

Ricoh Company, Ltd. and Consolidated Subsidiaries

FLASH REPORT (Consolidated. Year ended March 31, 1998) –Translation–

1. Results for the period from April 1, 1997 to March 31, 1998

(1)Operating Results	(Millions of yen)	
	Year ended March 31, '98	Year ended March 31, '97
Net sales.....	1,403,348	1,316,072
<i>(% change from previous period)</i>	6.6	18.2
Operating income.....	89,707	83,363
<i>(% change from previous period)</i>	7.6	50.5
Income before income taxes.....	68,428	66,905
<i>(% change from previous period)</i>	2.3	31.1
Net income.....	30,131	28,922
<i>(% change from previous period)</i>	4.2	32.3
Net income per share (yen).....	44.97	44.16
Fully diluted net income per share (yen).....	41.35	38.95
Return on equity (%).....	6.7	7.0
Income before income taxes on total assets (%).....	4.1	4.2
Income before income taxes on net sales (%).....	4.9	5.1

Note: Equity in income (loss) of affiliates: ¥4,067 million (¥4,067 million in previous period)

(2)Financial Position	(Millions of yen)	
	Year ended March 31, '98	Year ended March 31, '97
Total assets.....	1,660,496	1,644,896
Shareholders' equity.....	475,005	422,923
Equity ratio (%).....	28.6	25.7
Equity per share (yen).....	686.87	643.35

(3) Items relating to the scale of consolidation and the application of the equity method:
(Please see following page)

(4) Changes in accounting method, etc.: (Please see following page)

Notes: Consolidated financial statements of the Company and its consolidated subsidiaries have been prepared in conformity with accounting principles generally accepted in the United States of America.

Net income per share is calculated based on Statement of Financial Accounting Standards(SFAS) No.128.

2. Forecast of operating results from April 1, 1998 to March 31, 1999

	(Millions of yen)
Net sales.....	1,450,000
Operating income taxes.....	92,000
Income before income taxes.....	71,500
Net income.....	32,000

Notes: Net income per share (Consolidated) 46.27 yen

Net income per share (Non-consolidated) 33.98 yen

Reference: Results of the company (non-consolidated) submitting consolidated data for the period from April 1, 1997 to March 31, 1998

	(Millions of yen)
Net sales.....	752,630
<i>(% change from previous period)</i>	7.7
Operating income.....	46,677
<i>(% change from previous period)</i>	-1.8
Ordinary income.....	42,935
<i>(% change from previous period)</i>	5.5
Net income.....	22,505
<i>(% change from previous period)</i>	13.6
Net income per share (yen).....	33.59
Fully diluted net income per share (yen).....	30.37
Total assets.....	760,484
Shareholders' equity.....	416,235

(3) Items relating to the scale of consolidation and the application of the equity method:

Number of consolidated subsidiaries: 257 (Major subsidiaries include Tokyo Ricoh Co., Ltd.; Ricoh Corporation; and Ricoh Leasing Co., Ltd.)

Number of non-consolidated subsidiaries: 41 (41 of these are accounted for by the equity method; major subsidiaries include Ricoh Finance Ltd.)

Number of affiliated companies: 35 (35 of these are accounted for by the equity method; major subsidiaries include Kita Kyushu Coca-Cola Bottling Co., Ltd.)

(4) Changes in accounting method, etc.:

i. Changes in consolidated subsidiaries and affiliates under the equity method

Consolidated subsidiaries:

5 additions, including FINELY S.A.; 32 removals, including General Electronics & R&D Center.

Companies accounted for by the equity method:

6 additions, including Ricoh San Ai Tourist Inc.; 6 removal, including Istage Co., Ltd.

ii. Changes in accounting policies:

No changes.

iii. Disclosure method used in Income Statement:

To date, Ricoh has disclosed profits and losses from small shareholdings as part of Other Expenses. In the period under review, the Company started recording these profits and losses separately. As a result, income before income taxes recorded for fiscal 1997 was 2,186 million yen higher.

Nevertheless, there was no such effect on net income for the period under review.

I. Sales by Product Line (Consolidated)

For the years ended March 31, 1997 and 1998.

	(Millions of yen)		
	Year ended March 31, '98	Year ended March 31, '97	Change(%)
Copiers:			
Domestic	472,681	475,392	-2,711 (-0.6)
Overseas	418,362	352,995	+65,367 (18.5)
Total.....	891,043	828,387	+62,656 (7.6)
<i>Percentage of net sales (%)</i>	63.5	63.0	
Information Equipment:			
Domestic	226,097	217,072	+9,025 (4.2)
Overseas	96,328	91,253	+5,075 (5.6)
Total.....	322,425	308,325	+14,100 (4.6)
<i>Percentage of net sales (%)</i>	23.0	23.4	
Other Businesses:			
Domestic	132,561	128,540	+4,021 (3.1)
Overseas	57,319	50,820	+6,499 (12.8)
Total.....	189,880	179,360	+10,520 (5.9)
<i>Percentage of net sales (%)</i>	13.5	13.6	
Total:			
Domestic	831,339	821,004	+10,335 (1.3)
<i>Percentage of net sales (%)</i>	59.2	62.4	
Overseas	572,009	495,068	+76,941 (15.5)
<i>Percentage of net sales (%)</i>	40.8	37.6	
America	230,342	204,157	+26,185 (12.8)
<i>Percentage of net sales (%)</i>	16.4	15.5	
Europe	252,042	209,548	+42,494 (20.3)
<i>Percentage of net sales (%)</i>	18.0	15.9	
Other	89,625	81,363	+8,262 (10.2)
<i>Percentage of net sales (%)</i>	6.4	6.2	
Total.....	1,403,348	1,316,072	+87,276 (6.6)
<i>Percentage of net sales (%)</i>	100.0	100.0	

II. Statements of Income (Consolidated)

For the years ended March 31, 1997 and 1998

(Millions of yen)

	Year ended March 31, '98	Year ended March 31, '97	Change (%)
Net sales	1,403,348	1,316,072	+87,276 (6.6)
Cost of sales	838,440	772,238	+66,202 (8.6)
<i>Percentage of net sales (%)</i>	59.7	58.7	
Gross profit	564,908	543,834	+21,074 (3.9)
<i>Percentage of net sales (%)</i>	40.3	41.3	
Selling, general and administrative expenses.....	475,201	460,471	+14,730 (3.2)
<i>Percentage of net sales (%)</i>	33.9	35.0	
Operating income.....	89,707	83,363	+6,344 (7.6)
<i>Percentage of net sales (%)</i>	6.4	6.3	
Other (income) expenses			
Interest and dividend income	5,931	7,150	-1,219(-17.0)
<i>Percentage of net sales (%)</i>	0.4	0.5	
Interest expense	12,270	14,077	-1,807(-12.8)
<i>Percentage of net sales (%)</i>	0.9	1.0	
Other, net.....	14,940	9,531	+5,409 (56.8)
<i>Percentage of net sales (%)</i>	1.1	0.7	
Income before income taxes and equity in earnings of affiliates.....	68,428	66,905	+1,523 (2.3)
<i>Percentage of net sales (%)</i>	4.9	5.1	
Provision for income taxes.....	40,210	39,864	+346 (0.9)
<i>Percentage of net sales (%)</i>	2.9	3.0	
Minority interests in earnings of subsidiaries.....	2,154	2,186	-32 (-1.5)
<i>Percentage of net sales (%)</i>	0.2	0.2	
Equity in earnings of affiliates.....	4,067	4,067	0 (0.0)
<i>Percentage of net sales (%)</i>	0.3	0.3	
Net income.....	30,131	28,922	+1,209 (4.2)
<i>Percentage of net sales (%)</i>	2.1	2.2	

III. Balance Sheets (Consolidated)

For the years ended March 31, 1997 and 1998

(1) Assets (Millions of yen)

	Year ended March 31, '98	Year ended March 31, '97	Change
Current Assets			
Cash and cash equivalents.....	159,084	180,746	-21,662
Notes and accounts receivable trade	347,404	332,470	+14,934
Marketable securities	86,487	95,976	-9,489
Inventories	184,185	166,188	+17,997
Other current assets	34,918	33,058	+1,860
Total Current Assets.....	812,078	808,438	+3,640
Fixed Assets			
Tangible fixed assets.....	267,553	247,552	+20,001
Finance receivable	379,482	364,492	+14,990
Other Investments.....	201,383	224,414	-23,031
Total Fixed Assets.....	848,418	836,458	+11,960
Total Assets.....	1,660,496	1,644,896	+15,600

(2) Liabilities (Millions of yen)

	Year ended March 31, '98	Year ended March 31, '97	Change
Current Liabilities			
Notes and accounts payable trade	279,220	261,420	+17,800
Short-term borrowings	379,410	334,680	+44,730
Other current liabilities	121,767	134,811	-13,044
Total Current Liabilities	780,397	730,911	+49,486
Fixed Liabilities			
Long-Term Liabilities.....	295,536	386,918	-91,382
Estimated retirement allowances.....	59,045	49,436	+9,609
Other fixed liabilities.....	26,292	33,267	-6,975
Total Fixed Liabilities.....	380,873	469,621	-88,748
Minority Interest.....	24,221	21,441	+2,780
Total Liabilities	1,185,491	1,221,973	-36,482

(3) Shareholders' Investment (Millions of yen)

	Year ended March 31, '98	Year ended March 31, '97	Change
Shareholders' Investment			
Common stock	102,820	82,035	+20,785
Additional paid-in capital	154,026	133,463	+20,563
Legal reserve.....	13,407	12,327	+1,080
Retained earnings	216,410	194,992	+21,418
Net unrealized holding gains on available-for-sale securities	12,868	18,833	-5,965
Pension liability adjustments.....	-14,336	-8,590	-5,746
Cumulative translation adjustments.....	-10,190	-10,137	-53
Total Shareholders' Investment.....	475,005	422,923	+52,082
Total Liabilities and Shareholders' Investment	1,660,496	1,644,896	+15,600

IV. Segment Information

For the years ended March 31, 1997 and 1998

1. By Product Line

(Millions of yen)

	Year ended March 31, 1998			
	Office Equipment	Other	Corporate and eliminations	Total
a. Net sales and operating income/expenses				
Net Sales (including intersegment sales and transfers)	1,213,468	193,958	(4,078)	1,403,348
Operating expenses	1,083,499	192,738	37,404	1,313,641
Operating income.....	129,969	1,220	(41,482)	89,707
b. Assets, depreciation, and capital expenditure				
Assets	1,060,416	186,877	413,203	1,660,496
Depreciation	49,328	10,993	1,650	61,971
Capital expenditure.....	76,924	15,484	1,709	94,117

(Millions of yen)

	Year ended March 31, 1997			
	Office Equipment	Other	Corporate and eliminations	Total
a. Net sales and operating income/expenses				
Net Sales (including intersegment sales and transfers)	1,136,712	182,195	(2,835)	1,316,072
Operating expenses	1,019,397	180,167	33,145	1,232,709
Operating income.....	117,315	2,028	(35,980)	83,363
b. Assets, depreciation, and capital expenditure				
Assets	1,010,698	176,930	457,268	1,644,896
Depreciation	42,500	6,947	1,553	51,000
Capital expenditure.....	63,043	14,049	1,574	78,666

Notes:

- i. The Company's operations and those of its subsidiaries are segmented into office equipment (copiers and information equipment) and other products (photographic equipment, electronic components, etc.).
- ii. Unallocated operating expenses included in "Operating expenses" of "Corporate and eliminations" consist primarily of the parent company's basic research spending and headquarters functions.
Fiscal 1998 ¥41,328 million
Fiscal 1997 ¥35,982 million
- iii. Corporate assets included in "Assets" of "Corporate and eliminations" consist primarily of surplus securities).
Fiscal 1998 ¥423,690 million
Fiscal 1997 ¥466,771 million
- iv. Intersegment sales and transfers for each segment are immaterial.

2. By Region

(Millions of yen)

	Year ended March 31, 1998					Total
	Japan	America	Europe	Other	Corporate and eliminations	
a. Net Sales and operating income/expenses						
Net sales						
(1) Sales to outside customers...	846,018	224,407	260,093	72,830	-	1,403,348
(2) Intersegment sales.....	246,961	6,938	3,533	48,090	(305,522)	-
Total	1,092,979	231,345	263,626	120,920	(305,522)	1,403,348
Operating expenses	1,022,298	220,302	255,140	116,091	(300,190)	1,313,641
Operating income.....	70,681	11,043	8,486	4,829	(5,332)	89,707
b. Assets.....						
	997,004	127,719	147,419	59,620	328,734	1,660,496

(Millions of yen)

	Year ended March 31, 1997				Total
	Japan	Overseas	Corporate and eliminations		
a. Net Sales and operating income/expenses					
Net Sales					
(1) Sales to outside customers.....	831,431	484,641	-		1,316,072
(2) Intersegment sales	199,874	28,252	(228,126)		-
Total	1,031,305	512,893	(228,126)		1,316,072
Operating expenses	957,399	497,358	(222,048)		1,232,709
Operating income.....	73,906	15,535	(6,078)		83,363
b. Assets.....					
	977,189	301,320	366,387		1,644,896

Note: Corporate assets included in "Assets" of "Corporate and eliminations" consist primarily of surplus investment capital (cash and securities) and long-term investment capital (investment securities).

Fiscal 1998 ¥423,690 million

Fiscal 1997 ¥466,771 million

3. Overseas Sales

(Millions of yen)

	Year ended March 31, 1998			
	America	Europe	Other	Total
(1) Overseas sales.....	230,342	252,042	89,625	572,009
(2) Consolidated net sales.....				1,403,348
(3) Overseas sales as a parentage of net sales (%).....	16.4	18.0	6.4	40.8

(Millions of yen)

	Year ended March 31, 1997
	Total
(1) Overseas sales.....	495,068
(2) Consolidated net sales.....	1,316,072
(3) Overseas sales as a parentage of net sales(%).....	37.6%

Note: Categorization methods and classifications of main countries and regions:

i. Countries and regions are categorized according to geographic proximity.

ii. Main countries and regions in each category:

America: United States, Canada, and Central and South America

Europe: United Kingdom, France, Germany, Italy, and the Netherlands

Others: China, Asia, Australia, the Middle East, and Africa