

Ricoh Company, Ltd. and Consolidated Subsidiaries

FLASH REPORT (Consolidated. Year ended March 31, 1999) –Translation–

1. Results for the period from April 1, 1998 to March 31, 1999

(1) Operating Results	(Millions of yen)	
	Year ended March 31, '99	Year ended March 31, '98
Net sales	1,425,999	1,403,348
<i>(% change from previous period)</i>	1.6	6.6
Operating income.....	73,547	89,707
<i>(% change from previous period)</i>	-18.0	7.6
Income before income taxes	53,054	68,428
<i>(% change from previous period)</i>	-22.5	2.3
Net income.....	30,655	30,131
<i>(% change from previous period)</i>	1.7	4.2
Net income per share (yen).....	44.33	44.97
Fully diluted net income per share (yen).....	40.94	41.35
Return on equity (%).....	6.4	6.7
Income before income taxes on total assets (%)	3.2	4.1
Income before income taxes on net sales (%).....	3.7	4.9

Note: Equity in income (loss) of affiliates: ¥4,095 million (¥4,067 million in previous period)

(2) Financial Position	(Millions of yen)	
	Year ended March 31, '99	Year ended March 31, '98
Total assets	1,628,017	1,660,496
Shareholders' equity.....	487,459	475,005
Equity ratio (%)	29.9	28.6
Equity per share (yen).....	704.83	686.87

(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, 1999 to March 31, 2000

	(Millions of yen)
Net sales	1,460,000
Operating income.....	81,000
Income before income taxes	61,500
Net income.....	34,000

Notes: Net income per share (Consolidated) 49.16 yen

Net income per share (Non-consolidated) 31.81 yen

In accordance with Japanese regulations, Ricoh has issued forecast for its financial results for the fiscal year ending March 2000. 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.

Reference: Results of the company (non-consolidated) submitting consolidated data for the period from April 1, 1998 to March 31, 1999

(Millions of yen)

Net sales	720,502
<i>(% change from previous period)</i>	-4.3
Operating income.....	42,831
<i>(% change from previous period)</i>	-8.2
Ordinary income	36,032
<i>(% change from previous period)</i>	-16.1
Net income.....	18,977
<i>(% change from previous period)</i>	-15.7
Net income per share (yen).....	27.44
Fully diluted net income per share (yen).....	25.69
Total assets	755,016
Shareholders' equity.....	427,512

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

Number of consolidated subsidiaries: 246 (Major subsidiaries include Tokyo Ricoh Co., Ltd.; Ricoh Corporation; and Ricoh Leasing Co., Ltd.)

Number of non-consolidated subsidiaries: 48 (48 of these are accounted for by the equity method; major subsidiaries include Ricoh Finance Ltd.)

Number of affiliated companies: 34 (34 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:

6 additions, including Ricoh France Est S.A.; 17 removals, including Ricoh Technonet Co., Ltd.(Osaka).

Companies accounted for by the equity method:

16 additions, including Shanghai Ricoh Market Co., Ltd.; 10 removal, including RIKA Media Technologies Spain, S.A.

ii. Changes in accounting policies:

No changes.

iii. Disclosure method used in Consolidated Balance Sheet:

From the first half of fiscal 1999, Ricoh started applying U.S. Financial Accounting Standard No.130: "Reporting Comprehensive Profits." In line with this change, we restated other comprehensive earnings from fiscal 1998 on the balance sheets. That amount was -¥11,658 million.

I. Sales by Product Line (Consolidated)

For the years ended March 31, 1998 and 1999.

(Millions of yen)

	Year ended March 31, '99	Year ended March 31, '98	Change(%)
Copiers:			
Domestic	450,797	472,681	-21,884 (-4.6)
Overseas	456,111	418,362	+37,749 (9.0)
Total.....	906,908	891,043	+15,865 (1.8)
<i>Percentage of net sales (%).....</i>	<i>63.6</i>	<i>63.5</i>	
Information Equipment:			
Domestic	234,073	226,097	+7,976 (3.5)
Overseas	93,470	96,328	-2,858 (-3.0)
Total.....	327,543	322,425	+5,118 (1.6)
<i>Percentage of net sales (%).....</i>	<i>23.0</i>	<i>23.0</i>	
Other Businesses:			
Domestic	136,105	132,561	+3,544 (2.7)
Overseas	55,443	57,319	-1,876 (-3.3)
Total.....	191,548	189,880	+1,668 (0.9)
<i>Percentage of net sales (%).....</i>	<i>13.4</i>	<i>13.5</i>	
Total:			
Domestic	820,975	831,339	-10,364 (-1.2)
<i>Percentage of net sales (%).....</i>	<i>57.6</i>	<i>59.2</i>	
Overseas	605,024	572,009	+33,015 (5.8)
<i>Percentage of net sales (%).....</i>	<i>42.4</i>	<i>40.8</i>	
The Americas	239,623	230,342	+9,281 (4.0)
<i>Percentage of net sales (%).....</i>	<i>16.8</i>	<i>16.4</i>	
Europe.....	283,373	252,042	+31,331 (12.4)
<i>Percentage of net sales (%).....</i>	<i>19.9</i>	<i>18.0</i>	
Other	82,028	89,625	-7,597 (-8.5)
<i>Percentage of net sales (%).....</i>	<i>5.8</i>	<i>6.4</i>	
Total.....	1,425,999	1,403,348	+22,651 (1.6)
<i>Percentage of net sales (%).....</i>	<i>100.0</i>	<i>100.0</i>	

II. Statements of Income (Consolidated)

For the years ended March 31, 1998 and 1999

(Millions of yen)

	Year ended March 31, '99	Year ended March 31, '98	Change (%)
Net sales	1,425,999	1,403,348	+22,651 (1.6)
Cost of sales	857,423	838,440	+18,983 (2.3)
<i>Percentage of net sales (%)</i>	60.1	59.7	
Gross profit	568,576	564,908	+3,668 (0.6)
<i>Percentage of net sales (%)</i>	39.9	40.3	
Selling, general and administrative expenses.....	495,029	475,201	+19,828 (4.2)
<i>Percentage of net sales (%)</i>	34.7	33.9	
Operating income.....	73,547	89,707	-16,160(-18.0)
<i>Percentage of net sales (%)</i>	5.2	6.4	
Other (income) expenses			
Interest and dividend income	5,933	5,931	+2 (0.0)
<i>Percentage of net sales (%)</i>	0.4	0.4	
Interest expense	11,661	12,270	-609 (-5.0)
<i>Percentage of net sales (%)</i>	0.8	0.9	
Other, net	14,765	14,940	-175 (-1.2)
<i>Percentage of net sales (%)</i>	1.0	1.1	
Income before income taxes, minority interests and equity in earnings of affiliates.....	53,054	68,428	-15,374(-22.5)
<i>Percentage of net sales (%)</i>	3.7	4.9	
Provision for income taxes.....	24,555	40,210	-15,655(-38.9)
<i>Percentage of net sales (%)</i>	1.7	2.9	
Minority interests.....	1,939	2,154	-215(-10.0)
<i>Percentage of net sales (%)</i>	0.1	0.2	
Equity in earnings of affiliates.....	4,095	4,067	+28 (0.7)
<i>Percentage of net sales (%)</i>	0.3	0.3	
Net income.....	30,655	30,131	+524 (1.7)
<i>Percentage of net sales (%)</i>	2.1	2.1	

Note: From the first half of fiscal 1999, Ricoh started applying U.S. Financial Accounting Standard No.130: "Reporting Comprehensive Profits. Based on the same standards, in fiscal 1998 and 1999, the capital accounts other than for capital transactions are up ¥18,367 million and ¥20,005 million, respectively.

III. Balance Sheets (Consolidated)

March 31, 1998 and 1999

(1) Assets	(Millions of yen)		
	March 31, '99	March 31, '98	Change
Current Assets			
Cash and cash equivalents	147,132	159,084	-11,952
Notes and accounts receivable trade	347,134	347,404	-270
Marketable securities	98,246	86,487	+11,759
Inventories	162,298	184,185	-21,887
Other current assets	82,557	34,918	+47,639
Total Current Assets	837,367	812,078	+25,289
Fixed Assets			
Tangible fixed assets	264,917	267,553	-2,636
Finance receivable	350,384	379,482	-29,098
Other Investments	175,349	201,383	-26,034
Total Fixed Assets	790,650	848,418	-57,768
Total Assets	1,628,017	1,660,496	-32,479

(2) Liabilities	(Millions of yen)		
	March 31, '99	March 31, '98	Change
Current Liabilities			
Notes and accounts payable trade	249,159	279,220	-30,061
Short-term borrowings	308,716	379,410	-70,694
Other current liabilities	103,331	121,767	-18,436
Total Current Liabilities	661,206	780,397	-119,191
Fixed Liabilities			
Long-Term Liabilities	344,580	295,536	+49,044
Estimated retirement allowances	82,283	59,045	+23,238
Other fixed liabilities	14,831	26,292	-11,461
Total Fixed Liabilities	441,694	380,873	+60,821
Minority Interest	37,658	24,221	+13,437
Total Liabilities	1,140,558	1,185,491	-44,933

(3) Shareholders' Investment	(Millions of yen)		
	March 31, '99	March 31, '98	Change
Shareholders' Investment			
Common stock	102,849	102,820	+29
Additional paid-in capital	154,055	154,026	+29
Legal reserve	14,271	13,407	+864
Retained earnings	238,592	216,410	+22,182
Other comprehensive earnings	-22,308	-11,658	-10,650
Total Shareholders' Investment	487,459	475,005	+12,454
Total Liabilities and Shareholders' Investment	1,628,017	1,660,496	-32,479

Note: Other comprehensive earnings;

Net unrealized holding gains on available-for-sale securities	8,944	12,868	-3,924
Pension liability adjustments	-18,845	-14,336	-4,509
Cumulative translation adjustments	-12,407	-10,190	-2,217

IV. Segment Information

For the years ended March 31, 1998 and 1999

1. By Product Line

(Millions of yen)

	Year ended March 31, 1999			
	Office Equipment	Other	Corporate and eliminations	Total
a. Net sales and operating income/expenses				
Net Sales (including intersegment sales and transfers)	1,234,451	195,571	(4,023)	1,425,999
Operating expenses	1,120,554	194,375	37,523	1,352,452
Operating income	113,897	1,196	(41,546)	73,547
b. Assets, depreciation, and capital expenditure				
Assets	1,001,219	210,094	416,704	1,628,017
Depreciation	54,551	11,369	1,536	67,456
Capital expenditure	59,469	9,527	1,473	70,469

(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

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 1999 ¥41,572 million
 - Fiscal 1998 ¥41,328 million
- iii. 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 1999 ¥424,394 million
 - Fiscal 1998 ¥423,690 million
- iv. Intersegment sales and transfers for each segment are immaterial.

2. By Region

(Millions of yen)

Year ended March 31, 1999						
	Japan	The Americas	Europe	Other	Corporate and eliminations	Total
a. Net Sales and operating income/expenses						
Net sales						
(1) Sales to outside customers...	830,731	237,420	290,159	67,689	-	1,425,999
(2) Intersegment sales.....	240,352	8,019	6,032	39,218	(293,621)	-
Total	1,071,083	245,439	296,191	106,907	(293,621)	1,425,999
Operating expenses.....	1,020,515	233,292	283,816	103,701	(288,872)	1,352,452
Operating income	50,568	12,147	12,375	3,206	(4,749)	73,547
b. Assets.....						
	1,008,764	111,768	138,697	53,715	315,073	1,628,017

(Millions of yen)

Year ended March 31, 1998						
	Japan	The Americas	Europe	Other	Corporate and eliminations	Total
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

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 1999 ¥424,394 million

Fiscal 1998 ¥423,690 million

3. Overseas Sales

(Millions of yen)

Year ended March 31, 1999				
	The Americas	Europe	Other	Total
(1) Overseas sales.....	239,623	283,373	82,028	605,024
(2) Consolidated net sales.....				1,425,999
(3) Overseas sales as a parentage of net sales (%).....	16.8	19.9	5.8	42.4

(Millions of yen)

Year ended March 31, 1998				
	The Americas	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

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:

The Americas: 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