

# **Consolidated Results for the Half year ended September 30, 2004**

**October 29, 2004  
Ricoh Company, Ltd.**

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

## **I. FY05/3 1H Results**

## FY05/3 1H P/L : Comparison with FY04/3 1H

### Strategic investment increased

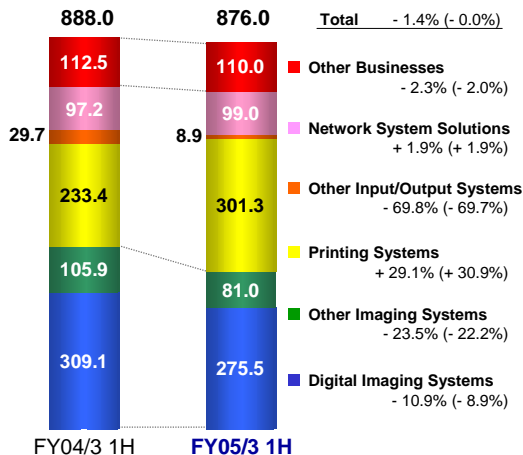
(billions of Yen)	FY04/3 1H	FY05/3 1H Latest('04/8) Forecast	FY05/3 1H Results	Comparison with latest forecast		Comparison with last year		Excluding Forex impact	Excluding Forex & Subs selling*
				Change	Change(%)	Change	Change(%)		
Net sales	(Japan)	448.6	466.0	469.1	+3.1	+20.5	+4.6%	+4.6%	+4.6%
	(Overseas)	439.4	429.0	406.8	-22.1	-32.6	-7.4%	-4.7%	-2.1%
	Total	888.0	895.0	876.0	-18.9	-12.0	-1.4%	-0.0%	+1.2%
Gross profit	388.1	386.8	363.8	-22.9	-24.2	-6.2%			
Percentage of net sales	43.7%	43.2%	41.5%	-	-	-			
Operating income	77.2	78.0	57.7	-20.2	-19.4	-25.2%	-14.3%		
Percentage of net sales	8.7%	8.7%	6.6%	-	-	-			
Income before income taxes	71.4	74.5	60.0	-14.4	-11.3	-15.9%			
Percentage of net sales	8.0%	8.3%	6.9%	-	-	-			
Net income	42.2	43.8	35.8	-7.9	-6.4	-15.2%			
Percentage of net sales	4.8%	4.9%	4.1%	-	-	-			
EPS (Yen)	56.79	59.28	48.48	-10.80	-8.31				
Exchange rate US \$1	118.06	107.33	109.83	+2.50	-8.23				
(Yen) Euro 1	133.47	131.09	133.31	+2.22	-0.16				
								Excluding Forex, Subs selling* & OD**	
								Japan	+4.9%
								Overseas	+2.3%
								Total	+3.6% (Net sales)

\*Excluding the impact of selling analog camera related business subsidiaries    \*\*OD:Optical Disc related business

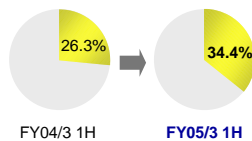
## FY05/3 1H Sales by Category

### Printing Systems increased

Sales (Billions of Yen)

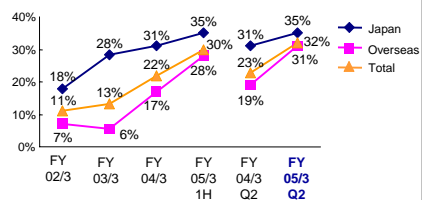


- Ratio of Printing Systems on total sales



imagio Neo C245  
(Aficio 2228C)

- Color ratio



\*by sales for machines of copier and multifunctional copiers

## FY05/3 1H Sales by Category :Appendix

**Core business going steady excluding impact of optical disc business and subsidiary selling**

		Comparison with last year*	
		Billions of Yen	change(%)
Imaging Solutions	Japan	-16.4	-10.2%
	Overseas	-34.6	-13.7%
Printing Systems	Japan	-51.1	-12.3%
	Overseas	+27.6	+27.5%
	Japan	+44.5	+33.5%
	Overseas	+72.1	+30.9%
Network Input/Output Systems	Other I/O	-1.2	-45.7%
	Overseas	-19.4	-72.2%
	Japan	-20.7	-69.7%
	Overseas	+26.3	+25.6%
Network System Solutions	Japan	+25.0	+15.7%
	Overseas	+51.4	+19.5%
	Japan	+0.8	+0.9%
	Overseas	+1.0	+51.2%
Business Equipment Total	Japan	+1.8	+1.9%
	Overseas	+10.7	+3.0%
	Overseas	-8.5	-2.1%
	Americas	+6.0	+3.6%
	Europe	-5.0	-2.6%
Others	-9.5	-17.6%	
Total		+2.1	+0.3%

		Comparison with last year*	
		Billions of Yen	change(%)
Other Businesses	Japan	+9.7	+11.0%
	Overseas	-11.9	-50.8%
	Americas	-0.4	-52.1%
	Europe	-0.4	-20.1%
Grand Total	Others	-11.0	-54.1%
	Japan	-2.2	-2.0%
	Overseas	+20.5	+4.6%
	Overseas	-20.5	-4.7%
Grand Total	Americas	+5.5	+3.3%
	Europe	-5.5	-2.8%
	Others	-20.6	-27.5%
	Total	-0.0	-0.0%

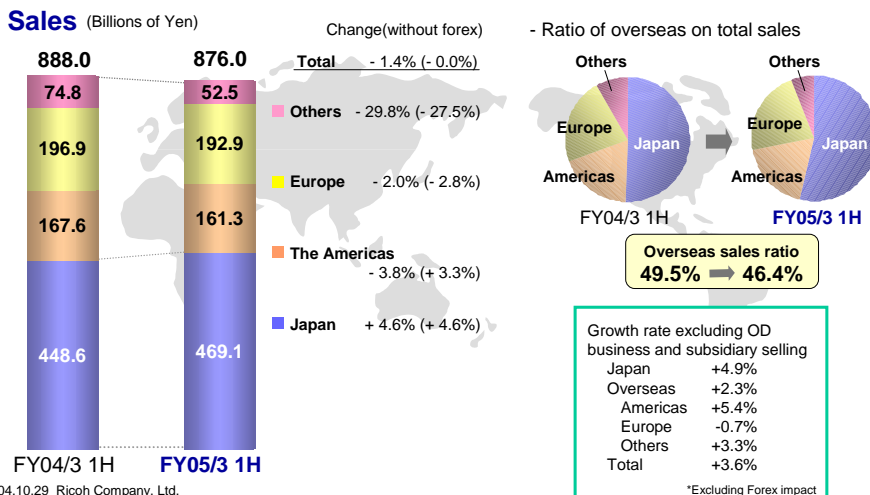
Growth rate excluding OD business	
Japan	+3.4%
Overseas	+2.8%
Americas	+5.9%
Europe	-0.5%
Others	+5.5%
Total	+3.1%

\*Excluding Forex impact

Affected by selling analog camera related business subsidiaries

## FY05/3 1H Sales by Geographic Area

**Steady growth in Japan and Americas excluding OD. Others decreased by selling photographic business subs.**

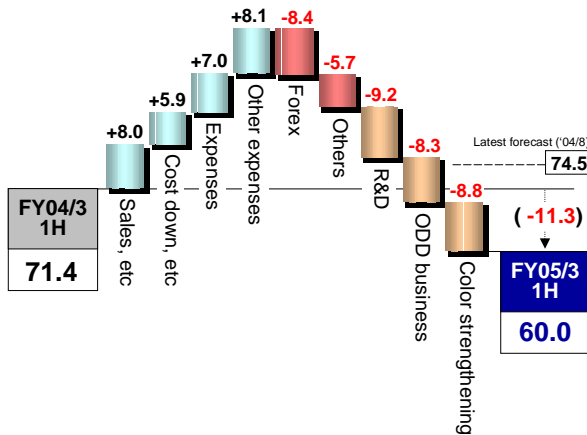


## Comparison with FY04/3 1H

Strategic investment, as ODD business restructuring, color strengthening and R&D, decreased profit

### Income before income tax

(Billions of Yen)



### - Changes of Gross Profit

	(Billions of Yen)
Sales, etc	+ 8.0
Cost down, etc	+ 5.9
ODD business	- 8.3
Color strengthening	- 8.8
Others	- 5.7
<b>Sub Total</b>	<b>- 8.9</b>
Forex	- 11.9
Analog camera subs	- 3.4
<b>Total</b>	<b>- 24.2</b>

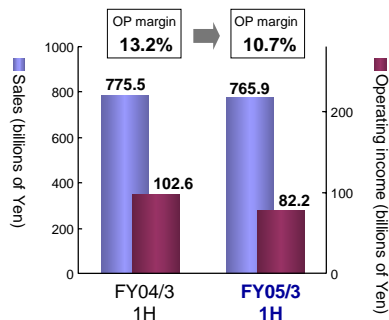
### - Changes of SG&A

	(Billions of Yen)
R&D	+ 9.2
Pensions	- 7.8
Others	+ 0.8
<b>Sub Total</b>	<b>+ 2.2</b>
Forex	- 3.5
Analog camera subs	- 3.4
<b>Total</b>	<b>- 4.7</b>

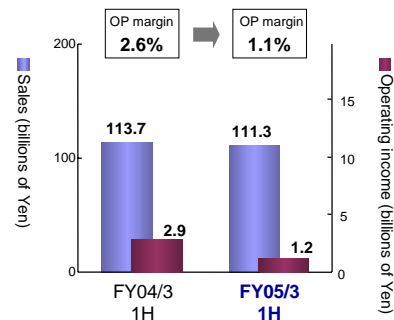
## FY05/3 1H Business Segment

Strategic investment decreased margin of Office Equipment. Semiconductors sales and profit down in Other Businesses.

### Office Equipment

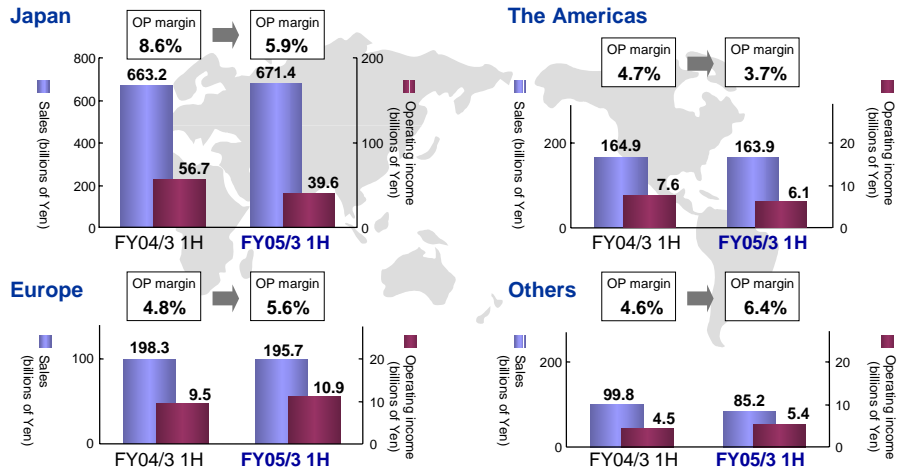


### Other Businesses



## FY05/3 1H Geographic Segment

Margin increased by growth of value-added products in all area.  
Japan decreased margin by the impact of strategic investment & forex.



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## Appendix: FY05/3 1H excluding irregular factor

(Billions of Yen)		FY05/3 1H	OD Business	Color Expansion	Subs selling	R&D	Forex	FY05/3 1H impact excluded	YoY change(%)
Net sales	(Japan)	469.1	-1.2					470.4	+4.9%
	(Overseas)	406.8	-19.4		-11.2		-12.0	449.6	+2.3%
	Total	876.0	-20.7		-11.2		-12.0	920.0	+3.6%
Gross profit		363.8	-8.3	-8.8	-3.4		-11.9	396.3	+2.1%
SG&A		306.1	0.0		-3.4	9.2	-3.5	303.9	-2.2%
Operating income		57.7	-8.3	-8.8	0.0	-9.2	-8.4	92.4	+19.6%
Income before income taxes		60.0	-8.3	-8.8	0.0	-9.2	-8.4	94.7	+32.7%
Net income		35.8	-5.0	-5.3	0.0	-5.5	-5.0	56.7	+34.3%

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## Balance Sheet <as of September 30, 2004>

### Assets

	As of Sep 30, 2004	Diff. from Mar 31
Current Assets	870.9	-0.8
Cash & time deposits	215.5	+11.5
Trade receivables	397.3	-24.9
Marketable securities	51.1	+5.9
Inventories	151.7	+6.4
Other current assets	55.1	+0.0
Fixed Assets	1,006.5	+25.5
Tangible fixed assets	237.7	-0.9
Finance receivable	536.6	+22.5
Other investments	232.1	+3.9
<b>Total Assets</b>	<b>1,877.4</b>	<b>+24.6</b>

### Liabilities and Shareholders' Investment

	As of Sep 30, 2004	Diff. from Mar 31
Current Liabilities	643.1	+35.6
Trade payables	276.5	-21.1
Short-term borrowings	207.8	+56.7
Other current liabilities	158.7	+0.1
Fixed Liabilities	353.6	-47.7
Long-term indebtedness	227.4	-54.1
Retirement benefit obligation	87.0	+3.5
Other fixed liabilities	39.1	+2.8
<b>Total Liabilities</b>	<b>996.7</b>	<b>-12.0</b>
Minority Interest	50.4	+1.5
<b>Total Shareholders' Investment</b>	<b>830.2</b>	<b>+35.1</b>
<b>Total liabilities and shareholders' Investment</b>	<b>1,877.4</b>	<b>+24.6</b>
<b>Total debt</b>	<b>435.3</b>	<b>+2.5</b>

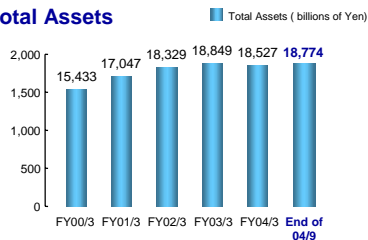
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(billions of Yen) **10**

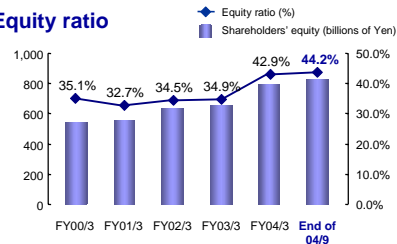
## Balance Sheet : Indexes <as of September 30, 2004>

### Debt decreased, and Equity ratio increased

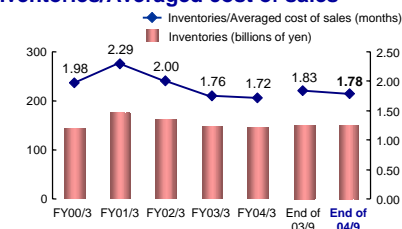
#### Total Assets



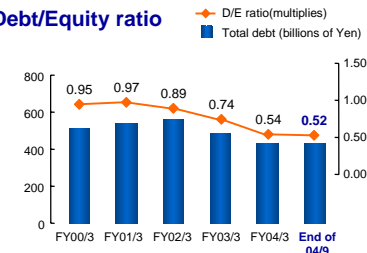
#### Equity ratio



#### Inventories/Averaged cost of sales



#### Debt/Equity ratio



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## FY05/3 1H Statement of Cash Flow

### Cash profit (net income + depreciation and amortization) increased

(Billions of Yen)

	FY04/3 1H	FY04/3	<b>FY05/3 1H</b>
Net income	42.2	91.7	<b>35.8</b>
Depreciation and amortization	37.8	76.9	<b>36.9</b>
[ Cash profit (net income + Depreciation and amortization) ]	[ 80.0 ]	[ 168.7 ]	[ <b>72.7</b> ]
Other operating activities	-18.4	-13.7	<b>-14.8</b>
<b>Net cash by operating activities</b>	<b>61.6</b>	<b>154.9</b>	<b>57.9</b>
Plant and equipment	-36.1	-75.2	<b>-37.1</b>
Other investing activities	16.2	11.9	<b>3.2</b>
<b>Net cash by investing activities</b>	<b>-19.9</b>	<b>-63.3</b>	<b>-33.9</b>
[ Free cash flow ( operating net cash + investing net cash ) ]	[ 41.6 ]	[ 91.5 ]	[ <b>24.0</b> ]
Net cash by financing activities	-6.6	-74.8	<b>-16.9</b>
Effect of exchange rate	0.7	-2.8	<b>2.0</b>
<b>Net increase in cash and equivalents</b>	<b>35.7</b>	<b>13.7</b>	<b>9.1</b>
<b>Cash and equivalents at end of period</b>	<b>225.0</b>	<b>203.0</b>	<b>214.7</b>

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### < Appendix >

### Calculation information where the equity method is applied to Ricoh's leasing subsidiary

#### Consolidated Statement of Income (Half year ended September 30, 2004)

	Consolidated	Equity Method	(Billions of yen)
Net sales	876.0	808.4	
Gross profit	363.8	355.9	
Operating income	57.7	51.5	
Income before income taxes	60.0	54.3	
Net income	35.8	35.8	

#### Consolidated Balance Sheet (at the end of September 30, 2004)

	Consolidated	Equity Method	(Billions of yen)
Cash and cash equivalents	215.5	268.9	Short-term borrowings 207.8 110.6
Other current assets	655.3	698.0	Other current liabilities 435.2 420.2
<b>Current assets</b>	<b>870.9</b>	<b>966.9</b>	<b>Current liabilities</b> 643.1 530.8
Finance receivable	536.6	92.1	Long term-borrowings 227.4 86.8
Other fixed assets	469.8	530.6	Other fixed liabilities 126.1 126.1
<b>Fixed assets</b>	<b>1,006.5</b>	<b>622.7</b>	<b>Fixed liabilities</b> 353.6 212.9
			Minority interest 50.4 15.6
			Shareholders' investment 830.2 830.2
<b>Total Assets</b>	<b>1,877.4</b>	<b>1,589.7</b>	<b>Total Liabilities and Shareholders' investment</b> 1,877.4 1,589.7

#### Key financial Ratios (Half year ended September 30, 2004)

	Consolidated	Change from previous period	Equity Method	Change from previous period
Return on assets	3.2%	+ 1.3pt	3.5%	+ 1.4pt
Return on equity	4.4%	+ 1.1pt	4.4%	+ 1.1pt
Equity ratio	44.2%	+ 8.6pt	52.2%	+ 11.6pt
Debt/Total assets	23.2%	- 1.9pt	12.4%	+ 0.4pt
Debt/Equity	52.4%	- 18.0pt	23.8%	- 5.8pt
Total assets turnover	0.47	-	0.51	-

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## II. FY05/3 Forecast

## FY05/3 Performance Forecast

### Income increase YoY excluding cumulative effect of accounting change on FY04/3

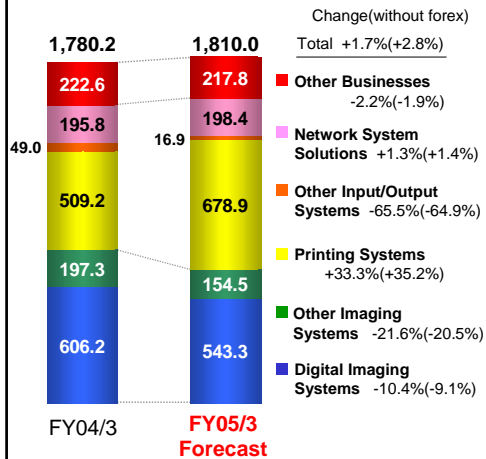
(Billions of Yen)	FY04/3	FY05/3 Latest('04/8) Forecast	FY05/3 Forecast	Comparison with latest forecast	Comparison with last year		Excluding Forex impact	Excluding Forex & Subs selling*
					Change	Change(%)		
Net sales								
(Japan)	914.0	935.0	<b>967.4</b>	32.4	53.3	+5.8%	+5.8%	
(Overseas)	866.1	875.0	<b>842.6</b>	-32.4	-23.5	-2.7%	-0.4%	+2.5%
Total	1,780.2	1,810.0	<b>1,810.0</b>	0.0	29.7	+1.7%	+2.8%	+4.2%
Gross profit	765.6	785.0	<b>760.0</b>	-25.0	-5.6	-0.7%		
Percentage of net sales	43.0%	43.4%	<b>42.0%</b>	-	-	-		
Operating income	150.0	175.0	<b>151.0</b>	-24.0	0.9	+0.7%	+8.3%	
Percentage of net sales	8.4%	9.7%	<b>8.3%</b>	-	-	-		
Income before income taxes	143.0	165.0	<b>145.5</b>	-19.5	2.4	+1.7%		
Percentage of net sales	8.0%	9.1%	<b>8.0%</b>	-	-	-		
Income before accounting change	84.3	95.0	<b>85.0</b>	-10.0	0.6	+0.7%		
Percentage of net sales	4.7%	5.2%	<b>4.7%</b>	-	-	-		Excluding Forex, Subs selling* & OD**
Net income	91.7	95.0	<b>85.0</b>	-10.0	-6.7	-7.4%		Japan +6.1%
Percentage of net sales	5.2%	5.2%	<b>4.7%</b>	-	-	-		Overseas +5.9%
EPS (Yen)	123.63	128.58	<b>115.05</b>	-13.53	-8.58			Total +6.0%
Exchange rate	US \$1	113.09	<b>107.42</b>	+1.26	-5.67			(Net sales)
(Yen)	Euro 1	132.65	<b>131.66</b>	+1.12	-0.99			



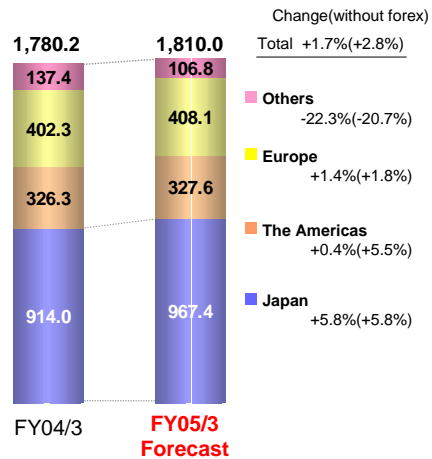
## FY05/3 Sales forecast

### Printing Systems increase continuously

By Category (Billions of Yen)



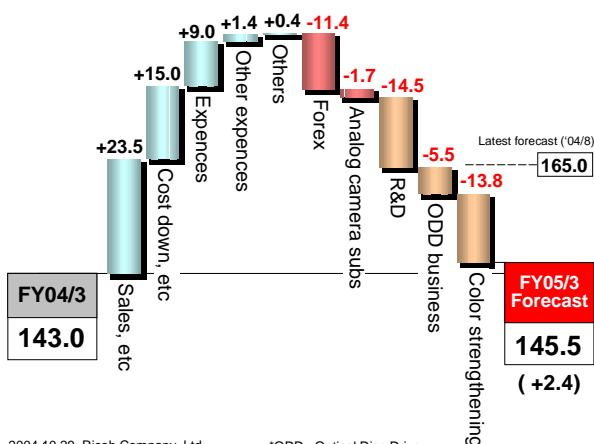
By Area (Billions of Yen)



## Comparison with FY04/3

### Increased profit by value-added products and cost down covers strategic investment

Income before income tax (Billions of Yen)



- Changes of Gross Profit

	(Billions of Yen)
Sales, etc	+ 23.5
Cost down, etc	+ 15.0
ODD business	- 5.5
Color strengthening	- 13.8
Others	+ 0.4
<b>Sub Total</b>	<b>+ 19.6</b>
Forex	- 16.5
Analog camera subs	- 8.7
<b>Total</b>	<b>- 5.6</b>

- Changes of SG&A

	(Billions of Yen)
R&D	+ 14.5
Pensions	- 13.4
Others	+ 4.4
<b>Sub Total</b>	<b>+ 5.5</b>
Forex	- 5.1
Analog camera subs	- 7.0
<b>Total</b>	<b>- 6.6</b>

## III. Appendix

## Appendix of FY05/3 1H Results

### Impact of foreign exchange rates

		On Sales	On Income before income taxes
Impact of foreign exchange rates per yen	US\$	3.2 billion yen / year	1.0 billion yen / year
	EURO	3.0 billion yen / year	1.2 billion yen / year

### Overseas production ratio (by units)

	FY04/3 1H	FY05/3 1H
Copier+MFP	70%	75%
LP	60%	55%

### Color ratio (by sales of machine)

		FY04/3 1H	FY05/3 1H
Copier+MFP	Japan	30%	35%
	Overseas	13%	28%
	Total	18%	30%
LP	Japan	27%	26%
	Overseas	71%	53%
	Total	50%	38%

### CAPEX, Depreciation & Amortization, R&D

	FY04/3 1H	FY05/3 1H
CAPEX	36.3	38.2
Depreciation & Amortization	33.6	31.0
R&D	44.2	53.4

(Billions of Yen)

	FY04/3 Result	FY05/3 (forecast)
CAPEX	75.5	76.0
Depreciation & Amortization	67.6	70.0
R&D	92.5	107.0

## FY05/3 2H Performance Forecast

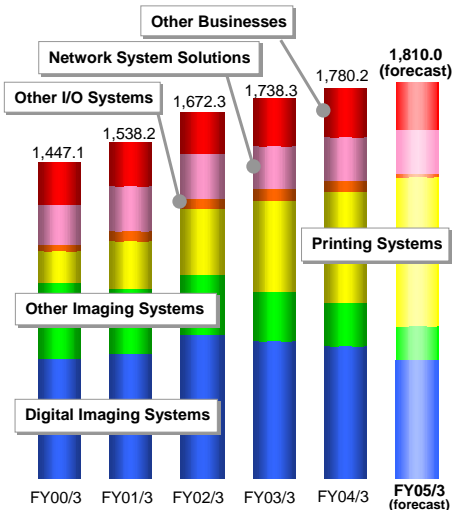
(Billions of Yen)	FY04/3 2H	FY05/3 2H Latest('04/8) Forecast	FY05/3 2H Forecast	Comparison with latest forecast	Comparison with last year		Excluding Forex impact	Excluding Forex & Subs selling*
					Change	Change(%)		
Net sales	(Japan)	465.4	469.0	<b>498.2</b>	29.2	32.7	+7.0%	+7.0%
	(Overseas)	426.7	446.0	<b>435.7</b>	-10.3	9.0	+2.1%	+7.3%
	Total	892.1	915.0	<b>933.9</b>	18.9	41.8	+4.7%	+7.1%
Gross profit	377.5	398.2	<b>396.1</b>	-2.1	18.6	+4.9%		
Percentage of net sales	42.3%	43.5%	<b>42.4%</b>	-	-	-		
Operating income	72.7	97.0	<b>93.2</b>	-3.8	20.4	+28.2%	+32.2%	
Percentage of net sales	8.2%	10.6%	<b>10.0%</b>	-	-	-		
Income before income taxes	71.6	90.5	<b>85.4</b>	-5.1	13.7	+19.2%		
Percentage of net sales	8.0%	9.9%	<b>9.1%</b>	-	-	-		
Income before accounting change	42.1	51.2	<b>49.1</b>	-2.1	7.0	+16.7%		
Percentage of net sales	4.7%	5.6%	<b>5.3%</b>	-	-	-		
Net income	49.5	51.2	<b>49.1</b>	-2.1	-0.3	-0.7%		
Percentage of net sales	5.5%	5.6%	<b>5.3%</b>	-	-	-		
EPS (Yen)	66.84	69.29	<b>66.57</b>	-2.72	-0.27			
Exchange rate	US \$1	108.12	105.00	+0.00	-3.12			
	(Yen)	Euro 1	131.83	130.00	+0.00	-1.83		

\*Excluding the impact of selling photographic business subsidiaries \*\*OD:Optical Disc related business

## Financial Indexes

### Sales by Category

(Billions of Yen)



### Financial Indexes

