

# Ricoh Company, Ltd.

## INTERIM REPORT -APPENDIX- (Half year ended September 30, 1998)

### 1. Performance Outline

(Consolidated)

	Half year ended September 30, '97	Year ended March 31, '98	Half year ended September 30, '98	Year ended March 31, '99 (Forecast)
Net sales (billions of yen).....	692.1	1,403.3	708.4	1,427.0
<i>(% change from the previous corresponding period)...</i>	<i>9.4</i>	<i>6.6</i>	<i>2.4</i>	<i>1.7</i>
Operating income (billions of yen).....	43.1	89.7	31.2	65.0
<i>(% change from the previous corresponding period)...</i>	<i>24.8</i>	<i>7.6</i>	<i>-27.8</i>	<i>-27.5</i>
Income before income taxes (billions of yen).....	32.2	68.4	22.4	47.0
<i>(% change from the previous corresponding period)...</i>	<i>10.9</i>	<i>2.3</i>	<i>-30.5</i>	<i>-31.3</i>
Interim (net) income (billions of yen).....	13.1	30.1	12.1	29.5
<i>(% change from the previous corresponding period)...</i>	<i>2.0</i>	<i>4.2</i>	<i>-7.8</i>	<i>-2.1</i>
Interim (net) income per share (yen).....	19.89	44.97	17.59	42.65
Return on equity (%).....	3.0	6.7	2.5	-
Income before income taxes on total assets (%).....	2.0	4.1	1.3	-
Equity ratio (%).....	27.3	28.6	28.8	-
Interest income (expenses) net (billions of yen).....	-2.9	-6.3	-2.1	-6.2
Exchange rate (US\$).....	118.81	122.68	137.77	127.39
Exchange rate (DM).....	67.59	69.21	77.47	74.24
Number of employees (Japan).....	39,900	40,100	40,700	-
Number of employees (Overseas).....	22,300	23,500	24,200	-

(Non-Consolidated)

	Half year ended September 30, '97	Year ended March 31, '98	Half year ended September 30, '98	Year ended March 31, '99 (Forecast)
Net sales (billions of yen).....	368.4	752.6	355.2	717.0
<i>(% change from the previous corresponding period)...</i>	<i>9.4</i>	<i>7.7</i>	<i>-3.6</i>	<i>-4.7</i>
Operating income (billions of yen).....	23.0	46.6	20.7	38.0
<i>(% change from the previous corresponding period)...</i>	<i>12.0</i>	<i>-1.8</i>	<i>-10.0</i>	<i>-18.6</i>
Ordinary income (billions of yen).....	21.0	42.9	19.6	35.0
<i>(% change from the previous corresponding period)...</i>	<i>18.0</i>	<i>5.5</i>	<i>-6.8</i>	<i>-18.5</i>
Interim (net) income (billions of yen).....	11.6	22.5	9.0	19.0
<i>(% change from the previous corresponding period)...</i>	<i>28.8</i>	<i>13.6</i>	<i>-22.5</i>	<i>-15.6</i>
Interim (net) income per share (yen).....	17.61	33.59	13.09	27.47
Return on equity (%).....	3.1	5.8	2.2	-
Ordinary income on total assets (%).....	2.8	5.7	2.6	-
Equity ratio (%).....	50.6	54.7	54.7	-
Payout ratio (%).....	31.6	33.3	42.0	40.0
Interest income (expenses) net (billions of yen).....	2.4	4.9	2.9	4.0
Exchange rate (US\$).....	118.81	122.60	138.01	127.50
Exchange rate (DM).....	68.24	69.87	76.57	73.80
Number of employees.....	12,658	12,741	12,561	-

## 2. Sales by Product Line

(Consolidated)

(billions of yen)

	Half year ended September 30, '97	Year ended March 31, '98	Half year ended September 30, '98	Year ended March 31, '99 (Forecast)
<b>Copiers:</b>				
Domestic.....	237.4	472.6	227.4	458.0
<i>(% change from the previous corresponding period)..</i>	2.7	-0.6	-4.2	-3.1
Overseas.....	194.8	418.3	229.2	459.9
<i>(% change from the previous corresponding period).</i>	20.1	18.5	17.7	9.9
Total.....	432.2	891.0	456.7	917.9
<i>(% change from the previous corresponding period).</i>	9.9	7.6	5.7	3.0
<b>Information Equipment:</b>				
Domestic.....	114.8	226.0	111.9	229.5
<i>(% change from the previous corresponding period)..</i>	12.1	4.2	-2.5	1.5
Overseas.....	45.8	96.3	45.9	92.6
<i>(% change from the previous corresponding period).</i>	17.6	5.6	0.3	-3.9
Total.....	160.7	322.4	157.9	322.1
<i>(% change from the previous corresponding period).</i>	13.6	4.6	-1.7	-0.1
<b>Other Businesses:</b>				
Domestic.....	70.1	132.5	64.6	129.5
<i>(% change from the previous corresponding period)..</i>	-3.9	3.1	-7.9	-2.3
Overseas.....	28.9	57.3	29.0	57.5
<i>(% change from the previous corresponding period).</i>	16.3	12.8	0.3	0.3
Total.....	99.1	189.8	93.7	187.0
<i>(% change from the previous corresponding period).</i>	1.2	5.9	-5.5	-1.5
<b>Total:</b>				
Domestic .....	422.4	831.3	404.1	817.0
<i>(% change from the previous corresponding period)..</i>	3.9	1.3	-4.3	-1.7
Overseas .....	269.6	572.0	304.3	610.0
<i>(% change from the previous corresponding period)..</i>	19.3	15.5	12.9	6.6
The Americas.....	109.2	230.3	124.7	246.0
<i>(% change from the previous corresponding period)..</i>	18.4	12.8	14.2	6.8
Europe.....	110.9	252.0	136.9	283.0
<i>(% change from the previous corresponding period)..</i>	14.5	20.3	23.5	12.3
Other.....	49.4	89.6	42.6	81.0
<i>(% change from the previous corresponding period)..</i>	34.0	10.2	-13.8	-9.6
Total.....	692.1	1,403.3	708.4	1,427.0
<i>(% change from the previous corresponding period)...</i>	9.4	6.6	2.4	1.7

(Non-Consolidated)

(billions of yen)

	Half year ended September 30, '97	Year ended March 31, '98	Half year ended September 30, '98	Year ended March 31, '99 (Forecast)
<b>Copiers:</b>				
Domestic.....	172.4	345.9	163.5	329.1
<i>(% change from the previous corresponding period)...</i>	0.6	-0.7	-5.2	-4.9
Export.....	95.1	196.0	93.8	186.6
<i>(% change from the previous corresponding period)...</i>	39.8	26.5	-1.3	-4.8
Total.....	267.5	541.9	257.3	515.7
<i>(% change from the previous corresponding period)...</i>	11.8	7.7	-3.8	-4.8
<b>Information Equipment:</b>				
Domestic.....	52.9	112.2	54.4	110.4
<i>(% change from the previous corresponding period)...</i>	0.8	4.3	2.9	-1.6
Export.....	21.6	44.9	18.5	36.6
<i>(% change from the previous corresponding period)...</i>	-0.3	6.6	-14.6	-18.5
Total.....	74.6	157.1	73.0	147.0
<i>(% change from the previous corresponding period)...</i>	0.4	5.0	-2.2	-6.4
<b>Photographic Equipment:</b>				
Domestic.....	3.4	6.2	2.8	5.1
<i>(% change from the previous corresponding period)...</i>	-15.1	-21.3	-17.8	-17.7
Export.....	2.3	4.7	2.4	4.8
<i>(% change from the previous corresponding period)...</i>	106.4	3.1	5.2	2.1
Total.....	5.7	11.0	5.2	9.9
<i>(% change from the previous corresponding period)...</i>	11.5	-12.4	-8.5	-10.0
<b>Other Products:</b>				
Domestic.....	13.1	26.5	12.1	25.4
<i>(% change from the previous corresponding period)...</i>	-2.6	8.0	-7.8	-4.2
Export.....	7.2	15.9	7.3	19.0
<i>(% change from the previous corresponding period)...</i>	69.0	85.3	1.2	19.5
Total.....	20.4	42.4	19.5	44.4
<i>(% change from the previous corresponding period)...</i>	14.7	28.0	-4.6	4.7
<b>Total:</b>				
Domestic .....	242.0	490.9	232.9	470.0
<i>(% change from the previous corresponding period)...</i>	0.2	0.5	-3.7	-4.3
Export .....	126.4	261.6	122.2	247.0
<i>(% change from the previous corresponding period)...</i>	32.8	24.4	-3.3	-5.6
The Americas.....	49.7	104.9	49.5	99.5
<i>(% change from the previous corresponding period)...</i>	38.5	27.0	-0.3	-5.1
Europe.....	54.6	117.2	56.3	117.2
<i>(% change from the previous corresponding period)...</i>	23.8	23.5	3.0	0.0
Other.....	22.0	39.4	16.3	30.3
<i>(% change from the previous corresponding period)...</i>	45.6	20.4	-25.9	-23.1
Total.....	368.4	752.6	355.2	717.0
<i>(% change from the previous corresponding period)...</i>	9.4	7.7	-3.6	-4.7

### 3. Expenditure for Plant and Equipment/Depreciation (Consolidated)

	Half year ended September 30, '97	Year ended March 31, '98	Half year ended September 30, '98	Year ended March 31, '99 (Forecast)
Expenditure for plant and equipment (billions of yen).....	46.0	94.1	39.5	77.0
<i>(% change from the previous corresponding period)...</i>	<i>29.1</i>	<i>19.6</i>	<i>-14.0</i>	<i>-18.2</i>
Depreciation for tangible fixed assets (billions of yen).....	27.0	61.9	32.4	68.0
<i>(% change from the previous corresponding period)...</i>	<i>12.6</i>	<i>21.5</i>	<i>19.8</i>	<i>9.7</i>

#### (Non-Consolidated)

	Half year ended September 30, '97	Year ended March 31, '98	Half year ended September 30, '98	Year ended March 31, '99 (Forecast)
Expenditure for plant and equipment (billions of yen).....	19.6	32.4	11.3	22.1
<i>(% change from the previous corresponding period)...</i>	<i>63.1</i>	<i>18.6</i>	<i>-42.3</i>	<i>-31.8</i>
Depreciation for tangible fixed assets (billions of yen).....	10.5	23.8	11.2	25.2
<i>(% change from the previous corresponding period)...</i>	<i>13.2</i>	<i>15.4</i>	<i>6.7</i>	<i>5.9</i>

### 4. R&D Expenditure

#### (Consolidated)

	Half year ended September 30, '97	Year ended March 31, '98	Half year ended September 30, '98	Year ended March 31, '99 (Forecast)
R&D Expenditure (billions of yen).....	34.9	69.9	33.7	68.0
<i>(% change from the previous corresponding period)...</i>	<i>11.6</i>	<i>8.9</i>	<i>-3.4</i>	<i>-2.8</i>
Percent of net sales (%).....	5.0	5.0	4.8	4.8

#### (Non-Consolidated)

	Half year ended September 30, '97	Year ended March 31, '98	Half year ended September 30, '98	Year ended March 31, '99 (Forecast)
R&D Expenditure (billions of yen).....	33.2	67.3	32.4	65.2
<i>(% change from the previous corresponding period)...</i>	<i>9.7</i>	<i>9.3</i>	<i>-2.4</i>	<i>-3.1</i>
Percent of net sales (%).....	9.0	9.0	9.1	9.1

## 5. Calculation Information Where the Equity Method Is Applied to Ricoh's Leasing Subsidiary

The statements of income and the balance sheets below reflect the application of the equity method where Ricoh Leasing Company, Ltd., is excluded from the consolidated accounts.

Statements of Income (Half Year ended September 30, 1998) (Billions of yen)

	Consolidated	Equity Method
Net sales .....	708.4	656.3
Gross profit.....	279.2	274.0
Operating income .....	31.2	28.3
Income before income taxes .....	22.4	20.3
Net income .....	12.1	12.1

Balance Sheets (Half Year ended September 30, 1998) (Billions of yen)

	Consolidated	Equity Method		Consolidated	Equity Method
Current assets	826.6	924.5	Short-term borrowings	351.2	127.2
Fixed assets	854.9	473.9	Other current Liabilities	367.7	484.4
			Current assets	718.9	611.6
			Long-term borrowings	377.1	217.5
			Other fixed liabilities	101.9	85.8
			Fixed liabilities	479.0	303.3
			Shareholders' investment	483.5	483.5
Assets	1,681.5	1,398.4	Liabilities and shareholders' investment	1,681.5	1,398.4

Key Financial Ratios (Half Year ended September 30, 1998) (%)

	Consolidated	Change from previous period	Equity Method	Change from previous period
Return on assets.....	1.3	-0.7	1.5	-0.6
Return on equity.....	2.5	-0.5	2.5	-0.5
Equity ratio.....	28.8	1.5	34.6	1.9
Debt/Total assets.....	43.3	0.1	24.7	0.9
Debt/Equity.....	150.7	-7.5	71.3	-1.4
Total assets turnover.....	42.1		46.9	