RICOH COMPANY, LTD. to make TOHOKU RICOH CO., LTD. a Wholly Owned Subsidiary

RICOH COMPANY, LTD. (TSE: 7752, “Ricoh”) and TOHOKU RICOH CO., LTD. (TSE: 6427, “Tohoku Ricoh”) today announced that in accordance with an agreement signed by their respective boards of directors, Ricoh will make Tohoku Ricoh a wholly owned subsidiary through share exchange. Ricoh will not seek approval at a General Shareholders Meeting in accordance with the provision of Paragraph 1 of Article 358 (Simplified Share Exchange) of the Commercial Code of Japan.

1. Objective of making Tohoku Ricoh a wholly owned subsidiary

The Ricoh Group announced its new Group Vision as “A Winner in the 21st Century” and aims to keep providing its customers with high reliability and new value. We recognize that to achieve this we must develop products and services with a competitive edge, and we are enhancing our technology so as to offer the “world’s No.1 products”.

Tohoku Ricoh has on the one hand been striving to contribute to the Ricoh Group’s strategies as one of the Group’s core corporations. On the other hand, as a publicly held company, it has done its utmost to respond to the expectations of its shareholders. However, the office equipment/solutions industry, Ricoh Group’s main business, is experiencing fiercer competition due to rapid changes in customer needs influenced by digitization and the networked environment.

Ricoh and Tohoku Ricoh have agreed that for the sake of both companies’ further growth and expansion, the integration of both companies’ development, design and production functions would enhance competitiveness. Thus the management of Ricoh decided to turn Tohoku Ricoh into a wholly owned subsidiary.

Tohoku Ricoh will hereafter act as a wholly owned subsidiary of Ricoh, striving to expand its own businesses such as the digital stencil duplicator business. Also, it will be expected to play a significant role strengthening and expanding the image processing business as well as its related solutions business in its capacity as a Ricoh Group company.
2. Share Exchange Terms and Conditions

(1) Schedule

December 17, 2002  Board of directors approves agreement for share exchange
February 26, 2003* Shareholder approval of share exchange agreement
(special shareholders meeting of Tohoku Ricoh)
March 31, 2003* Shareholder submission of shares for share exchange
April 1, 2003* Share exchange

*The above dates are projected dates subject to change.

(2) Ratio of Exchange

Ricoh requested Nomura Securities Co., Ltd. (“Nomura Securities”), and Tohoku Ricoh requested Deloitte Tohmatsu Corporate Finance Co., Ltd. (“Deloitte Tohmatsu Corporate Finance”) to calculate the ratio for the share exchange. The results of these calculations were discussed between the two companies, resulting in the ratio shown below.

<table>
<thead>
<tr>
<th>Company</th>
<th>Ricoh (Parent)</th>
<th>Tohoku Ricoh (Subsidiary)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Share exchange ratio</td>
<td>1.000</td>
<td>0.345</td>
</tr>
</tbody>
</table>

Notes:

a) Share allocation ratio

There will be an allocation of 0.345 shares of Ricoh stock per share of Tohoku Ricoh stock. However, there will be no allocation of shares with respect to Tohoku Ricoh stock held by Ricoh.

b) Result, method and basis of calculation by third-party institutions

Nomura Securities utilized market price analysis to evaluate Ricoh, and market price analysis, discounted cash flow (DCF) analysis and comparable companies analysis to evaluate Tohoku Ricoh. The results served as the basis for calculating the share exchange ratio.

Deloitte Tohmatsu Corporate Finance used market price analysis, discounted cash flow (DCF) analysis and comparable companies analysis to evaluate Ricoh and Tohoku Ricoh. The results served as a basis for calculating the share-exchange ratio.

c) Number of Ricoh shares to be allocated for the exchange:

2,239,533 ordinary shares

e) Ricoh will use its treasury stock, to be purchased in accordance with the resolution of its 102nd ordinary general shareholders meeting, for the shares to be allocated for the share exchange.

(Notes) Resolution of Ricoh’s 102nd ordinary general shareholders meeting

| Share type to be purchased | ordinary shares |
| Number of shares to be purchased | 8,000,000 shares (upper limit) |
| Amount of shares to be purchased | 20 billion yen (upper limit) |
3. Outline of Each Company

<table>
<thead>
<tr>
<th></th>
<th>RICOH COMPANY, LTD.</th>
<th>TOHOKU RICOH CO., LTD.</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Trade Name</td>
<td>RICOH COMPANY, LTD.</td>
<td>TOHOKU RICOH CO., LTD.</td>
</tr>
<tr>
<td>(2) Business</td>
<td>Development, manufacture, sales and services of office automation equipment, photographic equipment, electronic devices and other.</td>
<td>Development, manufacture, sales and services of office automation equipment, office supplies and other.</td>
</tr>
<tr>
<td>(3) Date established</td>
<td>February 6, 1936</td>
<td>July 11, 1967</td>
</tr>
<tr>
<td>(4) Head Office</td>
<td>1-3-6, Naka-Magome, Ota-ku, Tokyo, Japan</td>
<td>3-1 Shinmeido, Shibata-machi, Miyagi, Japan</td>
</tr>
<tr>
<td>(5) President</td>
<td>Masamitsu SakuraiPresident and COO</td>
<td>Yoichi ShirahataPresident</td>
</tr>
<tr>
<td>(6) Capital stock</td>
<td>120,489 million yen</td>
<td>2,272 million yen</td>
</tr>
<tr>
<td>(7) Shares issued</td>
<td>727,324 thousand shares</td>
<td>17,108 thousand shares</td>
</tr>
<tr>
<td>(8) Shareholders’ equity</td>
<td>568,280 million yen</td>
<td>20,018 million yen</td>
</tr>
<tr>
<td>(9) Total assets</td>
<td>913,289 million yen</td>
<td>32,865 million yen</td>
</tr>
<tr>
<td>(10) End of fiscal year</td>
<td>March 31</td>
<td>March 31</td>
</tr>
<tr>
<td>(11) Number of employees</td>
<td>11,987</td>
<td>1,374</td>
</tr>
</tbody>
</table>
| (12) Major business partners  | Suppliers  
Tohoku Ricoh Co., LTD.  
Ricoh Asia Industry LTD. etc.  
Distributors  
NRG Group PLC  
Ricoh Corporation etc. | Suppliers  
Hasama Ricoh Co., LTD.  
Ricoh Company, Ltd. etc.  
Distributors  
Ricoh Company, Ltd.  
NBS Ricoh Co., LTD etc. |
| (13) Major shareholders and shareholding ratios  | Japan Trustee Services Bank, Ltd.  
8.68%  
The Master Trust Bank of Japan,Ltd.  
5.81%  
Nippon Life Insurance Company  
4.47%  
UFJ Bank Limited.  
3.74%  
UFJ Trust Bank Limited.  
3.26%  
Ricoh Company, Ltd.  
62.06%  
Employees’ Stockholding  
6.92%  
Higashihonkogyo Co.,Ltd.4.56%  
The 77 Bank, Ltd.  
4.00%  
Bunkado Co., Ltd.  
1.12% |
| (14) Major banks | UFJ Bank Limited.  
The Bank of Tokyo-Mitsubishi, Ltd.  
Mizuho Corporate Bank, Ltd. | The 77 Bank, Ltd.  
Mizuho Corporate Bank, Ltd.  
The Bank of Tokyo-Mitsubishi, Ltd.  
UFJ Bank Limited. |
4. Financial Results (for the three most recent fiscal years) (in million yen)

<table>
<thead>
<tr>
<th>Fiscal year</th>
<th>RICOH COMPANY, LTD.</th>
<th>TOHOKU RICOH CO., LTD.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(Parent)</td>
<td>(Subsidiary)</td>
</tr>
<tr>
<td>Net sales</td>
<td>March 2000</td>
<td>March 2001</td>
</tr>
<tr>
<td></td>
<td>777,501</td>
<td>855,499</td>
</tr>
<tr>
<td>Operating profit</td>
<td>58,220</td>
<td>60,654</td>
</tr>
<tr>
<td>Ordinary profit</td>
<td>50,113</td>
<td>65,971</td>
</tr>
<tr>
<td>Net income</td>
<td>22,613</td>
<td>34,404</td>
</tr>
<tr>
<td>Net income per share (yen)</td>
<td>32.69</td>
<td>49.67</td>
</tr>
<tr>
<td>Annual dividends per share (yen)</td>
<td>11.00</td>
<td>12.00</td>
</tr>
<tr>
<td>Shareholders’ equity per share (yen)</td>
<td>661.71</td>
<td>706.13</td>
</tr>
</tbody>
</table>

5. Changes after share exchange

(1) Trade name, business, head-office location

The company’s trade name, business and head-office location will remain the same as listed in “3. Outline of Each Company”.

(2) Capital

There will be no change in the company’s capital and capital reserve, since Ricoh plans to use its treasury stock for the shares to be allocated for the share exchange.

(3) Effect on Ricoh’s financial results

The share exchange will have no immediate material effect on Ricoh’s consolidated financial results, since Tohoku Ricoh is already a consolidated subsidiary of Ricoh.