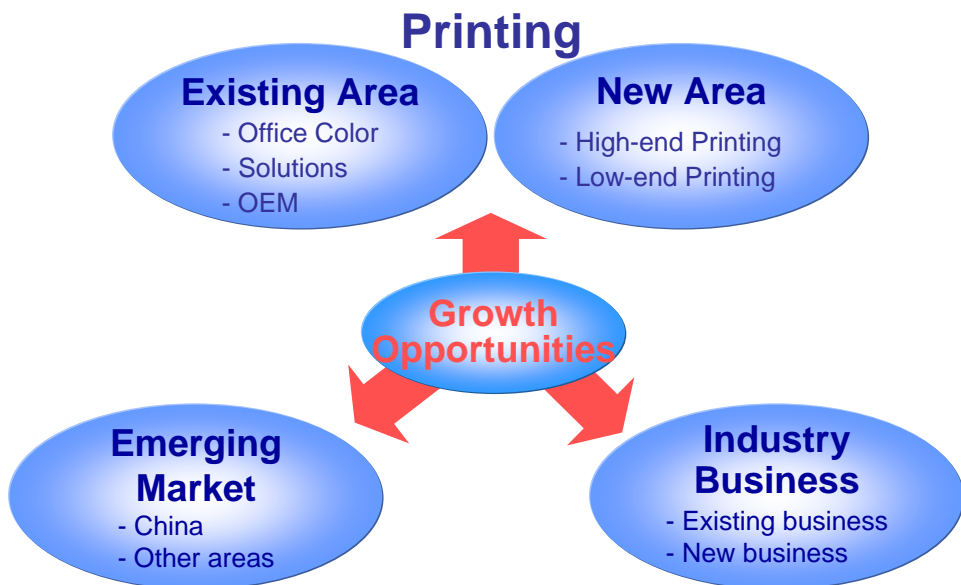
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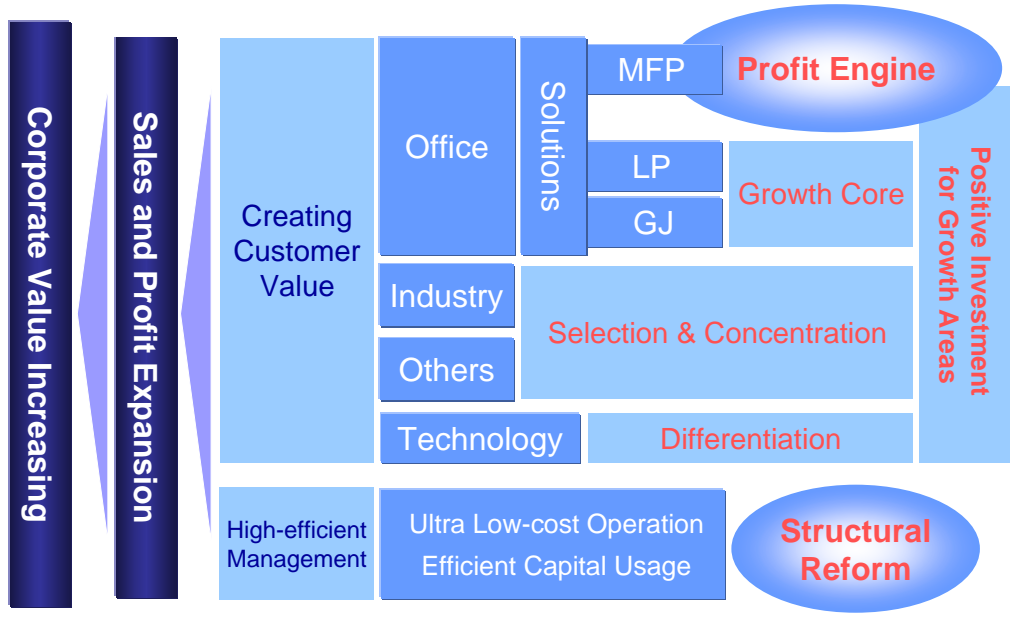


Target Areas

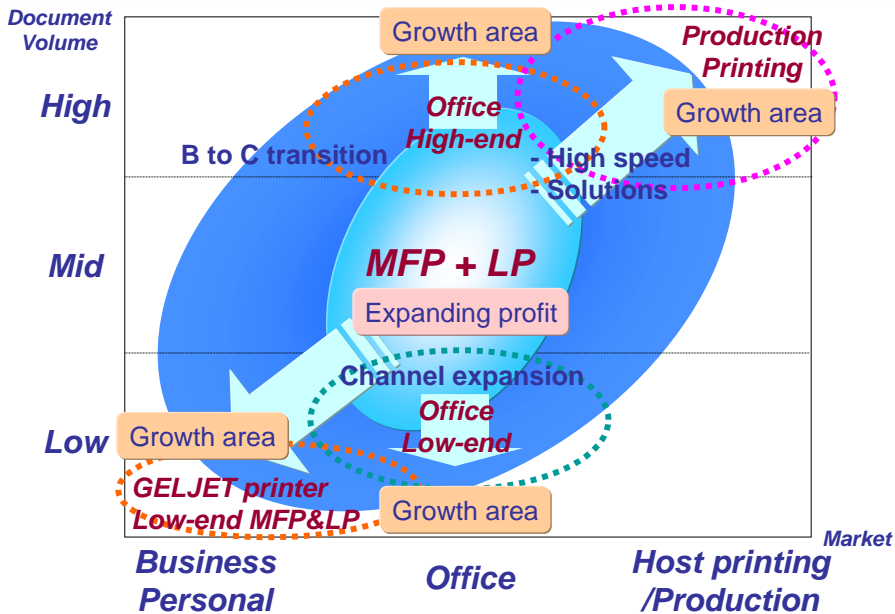
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5





II. Growth Strategy Execution



Positioning

Profit engine generating cash

Strategy Execution

- New Generation Color MFP Launch
- Expanding Color MFP Line-up
- Providing Document Solutions
- Ultra Low-cost Manufacturing & Service/Support

- Share raise by B to C Transition
- Avoiding Price Competition

Expanding Profit

Positioning

Growth core with positive investment

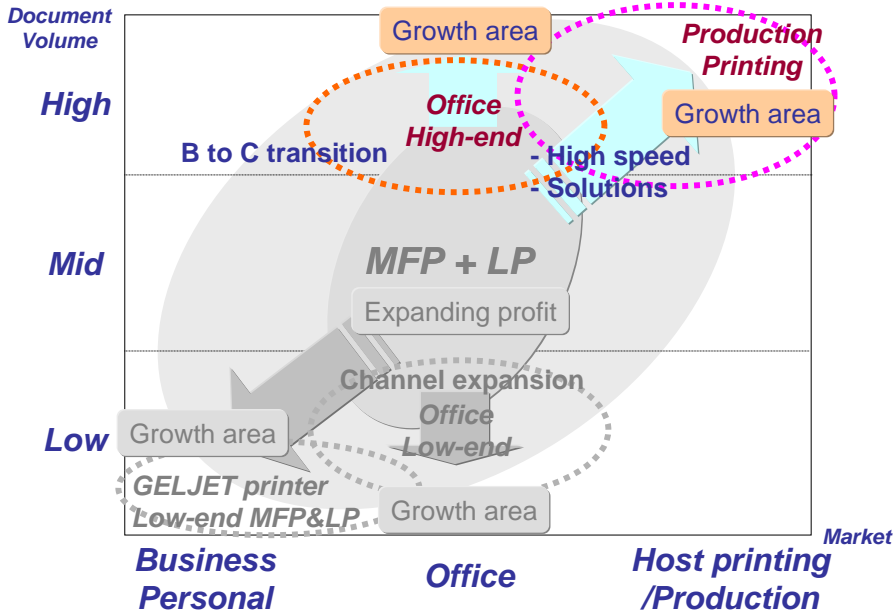
Strategy Execution

- Strengthening Position in General Office Area
 - Total Solution by MFP+P
 - Low-end Products Line-up Expansion
 - Enter High-end Printing Market
- ▼
- Expanding Install Base & Colorization
 - Print Volume Expansion

**Expanding
Consumable
Business**

Creating New Low-end Business Color Market

- Expanding Product Line-up
- High Value-added Products (MFP & Networking)
- Providing Best Solutions with MFP+LP+GJ
- Sales Channel Expansion & Strengthening
- Expanding OEM Business
- Emerging Market



Expanding Office High-end Area (MFP+P)

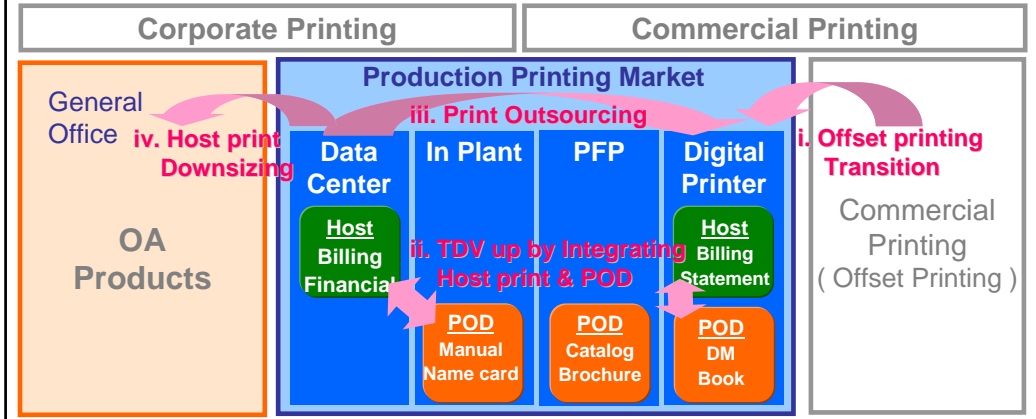
- Full Line-up
- One-stop Total Solution
- Worldwide Sales, Service & Support Network

Business Chance by Change of Market

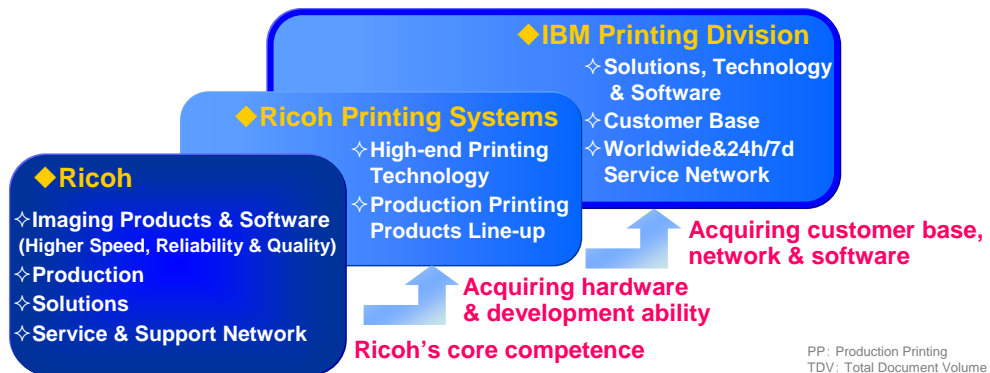
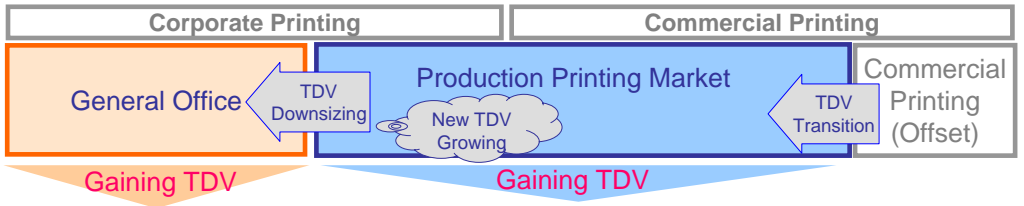
Market Change by Technology Advancement

- Open&Downsizing
- Standardizing Workflow & Print Assurance
- New Application (VDP, BOD, etc)
- Print Quality & Reliability

VDP: Variable Data Printing
 BOD: Book On Demand
 TDV: Total Document Volume



Acquiring the Ability for Production Printing Market



PP: Production Printing
 TDV: Total Document Volume

Joint Venture establishment (1)

Ricoh & IBM will establish JV as follows;

Outline

Name: InfoPrint Solutions Company
Location: Boulder, Colorado, U.S.
Date: Second quarter of 2007 (April–June)
Employee: approximately 1,200 (1,000 IBM maintenance staff will join 1 year later)
Business: Software development, Sales & Service of Production Printing Business
Shares: (at first) Ricoh 51%, IBM 49% / (3 years later) Ricoh will hold 100%
(Appendix: 1 billion U.S. dollars sales as of IBM printing division in 2006)

Objective

- ◇ Providing IT printing solutions in production printing market by fusing IBM's experience of enterprise printing for 40 years and Ricoh's office solution leadership.
- ◇ Strengthening competitiveness and expanding business in production printing business by making new company as core unit.

Joint Venture establishment (2)

Competitiveness

- ◇ Top class ability of R&D, professional service and variety of products of hardware and software for production and distributed printing
- ◇ Access to worldwide sales and finance network of IBM
- ◇ InfoPrint brand
- ◇ World class service & support for corporate customer
- ◇ Top class ability of providing output solution from SMB customers to large enterprise customers

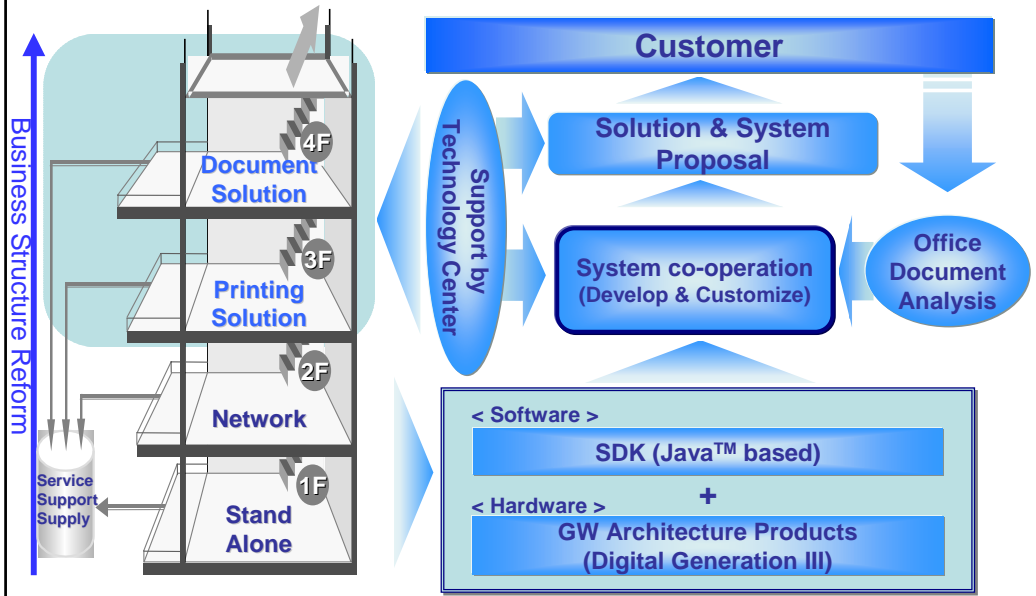
Purpose

- ◇ Maintain relationship with present customer and business partner
- ◇ Ensure the transition of asset and ability of both IBM and Ricoh
- ◇ Strengthening competitiveness by synergy from new company

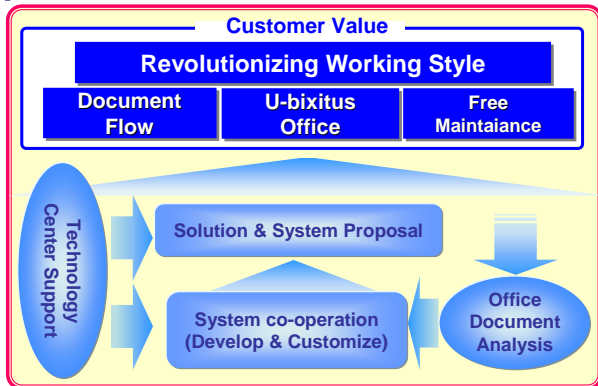
Others

JV's management staff, business plan JV and additional investment will be determined in the first quarter of Fiscal year ending March 2008.

“Four-tiered solution” structure



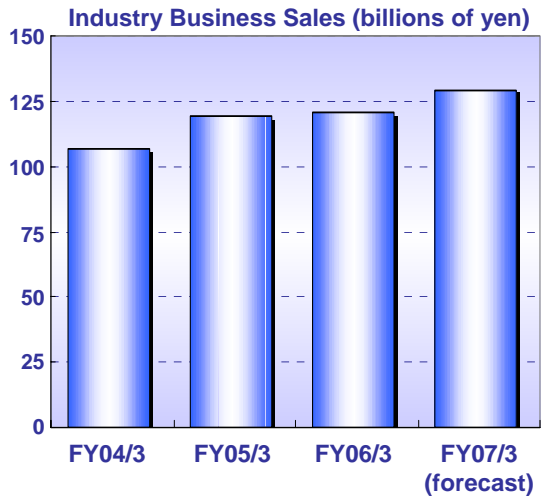
New Solution Brand “Operius”



Expanding high value-added sales and service with appealing Ricoh’s solution clearly by using solution brand.



Achieved steady growth despite the tough business environment



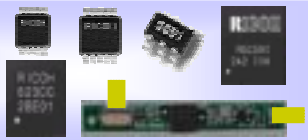
- Thermal Media Business
Concentrating value-added product, growth market(China) and new business area.
- Semiconductor Business
Stabilizing profit base by expanding overseas market especially in Asia(China, Korea & Taiwan) and recovery of domestic market.
- Optical Unit Business
Shifting resources to value-added products.

■ Semiconductor Business

Expanding Business to Growing Overseas Market

Products

- Power AOC
- PC I/F
- Module, etc



Market

- Mobile products
- PC
- Digital consumer electric products

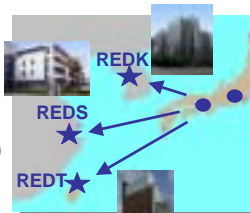


<Sales Subs>

- Ricoh Electric Device Korea (REDK)
- Ricoh Electric Device Taiwan (REDT)

<R&D Subs>

- Ricoh Electric Device Shanghai (REDS)

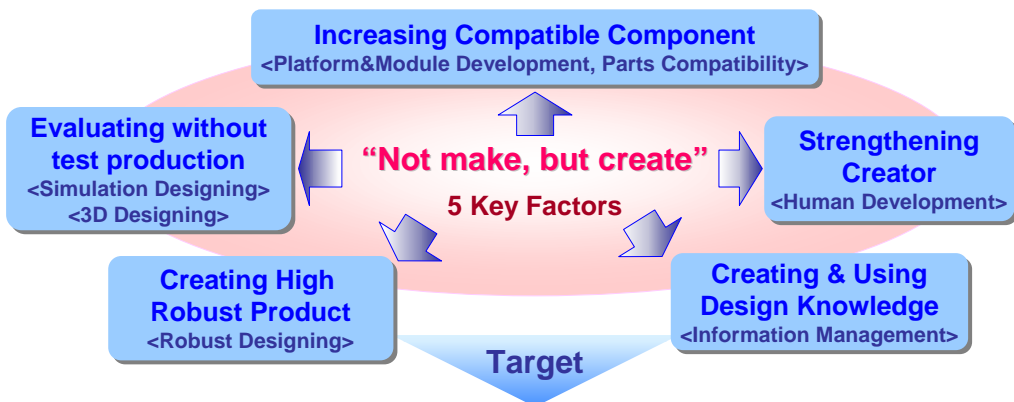
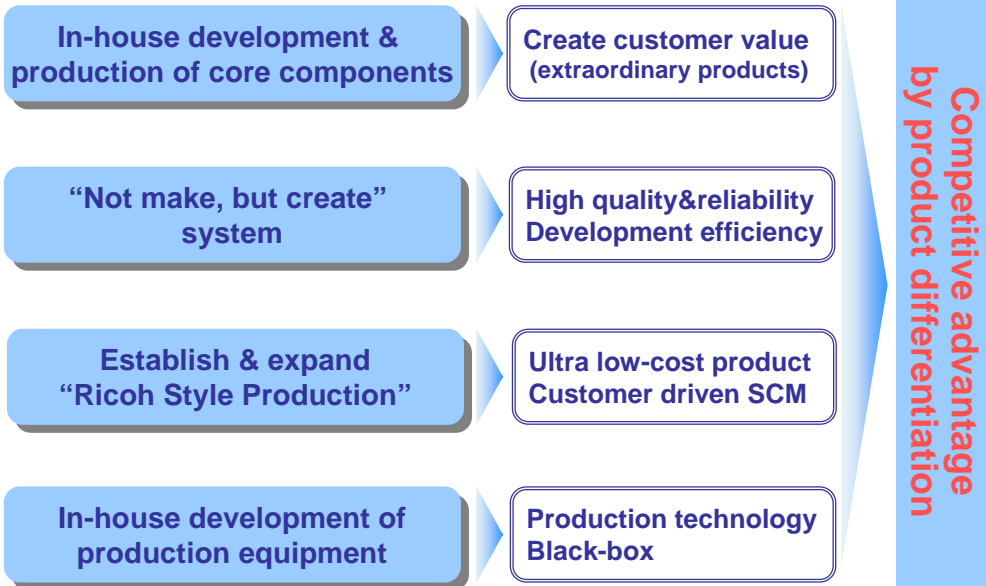


■ Thermal Media Business

Expanding Global Production Capacity

Establish New Thermal Media Plant in China





< 15th Mid-term Plan Target >

- Development Period : 1/2
- Test Units : 50%~70% Reduction
- Quality : 50% Reduction of Color Products Problems
- Reliability : Large Improvement

(Billions of Yen)	FY06/3	FY07/3 Forecast	YoY	FY08/3 Target	FY08/3 Forecast
Sales	1,909.2	2,067.0	+8.3%	2,300.0	Forecast will be disclosed in April '07
Operating profit	148.5	172.0	+15.8%	235.0	
(% on Sales)	7.8%	8.3%	-	10.2%	
Net profit	97.0	107.5	+10.8%	137.0	
(% on Sales)	5.1%	5.2%	-	6.0%	
EPS (Yen)	132.33	147.36	-	186.41	
Forex	Yen/1US\$	113.26	115.91		
	Yen/1EURO	137.86	147.22		

The Company bases the estimates above on information currently available to management, which involves risks and uncertainties that could cause actual results to differ materially from those projected.