

# **Consolidated Results for the 3 months ended June 30, 2004**

**August 3, 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 1Q Results**

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

### Net income increased 11.4% y-o-y

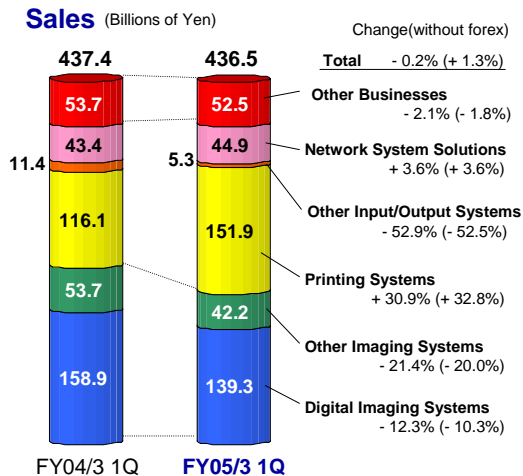
(Billions of Yen)

	FY04/3 Q1	Latest('04/4) Forecast	FY05/3 Q1 Results	Comparison		Change(%)	(Excluding Forex impact)	(Excluding Subs selling*)
				with latest forecast	with last year			
<b>Net sales</b>								
(Japan)	224.3	233.0	233.3	+0.3	+8.9	+4.0%	+4.0%	+4.0%
(Overseas)	213.1	208.0	203.2	-4.7	-9.8	-4.6%	-1.6%	+0.9%
<b>Total</b>	<b>437.4</b>	<b>441.0</b>	<b>436.5</b>	<b>-4.4</b>	<b>-0.9</b>	<b>-0.2%</b>	<b>+1.3%</b>	<b>+2.5%</b>
<b>Gross profit</b>	<b>192.7</b>	<b>192.3</b>	<b>189.1</b>	<b>-3.1</b>	<b>-3.5</b>	<b>-1.9%</b>		
Percentage of net sales	44.1%	43.6%	43.3%	-	-	-		
<b>Operating income</b>	<b>38.4</b>	<b>39.0</b>	<b>39.3</b>	<b>+0.3</b>	<b>+0.9</b>	<b>+2.3%</b>	+17.4%	
Percentage of net sales	8.8%	8.8%	9.0%	-	-	-		
<b>Income before income taxes</b>	<b>37.3</b>	<b>37.5</b>	<b>41.3</b>	<b>+3.8</b>	<b>+4.0</b>	<b>+10.7%</b>		
Percentage of net sales	8.5%	8.5%	9.5%	-	-	-		
<b>Net income</b>	<b>22.3</b>	<b>22.5</b>	<b>24.8</b>	<b>+2.3</b>	<b>+2.5</b>	<b>+11.4%</b>		
Percentage of net sales	5.1%	5.1%	5.7%	-	-	-		
<b>EPS (Yen)</b>	<b>30.04</b>	<b>30.45</b>	<b>33.69</b>	<b>+3.24</b>	<b>+3.65</b>			
Exchange rate US \$1	118.52	105.00	109.65	+4.65	-8.87			
(Yen) Euro 1	134.67	130.00	132.17	+2.17	-2.50			

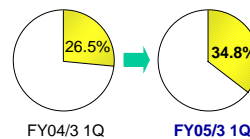
\*Excluding the impact of selling photographic business subsidiaries

## FY05/3 1Q Sales by Category

### Printing Systems increased

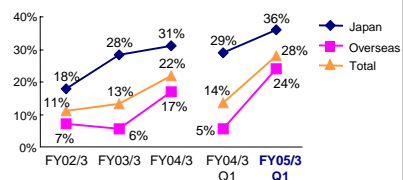


- Ratio of Printing Systems on total sales



Imagio Neo C325/385 (Aficio 2232C/2238C)

- Color ratio



\*by sales for machines of copier and multifunctional copiers

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

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

		Comparison with last year*		
		Billions of Yen	change(%)	
Imaging Solutions	Japan	-10.0	-11.8%	
	Overseas	-17.0	-13.3%	
		-27.0	-12.7%	
Printing Systems	Japan	+14.2	+27.2%	
	Overseas	+23.8	+37.4%	
			+38.0	+32.8%
	Other I/O Systems	Japan	-0.7	-42.8%
Network Input/Output Systems	Overseas	-5.2	-54.1%	
			-5.9	-52.5%
	Japan	+13.5	+25.1%	
	Overseas	+18.5	+25.2%	
		+32.0	+25.2%	
Network System Solutions	Japan	+0.9	+2.1%	
	Overseas	+0.6	+87.1%	
			+1.5	+3.6%
Business Equipment Total	Japan	+4.3	+2.4%	
	Overseas	+2.1	+1.1%	
	Americas	+5.5	+7.0%	
	Europe	+1.4	+1.5%	
	Others	-4.7	-18.8%	
		+6.5	+1.7%	

		Comparison with last year*	
		Billions of Yen	change(%)
Other Businesses	Japan	+4.5	+10.8%
	Overseas	-5.5	-48.9%
	Americas	-0.3	-67.4%
	Europe	-0.1	-18.0%
		-4.9	-51.0%
Grand Total	Others	-0.9	-1.8%
	Japan	+8.9	+4.0%
	Overseas	-3.3	-1.6%
	Americas	+5.1	+6.4%
	Europe	+1.2	+1.3%
		-9.7	-27.8%
		+5.6	+1.3%

Growth rate excluding optical disc business	
Japan	+2.8%
Overseas	+3.9%
Americas	+7.4%
Europe	+0.5%
Others	+6.6%
Total	+3.3%

2004.8.3 Ricoh Company, Ltd.

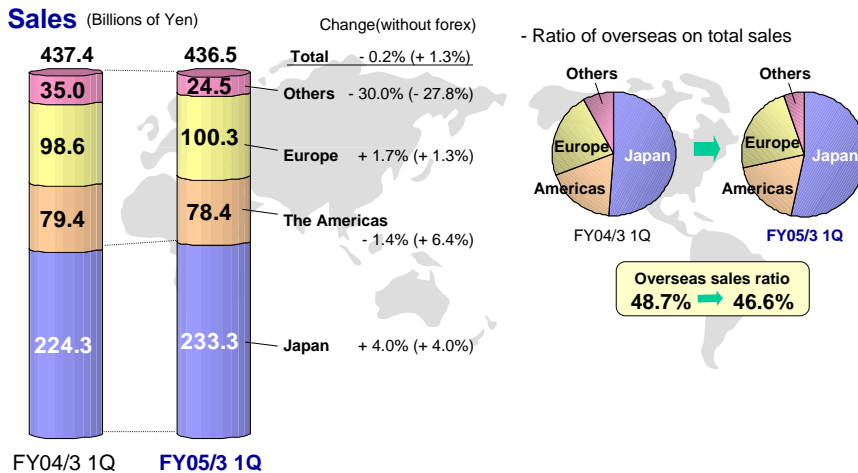
\*Excluding Forex impact

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Affected by selling photographic business subsidiaries

## FY05/3 1Q Sales by Geographic Area

**Steady growth in Japan, Americas, and Europe. Others decreased by selling photographic business subs.**



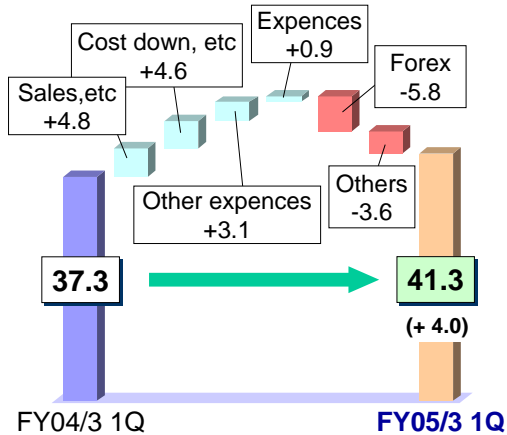
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## Comparison with FY04/3 1Q

Profit increased with sales growth and cost down activities

Income before income tax (Billions of Yen)



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- Changes of Gross Profit

(Billions of Yen)	
Sales, etc	+ 4.8
Cost down, etc	+ 4.6
Others	- 3.6
<b>Sub Total</b>	<b>+ 5.8</b>
Forex	- 7.7
Photographic business	- 1.6
<b>Total</b>	<b>- 3.5</b>

- Changes of SG&A

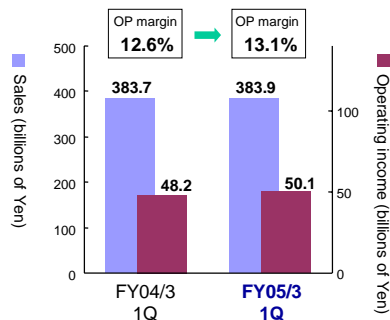
(Billions of Yen)	
R&D	+ 4.9
Pensions	- 3.9
Others	- 1.9
<b>Sub Total</b>	<b>- 0.9</b>
Forex	- 1.9
Photographic business	- 1.6
<b>Total</b>	<b>- 4.4</b>

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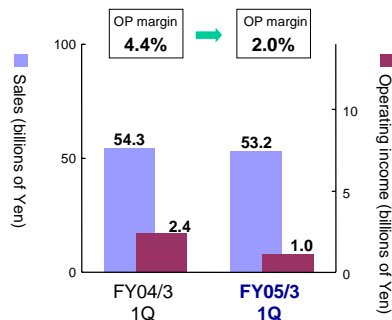
## FY05/3 1Q Business Segment

Increase of value-added products in all area increased margin of Office Equipment. Semiconductors sales down in Other Businesses.

Office Equipment



Other Businesses



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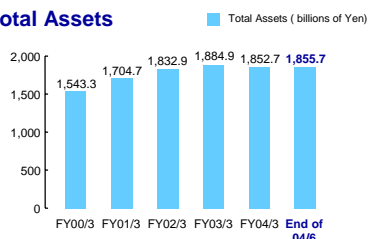
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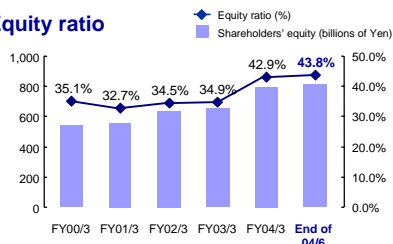
## Balance Sheet : Indexes <as of June 30, 2004>

### Debt decreased, and Equity ratio increased

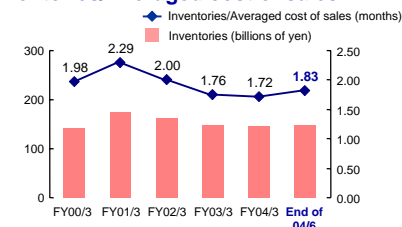
**Total Assets**



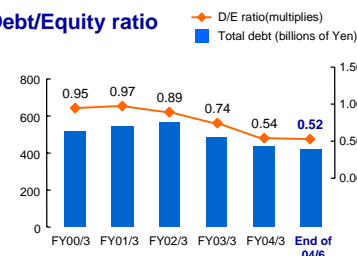
**Equity ratio**



**Inventories/Averaged cost of sales**



**Debt/Equity ratio**



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## FY05/3 1Q Statement of Cash Flow

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

(Billions of Yen)

	FY04/3 Q1	FY04/3	FY05/3 Q1
Net income	22.3	91.7	24.8
Depreciation and amortization	19.6	76.9	18.7
[ Cash profit (net income + Depreciation and amortization) ]	[ 42.0 ]	[ 168.7 ]	[ 43.6 ]
Other operating activities	-2.1	-13.7	-1.3
<b>Net cash by operating activities</b>	<b>39.8</b>	<b>154.9</b>	<b>42.2</b>
Plant and equipment	-18.6	-75.2	-18.1
Other investing activities	10.7	11.9	7.3
<b>Net cash by investing activities</b>	<b>-7.9</b>	<b>-63.3</b>	<b>-10.8</b>
[ Free cash flow ( operating net cash + investing net cash ) ]	[ 31.9 ]	[ 91.5 ]	[ 31.3 ]
<b>Net cash by financing activities</b>	<b>-6.4</b>	<b>-74.8</b>	<b>-21.2</b>
Effect of exchange rate	1.2	-2.8	-0.1
<b>Net increase in cash and equivalents</b>	<b>26.7</b>	<b>13.7</b>	<b>9.9</b>
<b>Cash and equivalents at end of period</b>	<b>215.9</b>	<b>203.0</b>	<b>215.4</b>

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## II. FY05/3 Forecast

## FY05/3 Performance Forecast

Targeting 11th straight year of growth for net sales and 13th for net income

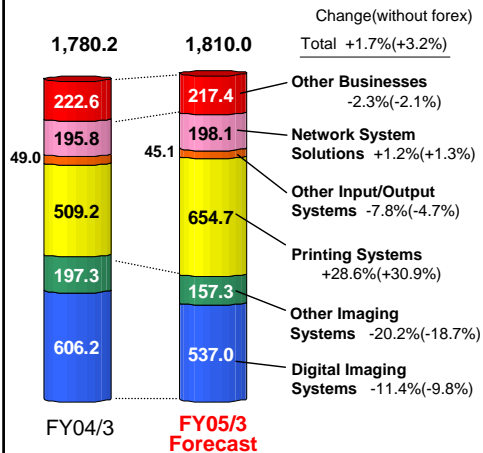
(Billions of Yen)

	FY04/3	Latest('04/4) Forecast	FY05/3 Forecast	Comparison with latest forecast	Comparison with last year		(Excluding Forex impact)	(Excluding Subs selling*)
					Change	Change(%)		
<b>Net sales</b>								
(Japan)	914.0	935.0	935.0	+0.0	+20.9	+2.3%	+2.3%	+2.3%
(Overseas)	866.1	875.0	875.0	+0.0	+8.8	+1.0%	+4.2%	+7.2%
<b>Total</b>	<b>1,780.2</b>	<b>1,810.0</b>	<b>1,810.0</b>	+0.0	<b>+29.7</b>	<b>+1.7%</b>	+3.2%	+4.6%
<b>Gross profit</b>	<b>765.6</b>	<b>785.0</b>	<b>785.0</b>	+0.0	<b>+19.3</b>	<b>+2.5%</b>		
Percentage of net sales	43.0%	43.4%	43.4%	-	-	-		
<b>Operating income</b>	<b>150.0</b>	<b>175.0</b>	<b>175.0</b>	+0.0	<b>+24.9</b>	<b>+16.7%</b>	+26.6%	
Percentage of net sales	8.4%	9.7%	9.7%	-	-	-		
<b>Income before income tax</b>	<b>143.0</b>	<b>165.0</b>	<b>165.0</b>	+0.0	<b>+21.9</b>	<b>+15.3%</b>		
Percentage of net sales	8.0%	9.1%	9.1%	-	-	-		
<b>Net income</b>	<b>91.7</b>	<b>95.0</b>	<b>95.0</b>	+0.0	<b>+3.2</b>	<b>+3.5%</b>		
Percentage of net sales	5.2%	5.2%	5.2%	-	-	-		
<b>EPS (Yen)</b>	123.63	128.57	128.58	+0.01	+4.95			
Exchange rate	US \$1	113.09	105.00	+1.16	-6.93			
(Yen)	Euro 1	132.65	130.00	+0.54	-2.11			

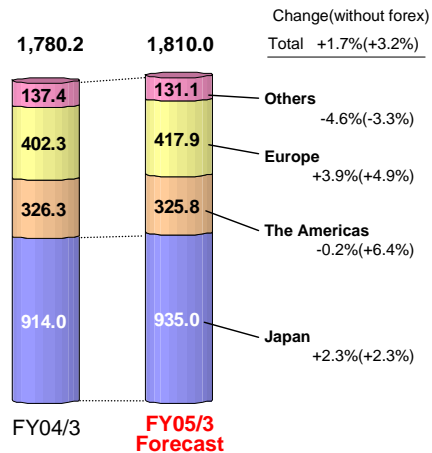
## FY05/3 Sales forecast

### Printing Systems increase continuously

**By Category** (Billions of Yen)



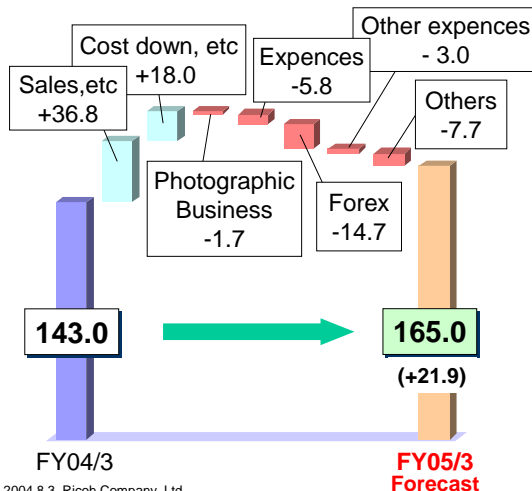
**By Area** (Billions of Yen)



## Comparison with FY04/3

### Profit increased by value-added products and cost down

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



- Changes of Gross Profit

(Billions of Yen)	
Sales, etc	+ 36.8
Cost down, etc	+ 18.0
Others	- 7.7
<b>Sub Total</b>	<b>+ 47.1</b>
Forex	- 19.1
Photographic business	- 8.7
<b>Total</b>	<b>+ 19.3</b>

- Changes of SG&A

(Billions of Yen)	
R&D	+ 7.5
Pensions	- 13.4
Others	+ 11.7
<b>Sub Total</b>	<b>+ 5.8</b>
Forex	- 4.4
Photographic business	- 7.0
<b>Total</b>	<b>- 5.6</b>



### III. Appendix

### Appendix of FY05/3 1Q 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

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

(Billions of Yen)

	FY04/3 Q1	FY05/3 Q1
CAPEX	18.6	<b>18.6</b>
Depreciation & Amortization	17.0	<b>15.9</b>
R&D	19.3	<b>24.3</b>

#### Overseas production ratio (by units)

	FY04/3 Q1	FY05/3 Q1
Copier+MFP	70%	<b>70%</b>
LP	55%	<b>50%</b>

	FY04/3 Q1	FY05/3 (forecast)
CAPEX	75.5	<b>74.5</b>
Depreciation & Amortization	67.6	<b>69.0</b>
R&D	92.5	<b>100.0</b>

#### Color ratio (by sales of machine)

		FY04/3 Q1	FY05/3 Q1
Copier+MFP	Japan	29%	<b>36%</b>
	Overseas	5%	<b>24%</b>
	Total	14%	<b>28%</b>
LP	Japan	30%	<b>34%</b>
	Overseas	70%	<b>54%</b>
	Total	52%	<b>43%</b>

## FY05/3 2Q Performance Forecast

(Billions of Yen)

	FY04/3 2Q	Latest('04/4) Forecast	FY05/3 2Q Forecast	Comparison with latest forecast	Comparison with last year		(Excluding Forex impact)	(Excluding Subs selling*)
					Change	Change(%)		
<b>Net sales</b>								
(Japan)	224.3	233.0	232.6	-0.3	+8.3	+3.7%	+3.7%	+3.7%
(Overseas)	226.3	221.0	225.7	+4.7	-0.5	-0.3%	+5.3%	+8.1%
<b>Total</b>	<b>450.6</b>	<b>454.0</b>	<b>458.4</b>	<b>+4.4</b>	<b>+7.8</b>	<b>+1.7%</b>	<b>+4.5%</b>	<b>+5.9%</b>
<b>Gross profit</b>	<b>195.3</b>	<b>194.5</b>	<b>197.6</b>	<b>+3.1</b>	<b>+2.2</b>	<b>+1.2%</b>		
Percentage of net sales	43.4%	42.8%	43.1%	-	-	-		
<b>Operating income</b>	<b>38.7</b>	<b>39.0</b>	<b>38.6</b>	<b>-0.3</b>	<b>-0.1</b>	<b>-0.4%</b>	+13.8%	
Percentage of net sales	8.6%	8.6%	8.4%	-	-	-		
<b>Income before income taxes</b>	<b>34.0</b>	<b>37.0</b>	<b>33.1</b>	<b>-3.8</b>	<b>-0.9</b>	<b>-2.7%</b>		
Percentage of net sales	7.6%	8.1%	7.2%	-	-	-		
<b>Net income</b>	<b>19.9</b>	<b>21.3</b>	<b>18.9</b>	<b>-2.3</b>	<b>-1.0</b>	<b>-5.0%</b>		
Percentage of net sales	4.4%	4.7%	4.1%	-	-	-		
<b>EPS (Yen)</b>	<b>26.75</b>	<b>28.83</b>	<b>25.59</b>	<b>-3.24</b>	<b>-1.16</b>			
Exchange rate	US \$1	117.61	105.00	+0.00	-12.61			
(Yen)	Euro 1	132.27	130.00	+0.00	-2.27			

\*Excluding the impact of selling photographic business subsidiaries

## FY05/3 1H Performance Forecast

(Billions of Yen)

	FY04/3 1H	Latest('04/4) Forecast	FY05/3 1H Forecast	Comparison with latest forecast	Comparison with last year		(Excluding Forex impact)	(Excluding Subs selling*)
					Change	Change(%)		
<b>Net sales</b>								
(Japan)	448.6	466.0	466.0	+0.0	+17.3	+3.9%	+3.9%	+3.9%
(Overseas)	439.4	429.0	429.0	+0.0	-10.4	-2.4%	+1.9%	+4.6%
<b>Total</b>	<b>888.0</b>	<b>895.0</b>	<b>895.0</b>	<b>+0.0</b>	<b>+6.9</b>	<b>+0.8%</b>	<b>+2.9%</b>	<b>+4.2%</b>
<b>Gross profit</b>	<b>388.1</b>	<b>386.8</b>	<b>386.8</b>	<b>+0.0</b>	<b>-1.3</b>	<b>-0.3%</b>		
Percentage of net sales	43.7%	43.2%	43.2%	-	-	-		
<b>Operating income</b>	<b>77.2</b>	<b>78.0</b>	<b>78.0</b>	<b>+0.0</b>	<b>+0.7</b>	<b>+1.0%</b>	+15.6%	
Percentage of net sales	8.7%	8.7%	8.7%	-	-	-		
<b>Income before income taxes</b>	<b>71.4</b>	<b>74.5</b>	<b>74.5</b>	<b>+0.0</b>	<b>+3.0</b>	<b>+4.3%</b>		
Percentage of net sales	8.0%	8.3%	8.3%	-	-	-		
<b>Net income</b>	<b>42.2</b>	<b>43.8</b>	<b>43.8</b>	<b>+0.0</b>	<b>+1.5</b>	<b>+3.6%</b>		
Percentage of net sales	4.8%	4.9%	4.9%	-	-	-		
<b>EPS (Yen)</b>	<b>56.79</b>	<b>59.28</b>	<b>59.28</b>	<b>+0.00</b>	<b>+2.49</b>			
Exchange rate	US \$1	118.06	107.33	+2.33	-10.73			
(Yen)	Euro 1	133.47	130.00	+1.09	-2.38			

\*Excluding the impact of selling photographic business subsidiaries

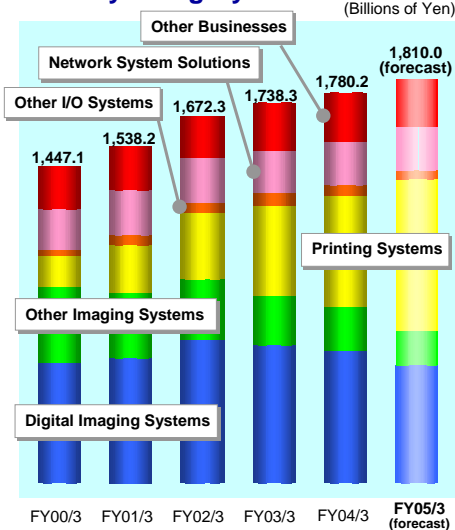
## FY05/3 2H Performance Forecast

		(Billions of Yen)							
		FY04/3 2H	Latest('04/4) Forecast	FY05/3 2H Forecast	Comparison with latest forecast	Comparison with last year		Ⓜ Excluding Forex impact	Ⓜ Excluding Subs selling*
						Change	Change(%)		
<b>Net sales</b>	(Japan)	465.4	469.0	469.0	+0.0	+3.5	+0.8%	+0.8%	+0.8%
	(Overseas)	426.7	446.0	446.0	+0.0	+19.2	+4.5%	+6.5%	+9.9%
	<b>Total</b>	<b>892.1</b>	<b>915.0</b>	<b>915.0</b>	+0.0	<b>+22.8</b>	<b>+2.6%</b>	+3.5%	+5.1%
<b>Gross profit</b>		<b>377.5</b>	<b>398.2</b>	<b>398.2</b>	+0.0	<b>+20.6</b>	<b>+5.5%</b>		
	Percentage of net sales	42.3%	43.5%	43.5%	-	-	-		
<b>Operating income</b>		<b>72.7</b>	<b>97.0</b>	<b>97.0</b>	+0.0	<b>+24.2</b>	<b>+33.3%</b>		+38.3%
	Percentage of net sales	8.2%	10.6%	10.6%	-	-	-		
<b>Income before income taxes</b>		<b>71.6</b>	<b>90.5</b>	<b>90.5</b>	+0.0	<b>+18.8</b>	<b>+26.3%</b>		
	Percentage of net sales	8.0%	9.9%	9.9%	-	-	-		
<b>Net income</b>		<b>49.5</b>	<b>51.2</b>	<b>51.2</b>	+0.0	<b>+1.6</b>	<b>+3.4%</b>		
	Percentage of net sales	5.5%	5.6%	5.6%	-	-	-		
<b>EPS (Yen)</b>		66.84	69.29	69.30	+0.01	+2.46			
Exchange rate	US \$1	108.12	105.00	105.00	+0.00	-3.12			
	(Yen) Euro 1	131.83	130.00	130.00	+0.00	-1.83			

\*Excluding the impact of selling photographic business subsidiaries

## Financial Indexes

### Sales by Category



### Financial Indexes

