

Ricoh Company, Ltd.

INTERIM REPORT (Non-Consolidated. Half year ended September 30, 1998)

1. Date of approval for the financial results for the half year ended September 30, 1998, at the Board of Directors' meeting: **November 19, 1998**

2. Start of cash dividends payment: **December 10, 1998**

3. Results for the Period from April 1 to September 30, 1998(Non-Consolidated)

(1) Operating Results

(Millions of yen)

	Half Year ended September 30, 1998	Half Year ended September 30, 1997	Year ended March 31, 1998
Net sales.....	355,212	368,499	752,630
(% change from the previous corresponding period....)	-3.6	9.4	7.7
Operating income.....	20,718	23,011	46,677
(% change from the previous corresponding period)....	-10.0	12.0	-1.8
Ordinary income.....	19,632	21,062	42,935
(% change from the previous corresponding period)....	-6.8	18.0	5.5
Interim (net) income.....	9,052	11,677	22,505
(% change from the previous corresponding period)....	-22.5	28.8	13.6
Net income per share (yen).....	13.09	17.61	33.59

Notes: i. Average number of shares outstanding:
 Half year ended September 30, 1998 691,585,568 shares
 Half year ended September 30, 1997 663,268,712 shares
 Year ended March 31, 1998 669,959,029 shares

ii. No changes in accounting and reporting policies.

(2) Dividend Information

(Yen)

	Half Year ended September 30, 1998	Half Year ended September 30, 1997	Year ended March 31, 1998
Cash dividends, applicable to the half year.....	5.50	5.50	-
Cash dividends, applicable to the year.....	-	-	11.00

(3) Financial Position

(Millions of yen)

	September 30, 1998	September 30, 1997	March 31, 1998
Total assets.....	770,164	755,527	760,484
Shareholders' equity.....	421,390	382,523	416,235
Equity ratio (%).....	54.7	50.6	54.7
Equity per share (yen).....	609.30	570.67	601.89

Notes: i. Number of shares issued:
 Half year ended September 30, 1998 691,597,805 shares
 Half year ended September 30, 1997 670,309,123 shares
 Year ended March 31, 1998 691,546,422 shares

ii. Differences between market price of marketable securities and carrying amount: ¥76,718 million
 iii. Differences between market prices and contract amount of derivative transaction: ¥191 million

4. Forecast of operating results from April 1, 1998 to March 31, 1999 (Non-Consolidated) (Millions of yen)

Net sales	717,000
Operating income	38,000
Ordinary income.....	35,000
Net income	19,000
Cash dividends, applicable to the year (yen).....	11.00

Note: Net income per share ¥27.47

In accordance with Japanese regulations, Ricoh has issued forecast for its financial results for the fiscal year ending March 1999. These forecast are forward-looking statements based on a number of assumptions and beliefs in light of the information currently available to management and subject to significant risks and uncertainties.

I. Sales by Product Line (Non-Consolidated)

For the half years ended September 30, 1997 and 1998, and year ended March 31, 1998.

(Millions of yen)

	Half year ended September 30, '98	Half Year ended September 30, '97	Change(%)	Year ended March 31, '98
Copiers:				
Domestic.....	163,517	172,469	-8,952 (-5.2)	345,980
Export.....	93,848	95,112	-1,264 (-1.3)	196,012
Total.....	257,365	267,582	-10,217 (-3.8)	541,993
<i>Percentage of net sales (%).....</i>	72.5	72.6		72.0
Information Equipment:				
Domestic.....	54,484	52,965	+1,519 (2.9)	112,229
Export.....	18,536	21,693	-3,157 (-14.6)	44,910
Total.....	73,021	74,659	-1,638 (-2.2)	157,140
<i>Percentage of net sales (%).....</i>	20.6	20.3		20.9
Photographic Equipment:				
Domestic.....	2,831	3,443	-612 (-17.8)	6,273
Export.....	2,468	2,347	+121 (5.2)	4,767
Total.....	5,299	5,790	-491 (-8.5)	11,040
<i>Percentage of net sales (%).....</i>	1.5	1.6		1.5
Other Products:				
Domestic.....	12,148	13,178	-1,030 (-7.8)	26,506
Export.....	7,377	7,288	+89 (1.2)	15,949
Total.....	19,525	20,466	-941 (-4.6)	42,456
<i>Percentage of net sales (%).....</i>	5.4	5.5		5.6
Total:				
Domestic.....	232,980	242,057	-9,077 (-3.7)	490,990
<i>Percentage of net sale (%).....</i>	65.6	65.7		65.2
Export.....	122,231	126,441	-4,210 (-3.3)	261,640
<i>Percentage of net sales (%).....</i>	34.4	34.3		34.8
The Americas.....	49,593	49,757	-164 (-0.3)	104,980
<i>Percentage of net sales (%).....</i>	14.0	13.5		13.9
Europe.....	56,320	54,667	+1,653 (3.0)	117,240
<i>Percentage of net sales (%).....</i>	15.9	14.8		15.6
Other.....	16,317	22,017	-5,700 (-25.9)	39,419
<i>Percentage of net sales (%).....</i>	4.5	6.0		5.3
Total.....	355,212	368,499	-13,287 (-3.6)	752,630
<i>Percentage of net sales(%)</i>	100.0	100.0		100.0

II. Statement of Income (Non-Consolidated)

For the half years ended September 30, 1997 and 1998, and year ended March 31, 1998

(Millions of yen)

	Half year ended September 30, '98	Half Year ended September 30, '97	Change(%)	Year ended Mar.ch 31, '98
Net sales	355,212	368,499	-13,287 (-3.6)	752,630
Cost of sales	250,347	258,349	-8,002 (-3.1)	530,721
<i>Percentage of net sales (%).....</i>	70.5	70.1		70.5
Selling, general and administrative expenses	84,146	87,138	-2,992 (-3.4)	175,231
<i>Percentage of net sales (%).....</i>	23.7	23.6		23.3
Operating income	20,718	23,011	-2,293 (-10.0)	46,677
<i>Percentage of net sales (%).....</i>	5.8	6.2		6.2
Non-operating income				
Interest and dividends.....	4,624	3,978	+646(+16.3)	7,822
<i>Percentage of net sales (%).....</i>	1.3	1.1		1.0
Other income.....	1,166	2,297	-1,131 (-49.2)	4,268
<i>Percentage of net sales (%).....</i>	0.3	0.6		0.6
Non-operating expenses				
Interest	1,655	1,533	+122 (8.0)	2,854
<i>Percentage of net sales (%).....</i>	0.5	0.4		0.4
Other expenses	5,221	6,691	-1,470 (-22.0)	12,978
<i>Percentage of net sales (%).....</i>	1.4	1.8		1.7
Ordinary income.....	19,632	21,062	-1,430 (-6.8)	42,935
<i>Percentage of net sales (%).....</i>	5.5	5.7		5.7
Extraordinary income.....	-	-	-	-
<i>Percentage of net sales (%).....</i>	-	-	-	-
Extraordinary expenses.....	3,880	183	+3,697(2,120.2)	229
<i>Percentage of net sales (%).....</i>	1.1	0.0		0.0
Income before income taxes.....	15,752	20,877	-5,125 (-24.5)	42,705
<i>Percentage of net sales (%).....</i>	4.4	5.7		5.7
Provision for income taxes	6,700	9,200	-2,500 (-27.2)	20,200
<i>Percentage of net sales (%).....</i>	1.9	2.5		2.7
Interim (net) income	9,052	11,677	-2,625 (-22.5)	22,505
<i>Percentage of net sales (%).....</i>	2.5	3.2		3.0
Retained earnings at beginning of year				
Beginning balance.....	4,405	4,727	-322 (-6.8)	4,727
<i>Percentage of net sales (%).....</i>	1.2	1.3		0.6
Interim dividends.....	-	-	-	3,686
<i>Percentage of net sales (%).....</i>	-	-	-	0.5
Transfer to legal reserve.....	-	-	-	368
<i>Percentage of net sales (%).....</i>	-	-	-	0.0
Retained earnings at end of half year (year)	13,457	16,404	-2,947 (-18.0)	23,176
<i>Percentage of net sales (%).....</i>	3.8	4.5		3.1

III. Balance Sheets (Non-Consolidated)

September 30, 1998 and March 31, 1998

(1)Assets

(Millions of yen)

	September 30, 1998	March 31, 1998	Change
Current assets			
Cash on hand and in banks.....	55,769	61,278	-5,509
Notes receivable-trade.....	11,260	12,088	-828
Accounts receivable-trade	124,227	145,677	-21,450
Marketable securities.....	138,502	88,061	+50,441
Treasury stock	3	16	-13
Finished goods.....	39,035	42,565	-3,530
Raw materials.....	3,838	4,877	-1,039
Work-in-process	6,977	8,148	-1,171
Supplies.....	11,675	9,544	+2,131
Short-term loans receivable	102	83	+19
Accounts receivable-other.....	106,968	113,258	-6,290
Other current assets.....	3,568	3,866	-298
Allowance for doubtful accounts.....	-1,756	-2,096	+340
Total current assets.....	500,173	487,370	+12,803
Fixed assets			
Tangible fixed assets			
Buildings.....	50,323	51,852	-1,529
Machinery and equipment.....	21,585	22,828	-1,243
Tools.....	22,445	21,524	+921
Land.....	24,953	24,973	-20
Construction in progress.....	4,005	3,418	+587
Total tangible fixed assets.....	123,314	124,597	-1,283
Intangible fixed assets.....	496	503	-7
Investments and other assets			
Investment in securities	18,909	21,969	-3,060
Investment in subsidiaries.	101,511	101,425	+86
Long-term loans receivable.....	18,147	17,534	+613
Other investments.....	10,226	9,194	+1,032
Allowance for doubtful accounts.....	-2,615	-2,111	-504
Total investments and other assets	146,180	148,013	-1,833
Total fixed assets.....	269,990	273,114	-3,124
Total assets.....	770,164	760,484	+9,680

(2) Liabilities

(Millions of yen)

	September 30, 1998	March 31, 1998	Change
Current Liabilities			
Notes payable-trade	6,622	13,458	-6,836
Accounts payable-trade.....	69,909	84,434	-14,525
Accounts payable-other.....	53,841	62,222	-8,381
Accrued enterprise tax.....	2,295	3,662	-1,367
Accrued corporate tax.....	7,097	10,925	-3,828
Accrued expenses.....	26,521	28,894	-2,373
Accrued bonus.....	13,975	14,086	-111
Warranty reserve	681	701	-20
Notes payable-construction.....	2,736	1,482	+1,254
Other current Liabilities.....	3,571	3,035	+536
Total Current Liabilities	187,253	222,903	-35,650
Fixed Liabilities			
Bonds.....	80,000	40,000	+40,000
Convertible bonds.....	65,121	65,178	-57
Estimated retirement allowances.....	14,602	14,047	+555
Long-term accrued expenses.....	1,797	2,120	-323
Total Fixed Liabilities.....	161,520	121,345	+40,175
Total Liabilities	348,773	344,249	+4,524

(3) Shareholders' Equity

(Millions of yen)

	September 30, 1998	March 31, 1998	Change
Common Stock	102,848	102,819	+29
Additional paid-in-capital.....	143,650	143,622	+28
Legal reserve.....	12,554	12,159	+395
Retained earnings			
Reserve for deferral of capital gain on property.....	1,113	1,171	-58
Reserve for special depreciation.....	383	463	-80
Reserve for warranty on computer programs.....	1,881	2,472	-591
Reserve for social contribution.....	150	-	+150
General reserve.....	145,350	130,350	+15,000
Unappropriated retained earnings.....	13,457	23,176	-9,719
[Net income for the period].....	[9,052]	[22,505]	[-13,453]
Total Retained earnings	162,336	157,633	+4,703
Total Shareholders' Equity.....	421,390	416,235	+5,155
Total Liabilities and Shareholders' Equity.....	770,164	760,484	+9,680
Notes:			
i. Accumulated depreciation on tangible fixed assets....	279,188	269,889	
ii. Trade notes receivable discounted with banks.....	98	84	
iii. Treasury stock (shares).....	3,047	12,210	
iv. Guarantee obligation.....	6,656	6,144	
v. Issuance of new shares during the year			
Conversion of convertible bonds (shares).....	51,383		
[Amount transferred to common stock (millions of yen)]	[28]		
vi. Contingent liabilities related to			
debt assumption agreements for bonds	25,000	25,000	

Standard Account Policies For Preparing Financial Statements

1. Accounting policies for fiscal statements for the six month ended September 30, 1998, are identical to those used in the annual financial statements, besides the following.

i. Deferral and Accrual of Operating Expenses

(a) Reserve for Retirement Allowances

One half of necessary provision for the fiscal year is provided under unfunded retirement plans for both eligible employees and executives.

(b) Accumulated Depreciation

Depreciation is computed by allocating estimated depreciation of fixed assets in use as of September 30, 1998, for the fiscal year in proportion to the period in use.

ii. Corporate Tax and Inhabitants Tax

Provision is made for income taxes applicable to taxable income for the period.

2. Accounting Policies for Inventories

Finished goods, raw materials, work-in-process and supplies are stated at the lower of the average cost or market.

3. Accounting Policies for Assets except Inventories and Cost Method Assets

Stock exchange-listed securities are stated at the lower of moving cost or markets.

4. Depreciation of Fixed Assets

Depreciation is mainly computed by using the same method as those required under the provision of Japanese income tax laws. Therefore, the depreciation of tangible fixed assets is based on the declining balance method and intangible assets on the straight-line method respectively.

5. Accounting for Leases

Finance lease where the title of ownership is not transferred to the lessee is treated as operating lease.

6. Consumption taxes

Consumption taxes are excluded from income and expenses. The refundable consumption taxes as of September 30, 1998 is included in "Other Current Assets" in the balance sheet.

(Lease Transactions)

Finance lease transactions outside those for which the transfer of ownership of leases to lessees is recognized.

1. Lease acquisition price, accumulated depreciation, and year-end balance

(Millions of yen)

	Half Year ended September 30, 1998			Half Year ended September 30, 1997			Year ended March 31, 1998		
	lease acquisition price	accumulated depreciation	year-end balance	lease acquisition price	accumulated depreciation	year-end balance	lease acquisition price	accumulated depreciation	year-end balance
Machinery & equipment	12,208	5,439	6,769	9,379	2,970	6,408	11,107	4,162	6,944
Others	4,727	2,283	2,443	5,200	2,561	2,638	4,413	2,144	2,269
Total	16,936	7,723	9,212	14,579	5,532	9,047	15,520	6,307	9,213

2. Year-end balance of current leasing charges

(Millions of yen)

	Half Year ended September 30, 1998	Half Year ended September 30, 1997	Year ended March 31, 1998
Less than one year	4,011	3,317	3,692
More than one year	5,645	6,089	5,928
Total	9,657	9,407	9,620

3. Lease payment charges, depreciation, and interest paid

(Millions of yen)

	Half Year ended September 30, 1998	Half Year ended September 30, 1997	Year ended March 31, 1998
Lease payment charges	2,348	2,029	4,169
Depreciation	2,058	1,754	3,620
Interest paid	334	336	672

4. Depreciation calculation method

The lease period is the number of durable years; straight line depreciation is used so that the remaining value is zero.

5. Interest calculation method

Interest is the difference between the overall value of a lease charge and the value of a leased item. Allocation for each period is based on the interest method.

IV. Fair Value of Marketable Securities

(Millions of yen)

Half Year ended September 30, 1998			
	Carrying value evaluated	Fair value	Evaluated gains/losses
1. Current assets			
Equities	5,577	12,596	7,018
Bonds.....	9,966	10,291	324
Others.....	38,449	38,448	-0
Subtotal.....	53,993	61,336	7,342
2. Fixed assets			
Equities	16,155	85,531	69,376
Bonds.....	-	-	-
Others.....	-	-	-
Subtotal.....	16,155	85,531	69,376
Totals.....	70,149	146,868	76,718

(Millions of yen)

Year ended March 31, 1998			
	Carrying value evaluated	Fair value	Evaluated gains/losses
1. Current assets			
Equities	6,413	25,235	18,822
Bonds.....	10,486	10,789	302
Others.....	23,829	23,850	20
Subtotal.....	40,729	59,875	19,145
2. Fixed assets			
Equities	15,278	82,127	66,848
Bonds.....	-	-	-
Others.....	-	-	-
Subtotal.....	15,278	82,127	66,848
Totals.....	56,008	142,002	85,994

(Millions of yen)

Half Year ended September 30, 1997			
	Carrying value evaluated	Fair value	Evaluated gains/losses
1. Current assets			
Equities	6,368	35,893	29,524
Bonds.....	16,482	16,902	420
Others.....	37,736	37,817	81
Subtotal.....	60,587	90,613	30,026
2. Fixed assets			
Equities	15,017	88,781	73,763
Bonds.....	-	-	-
Others.....	-	-	-
Subtotal.....	15,017	88,781	73,763
Totals.....	75,604	179,394	103,790

Notes:

i. Basis for fair value calculations

- (1) Listed securities; Final quoted prices mainly from Tokyo Stock Exchange
- (2) Over-the-counter securities; Trading prices announced by the Securities Dealers Association of Japan
- (3) Unlisted securities investment trusts; Standard price
- (4) The calculation of the fair values and equivalents of unlisted bonds is based on the yields and remaining maturity periods of representative public and corporate bonds announced by the Securities Dealers Association of Japan.

ii. Equities holdings include the treasury stock. The realized losses were as follows.

Half year ended September 30, 1998.....¥0 million
 Year ended March 31, 1998.....¥0 million

iii. Carrying values of marketable securities excluded from fair value calculation.

(1) Current assets	(Million of yen)		
	Half Year ended September 30, 1998	Year ended March 31, 1998	Half Year ended September 30, 1997
a. Money management fund.....	42,253	-	1,000
b. Commercial paper.....	17,980	24,956	-
c. Unlisted foreign bonds.....	17,031	21,191	17,125
d. Medium-term government securities fund.....	5,009	-	-
e. Unlisted domestic bonds with remaining redemption periods of less than one year.....	2,038	1,000	2,000
f. Securities investment trust under closing period.....	200	200	200
g. Listed foreign bonds with forward currency contracts....	-	-	1,997
h. Commercial paper with resale agreement.....	-	-	998
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(2) Fixed assets	(Million of yen)		
	Half Year ended September 30, 1998	Year ended March 31, 1998	Half Year ended September 30, 1997
Unlisted equities and investments excluding securities traded over-the-counter.....	100,890	104,740	103,503

V. Derivative Transaction Contract Amounts, etc., and Market Price and Appraisal Losses

1. Currencies

(Millions of yen)

	Type	Half Year ended September 30, 1998			Year ended March 31, 1998				
		Contract amounts, etc.		Fair value	Evaluated gains/ losses	Contract amounts, etc.		Fair value	Evaluated gains/ losses
			More than one year				More than one year		
Non-market transactions	Forward exchange transactions sales of US\$	-	-	-	-	24	-	33	-8
	Currency options transactions								
	Sales		-						
	*Call								
	DFL	2,181(25)		-25	-0	-	-	-	-
	US\$	-	-	-	-	-	-	-	-
Purchase									
*Put									
DFL	2,130(25)		30	5	-	-	-	-	
US\$	-	-	-	-	-	-	-	-	
Total		-	-	5	5	-	-	33	-8

Notes:

i. Market value calculation

a. Forward exchange transactions

At the end of first half of the previous fiscal year, we used spot currency markets. At the end of fiscal 1998 and the first half of fiscal 1999, we used future currency markets.

b. Currency options transactions

Our market price is based on that provided by major financial institutions.

ii. Since foreign exchange contracts are added to foreign currency financial credits and debts, we have excluded the disclosure of foreign currency financial credits and debts that have established yen rates at settlement times, and have recorded on the corresponding yen rates on the balance sheets.

iii. The amounts in parentheses represent options fee totals on the balance sheets.

2. Interest

	Type	Half Year ended September 30, 1998			Year ended March 31, 1998				
		Contract amounts, etc.		Fair value	Evaluated gains/ losses	Contract amounts, etc.		Fair value	Evaluated gains/ losses
			More than one year				More than one year		
Non-market transactions	Interest swap transactions								
	*Fixed receivable/ fluctuating payment	9,000	-	445	445	12,000	9,000	512	512
	*Fixed payment/ fluctuating receivable	8,945	1,500	-370	-370	12,490	5,000	-432	-432
	*Fluctuating receivable and payment	10,000	-	138	138	10,000	10,000	205	205
	Interest options transactions								
*Call	5,000 (27)	-	0	-27	5,000 (41)	5,000 (41)	0	-41	
Total		-	-	213	186	-	-	285	244

Notes:

i. The amounts in parentheses represent options fee totals on the balance sheets.

ii. Fair value is computed on the basis of the price provided by major financial institutions.