

# **Consolidated Results for the 3 months ended December 31, 2004**

**February 3, 2005  
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 Q3 Results**

## FY05/3 Q3 P/L : Comparison with FY04/3 Q3

Sales and profit increased by excellent core business

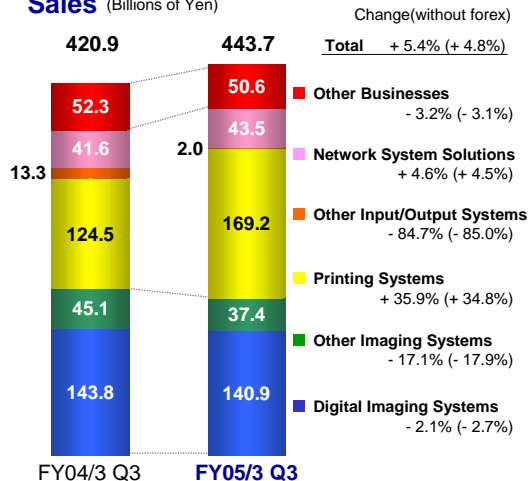
(billions of Yen)	FY04/3 Q3	FY05/3 Q3 Latest('04/10) Forecast	FY05/3 Q3 Results	Comparison with latest forecast		Comparison with last year		Excluding Forex impact	Excluding Forex & Subs selling*
				Change	Change(%)	Change	Change(%)		
Net sales									
(Japan)	212.9	227.9	<b>231.3</b>	+3.4	+18.4	+8.6%	+8.6%	+8.6%	
(Overseas)	207.9	209.7	<b>212.4</b>	+2.7	+4.4	+2.2%	+0.9%	+4.3%	
Total	420.9	437.6	<b>443.7</b>	+6.1	+22.8	+5.4%	+4.8%	+6.5%	
Gross profit	185.7	187.9	<b>192.1</b>	+4.2	+6.3	+3.4%			
Percentage of net sales	44.1%	42.9%	<b>43.3%</b>	-	-	-			
Operating income	36.2	39.7	<b>38.7</b>	-0.9	+2.4	+6.9%	+1.3%		
Percentage of net sales	8.6%	9.1%	<b>8.7%</b>	-	-	-			
Income before income taxes	33.2	38.7	<b>34.6</b>	-4.0	+1.3	+4.2%			
Percentage of net sales	7.9%	8.8%	<b>7.8%</b>	-	-	-			
Net income	19.6	22.5	<b>22.2</b>	-0.2	+2.5	+13.0%			
Percentage of net sales	4.7%	5.1%	<b>5.0%</b>	-	-	-			
EPS (Yen)	26.53	30.46	<b>30.08</b>	-0.38	+3.55				
Exchange rate US \$1	108.92	105.00	<b>106.01</b>	+1.01	-2.91				
(Yen) Euro 1	129.58	130.00	<b>137.16</b>	+7.16	+7.58				

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

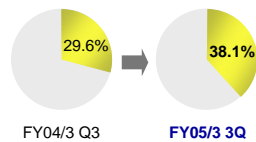
## FY05/3 Q3 Sales by Category

Printing Systems increased

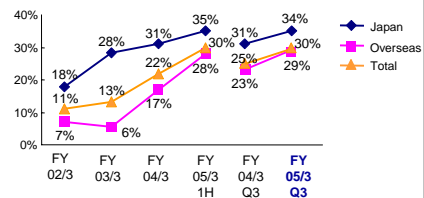
Sales (Billions of Yen)



- Ratio of Printing Systems on total sales



- Color ratio



\*by sales for machines of copier and multifunction copiers

## FY05/3 Q3 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	-5.1	-6.7%	
	Overseas	-6.7	-6.0%	
		<b>-11.9</b>	<b>-6.3%</b>	
Network Input/Output Systems	Printing Systems	Japan	+20.3 +38.0%	
		Overseas	+23.0 +32.4%	
			<b>+43.4</b>	<b>+34.8%</b>
	Other I/O Systems	Japan	-0.6	-59.0%
Overseas		-10.7	-87.3%	
		<b>-11.3</b>	<b>-85.0%</b>	
Network System Solutions	Japan	+19.7	+36.2%	
		+12.2	+14.7%	
			<b>+32.0</b>	<b>+23.2%</b>
	Overseas	+1.2	+3.2%	
+0.5		+54.9%		
		<b>+1.8</b>	<b>+4.5%</b>	
Business Equipment Total	Japan	+15.8	+9.2%	
		+6.1	+3.1%	
			<b>+21.9</b>	<b>+6.0%</b>
	Overseas	Americas	+4.5	+6.1%
		Europe	+2.5	+2.6%
Others		-0.9	-4.5%	

		Comparison with last year*		
		Billions of Yen	change(%)	
Other Businesses	Japan	+2.5	+6.4%	
	Overseas	-4.2	-35.6%	
			<b>-1.6</b>	<b>-3.1%</b>
	Americas	-0.0	-32.8%	
Grand Total	Europe	+0.6	+69.9%	
	Others	-4.8	-45.5%	
			<b>-1.6</b>	<b>-3.1%</b>
	Grand Total	Japan	+18.4	+8.6%
Overseas		+1.9	+0.9%	
		<b>+20.3</b>	<b>+4.8%</b>	
Americas		+4.4	+5.9%	
Europe	+3.2	+3.3%		
			<b>-5.8</b>	<b>-17.8%</b>
	Others	+20.3	+4.8%	

Growth rate excluding OD business	
Japan	+9.6%
Overseas	+9.2%
Americas	+11.2%
Europe	+8.2%
Others	+6.6%
Total	+9.4%

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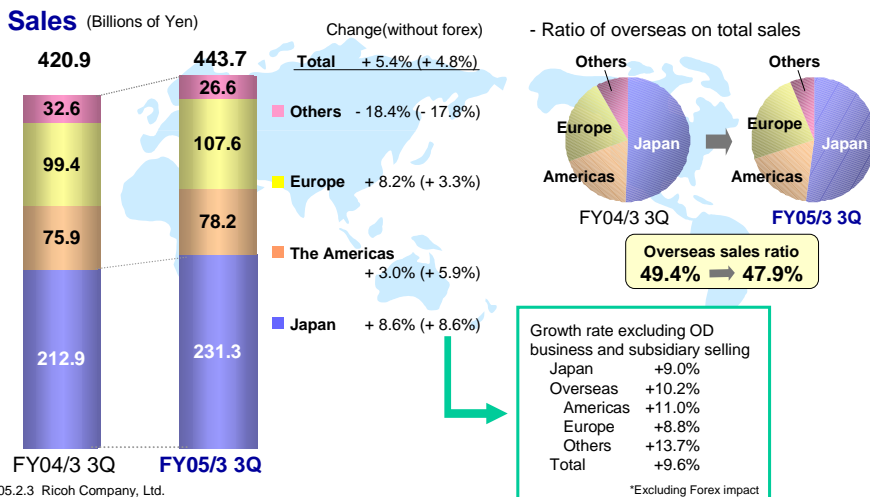
\*Excluding Forex impact

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Affected by selling analog camera related business subsidiaries

## FY05/3 Q3 Sales by Geographic Area

**Brisk growth in Japan, Americas and Europe.**  
**Others going steady excluding impact of subs selling.**



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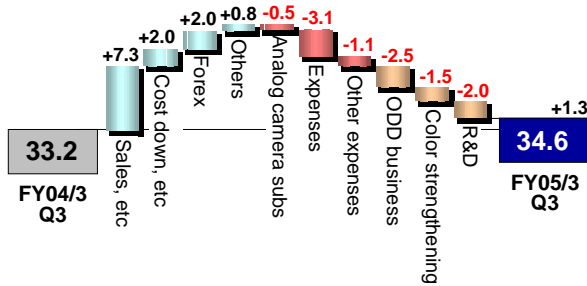
\*Excluding Forex impact

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## Comparison with FY04/3 Q3

Increase of value-added product covers strategic investment

Income before income tax (Billions of Yen)



- Changes of Gross Profit

	(Billions of Yen)
Sales, etc	+ 7.3
Cost down, etc	+ 2.0
ODD business	- 2.5
Color strengthening	- 1.5
Others	+ 0.8
Sub Total	+ 6.1
Forex	+ 2.5
Analog camera subs	- 2.3
Total	+ 6.3

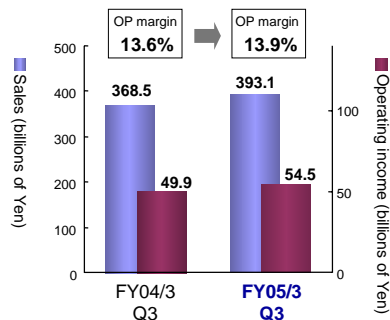
- Changes of SG&A

	(Billions of Yen)
Pensions	- 3.8
Others	+ 6.9
Sub Total	+ 3.1
R&D	+ 2.0
Forex	+ 0.5
Analog camera subs	- 1.8
Total	+ 3.8

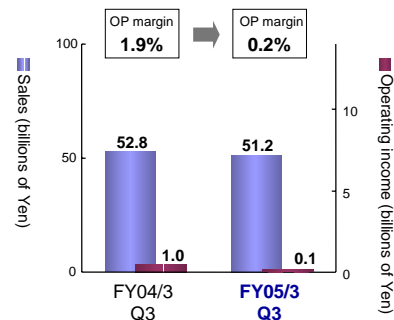
## FY05/3 Q3 Business Segment

Margin grew by increase of value-added products in Office Equipment.  
Semiconductors sales and profit down in Other Businesses.

Office Equipment

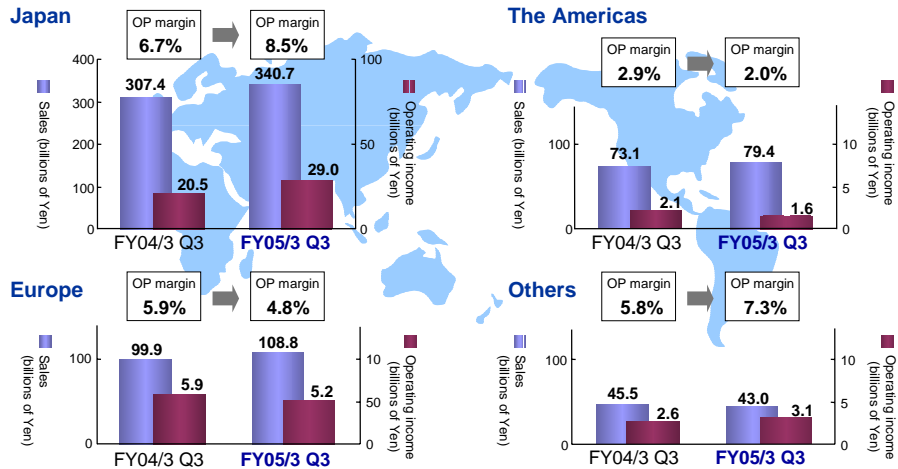


Other Businesses



## FY05/3 Q3 Geographic Segment

Margin increased by growth of value-added products in Japan and Others.



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## Appendix: FY05/3 Q3 excluding irregular factor

(Billions of Yen)	FY05/3 Q3	OD Business	Color Expansion	Subs selling	R&D	Forex	FY05/3 Q3 impact excluded	YoY change(%)
Net sales (Japan)	231.3	-0.6					231.9	+9.0%
(Overseas)	212.4	-10.8		-6.6		2.5	227.3	+10.2%
Total	443.7	-11.4		-6.6		2.5	459.2	+9.6%
Gross profit	192.1	-2.5	-1.5	-2.2		2.5	195.8	+5.5%
Operating income	153.4			-1.8	2.0	0.5	152.7	+2.1%
Operating income	38.4	-2.5	-1.5	-0.4	-2.0	2.0	42.8	+18.9%
Income before income taxes	34.3	-2.5	-1.5	-0.4	-2.0	2.0	38.7	+17.3%
Net income	22.0	-1.5	-0.9	-0.2	-1.2	1.3	24.5	+26.2%

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## Balance Sheet <as of December 31, 2004>

### Assets

	As of Dec 31, 2004	Diff. from Mar 31, '04
Current Assets	840.8	-30.9
Cash & time deposits	169.0	-34.9
Trade receivables	415.9	-6.2
Marketable securities	33.1	-11.9
Inventries	168.9	+23.6
Other current assets	53.7	-1.3
Fixed Assets	1,059.0	+78.0
Tangible fixed assets	245.0	+6.3
Finance receivable	545.6	+31.6
Other investments	268.2	+40.0
<b>Total Assets</b>	<b>1,899.8</b>	<b>+47.1</b>

### Liabilities and Shareholders' Investment

	As of Dec 31, 2004	Diff. from Mar 31, '04
Current Liabilities	642.6	+35.2
Trade payables	285.9	-11.7
Short-term borrowings	216.0	+64.9
Other current liabilities	140.6	-17.9
Fixed Liabilities	364.5	-36.7
Long-term indebtedness	230.4	-51.1
Retirement benefit obligation	94.5	+11.1
Other fixed liabilities	39.5	+3.2
<b>Total Liabilities</b>	<b>1,007.2</b>	<b>-1.5</b>
Minority Interest	50.6	+1.7
Total Shareholders' Investment	841.9	+46.8
<b>Total liabilities and shareholders' Investment</b>	<b>1,899.8</b>	<b>+47.1</b>
<b>Total debt</b>	<b>446.4</b>	<b>+13.7</b>

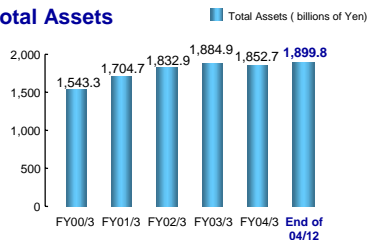
Exchange rate as of Dec.31, 2004:  
 US\$ 1 = ¥ 104.21 ( - 1.48)  
 EURO 1 = ¥ 141.61 (+12.73)

(billions of Yen)

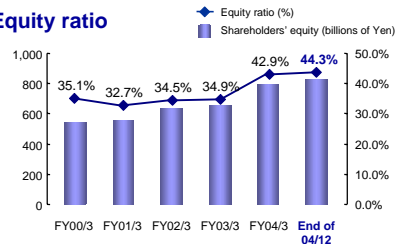
## Balance Sheet : Indexes <as of December 31, 2004>

### Shareholders' equity increased and D/E ratio down

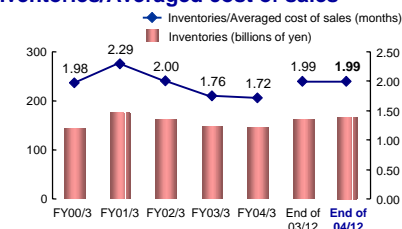
#### Total Assets



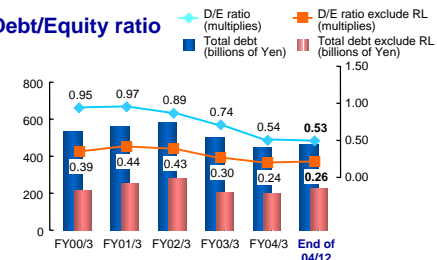
#### Equity ratio



#### Inventories/Averaged cost of sales



#### Debt/Equity ratio



## FY05/3 Q3 Statement of Cash Flow < 9 months >

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

(Billions of Yen)

	FY04/3 9months	FY04/3	<b>FY05/3 9months</b>
Net income	61.9	91.7	<b>58.0</b>
Depreciation and amortization	56.3	76.9	<b>57.4</b>
[ Cash profit (Net income + Depreciation and amortization) ]	[ 118.3 ]	[ 168.7 ]	<b>[ 115.5 ]</b>
Other operating activities	-36.6	-13.7	<b>-41.1</b>
<b>Net cash by operating activities</b>	<b>81.6</b>	<b>154.9</b>	<b>74.3</b>
Plant and equipment	-51.6	-75.2	<b>-56.6</b>
Other investing activities	11.2	11.9	<b>-33.9</b>
<b>Net cash by investing activities</b>	<b>-40.4</b>	<b>-63.3</b>	<b>-90.5</b>
[ Free cash flow ( operating net cash + investing net cash ) ]	[ 41.2 ]	[ 91.5 ]	<b>[ -16.2 ]</b>
<b>Net cash by financing activities</b>	<b>9.2</b>	<b>-74.8</b>	<b>-22.9</b>
Effect of exchange rate	-1.3	-2.8	<b>1.8</b>
<b>Net increase in cash and equivalents</b>	<b>49.1</b>	<b>13.7</b>	<b>-37.3</b>
<b>Cash and equivalents at end of period</b>	<b>238.3</b>	<b>203.0</b>	<b>168.1</b>

## 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('04/10) 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	967.4	<b>972.9</b>	+5.4	+58.8	+6.4%	+6.4%	+6.4%
(Overseas)	866.1	842.6	<b>842.1</b>	-0.4	-24.0	-2.8%	-1.0%	+1.8%
Total	1,780.2	1,810.0	<b>1,815.0</b>	+5.0	+34.7	+2.0%	+2.8%	+4.2%
Gross profit	765.6	760.0	<b>764.0</b>	+4.0	-1.6	-0.2%		
Percentage of net sales	43.0%	42.0%	<b>42.1%</b>	-	-	-		
Operating income	150.0	151.0	<b>147.0</b>	-4.0	-3.0	-2.0%	+3.5%	
Percentage of net sales	8.4%	8.3%	<b>8.1%</b>	-	-	-		
Income before income taxes	143.0	145.5	<b>141.0</b>	-4.5	-2.0	-1.4%		
Percentage of net sales	8.0%	8.0%	<b>7.8%</b>	-	-	-		
Income before accounting change	84.3	85.0	<b>85.0</b>	+0.0	+0.7	+0.7%		
Percentage of net sales	4.7%	4.7%	<b>4.7%</b>	-	-	-		
Net income	91.7	85.0	<b>85.0</b>	+0.0	-6.7	-7.4%		
Percentage of net sales	5.2%	4.7%	<b>4.7%</b>	-	-	-		
EPS (Yen)	123.63	115.05	<b>115.07</b>	+0.02	-8.56			
Exchange rate US \$1	113.09	107.42	<b>107.67</b>	+0.25	-5.42			
(Yen) Euro 1	132.65	131.66	<b>133.45</b>	+1.79	+0.80			

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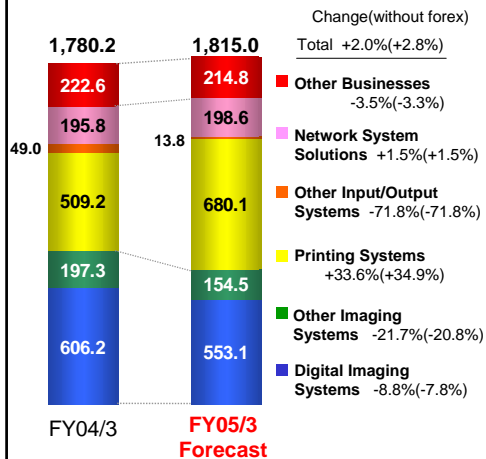
\*Excluding the impact of selling analog camera related business subsidiaries \*\*OD:Optical Disc related business

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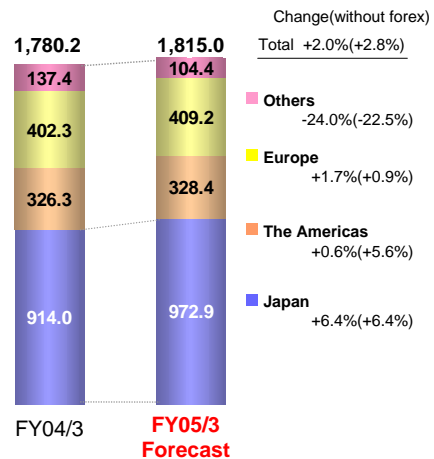
## FY05/3 Sales forecast

### Printing Systems increase in all areas

**By Category** (Billions of Yen)



**By Area** (Billions of Yen)



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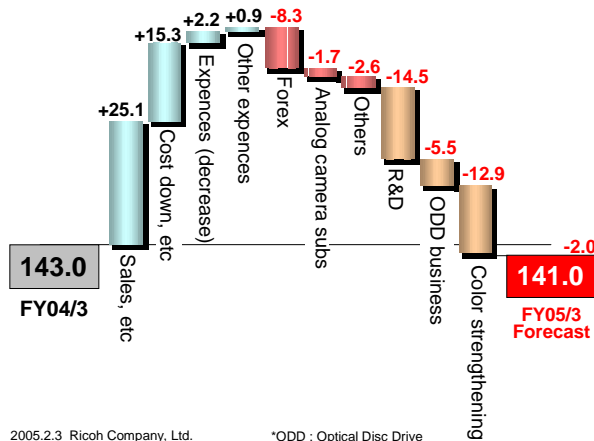
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## Comparison with FY04/3

**Profit increased by value-added products, and cost increased by strategic investment**

**Income before income tax** (Billions of Yen)



- Changes of Gross Profit

	(Billions of Yen)
Sales, etc	+ 25.1
Cost down, etc	+ 15.3
ODD business	- 5.5
Color strengthening	- 12.9
Others	- 2.6
<b>Sub Total</b>	<b>+ 19.4</b>
Forex	- 12.3
Analog camera subs	- 8.7
<b>Total</b>	<b>- 1.6</b>

- Changes of SG&A

	(Billions of Yen)
Pensions	- 13.1
Others	+ 10.9
<b>Sub Total</b>	<b>- 2.2</b>
R&D	+ 14.5
Forex	- 4.0
Analog camera subs	- 7.0
<b>Total</b>	<b>+ 1.3</b>

## III. Appendix

## Appendix of FY05/3 Q3 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 Q3	FY05/3 Q3
Copier+MFP	75%	75%
LP	70%	55%

### Color ratio (by sales of machine)

		FY04/3 Q3	FY05/3 Q3
Copier+MFP	Japan	31%	34%
	Overseas	23%	29%
	Total	25%	30%
LP	Japan	25%	19%
	Overseas	67%	54%
	Total	48%	30%

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

	FY04/3 Q3	FY05/3 Q3
CAPEX	15.5	20.5
Depreciation & Amortization	15.7	16.9
R&D	24.2	26.1

(Billions of Yen)

	FY04/3 Result	FY05/3 (forecast)
CAPEX	75.5	79.0
Depreciation & Amortization	67.6	67.5
R&D	92.5	107.0

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## FY05/3 Q4 Performance Forecast

(Billions of Yen)		FY04/3 4Q	FY05/3 4Q Latest('04/10) Forecast	FY05/3 4Q Forecast	Comparison with latest forecast	Comparison with last year		Excluding Forex impact	Excluding Forex & Subs selling*
						Change	Change(%)		
Net sales	(Japan)	252.5	270.3	272.3	+2.0	+19.8	+7.9%	+7.9%	+7.9%
	(Overseas)	218.7	226.0	222.7	-3.2	+4.0	+1.9%	+4.4%	+7.7%
	Total	471.2	496.3	495.1	-1.1	+23.9	+5.1%	+6.3%	+7.8%
Gross profit		191.7	208.2	208.0	-0.2	+16.2	+8.5%		
	Percentage of net sales	40.7%	41.9%	42.0%	-	-	-		
Operating income		36.5	53.5	50.5	-3.0	+13.9	+38.3%	+43.5%	
	Percentage of net sales	7.8%	10.8%	10.2%	-	-	-		
Income before income taxes		38.3	46.7	46.2	-0.4	+7.8	+20.6%		
	Percentage of net sales	8.1%	9.4%	9.3%	-	-	-		
Income before accounting change		22.4	26.6	26.9	+0.2	+4.4	+20.0%		
	Percentage of net sales	4.8%	5.4%	5.4%	-	-	-		
Net income		29.8	26.6	26.9	+0.2	-2.8	-9.7%		
	Percentage of net sales	6.3%	5.4%	5.4%	-	-	-		
EPS (Yen)		40.31	36.11	36.51	+0.40	-3.80			
Exchange rate	US \$1	107.31	105.00	105.00	+0.00	-2.31			
	(Yen) Euro 1	134.10	130.00	130.00	+0.00	-4.10			

Excluding Forex, Subs selling\* & OD\*\*

Japan +8.1%  
Overseas +9.1%  
Total +8.5% (Net sales)

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

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## FY05/3 2H Performance Forecast

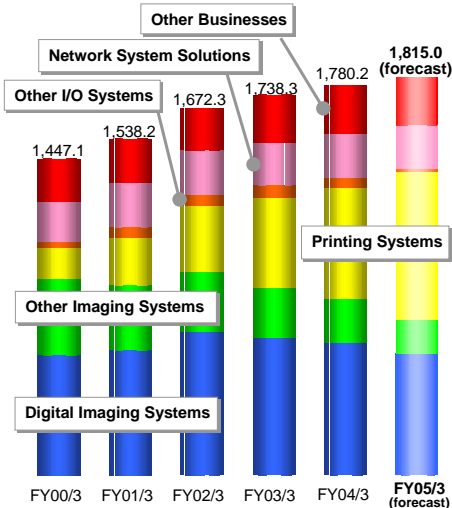
(Billions of Yen)	FY04/3 2H	FY05/3 2H Latest (04/10) Forecast	FY05/3 2H Forecast	Comparison with latest forecast	Comparison with last year		Excluding Forex impact	Excluding Forex & Subs selling*
					Change	Change(%)		
Net sales (Japan)	465.4	498.2	<b>503.7</b>	+5.4	+38.2	+8.2%	+8.2%	+8.2%
	(Overseas)	426.7	435.7	<b>435.2</b>	-0.4	+8.5	+2.0%	+6.0%
	Total	892.1	933.9	<b>938.9</b>	+5.0	+46.8	+5.3%	+7.2%
Gross profit	377.5	396.1	<b>400.1</b>	+4.0	+22.6	+6.0%		
Percentage of net sales	42.3%	42.4%	<b>42.6%</b>	-	-	-		
Operating income	72.7	93.2	<b>89.2</b>	-4.0	+16.4	+22.7%	+22.5%	
Percentage of net sales	8.2%	10.0%	<b>9.5%</b>	-	-	-		
Income before income taxes	71.6	85.4	<b>80.9</b>	-4.5	+9.2	+13.0%		
Percentage of net sales	8.0%	9.1%	<b>8.6%</b>	-	-	-		
Income before accounting change	42.1	49.1	<b>49.1</b>	+0.0	+7.0	+16.7%		
Percentage of net sales	4.7%	5.3%	<b>5.2%</b>	-	-	-		
Net income	49.5	49.1	<b>49.1</b>	+0.0	-0.3	-0.7%		
Percentage of net sales	5.5%	5.3%	<b>5.2%</b>	-	-	-		
EPS (Yen)	66.84	66.57	<b>66.59</b>	+0.02	-0.25			
Exchange rate US \$1	108.12	105.00	<b>105.51</b>	+0.51	-2.61			
(Yen) Euro 1	131.83	130.00	<b>133.58</b>	+3.58	+1.75			

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

## Financial Indexes

### Sales by Category

(Billions of Yen)



### Financial Indexes

