

Ricoh Company, Ltd. And Consolidated Subsidiaries

INTERIM REPORT (Consolidated. Half year ended September 30, 1999)

*Date of approval for the financial results for the half year ended September 30, 1999, at the Board of Directors' meeting: November 17, 1999

1. Results for the Period from April 1, 1999 to September 30, 1999

(1) Operating Results

(Millions of yen)

	Half Year ended September 30, 1999	Half Year ended September 30, 1998	Year ended March 31, 1999
Net sales.....	717,505	708,449	1,425,999
(% change from the previous corresponding period).....	1.3	2.4	1.6
Operating income.....	44,043	31,210	73,547
(% change from the previous corresponding period).....	41.1	-27.8	-18.0
Income before income taxes.....	33,856	22,408	53,054
(% change from the previous corresponding period).....	51.1	-30.5	-22.5
Interim (net) income.....	20,440	12,164	30,655
(% change from the previous corresponding period).....	68.0	-7.8	1.7
Interim (net) income per share (yen).....	29.55	17.59	44.33
Fully diluted net income per share (yen).....	27.41	16.25	40.94
Notes: Equity in income (loss) of affiliates (Millions of yen):	1,470	2,009	4,095

(2) Financial Position

(Millions of yen)

	September 30, 1999	September 30, 1998	March 31, 1999
Total assets.....	1,638,399	1,681,507	1,628,017
Shareholders' equity.....	514,405	483,516	487,459
Equity ratio (%).....	31.4	28.8	29.9
Equity per share (yen).....	743.66	699.13	704.83

(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)

Note: 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.

2. Forecast of operating results from April 1, 1999 to March 31, 2000 (Consolidated)

(Millions of yen)

Net sales.....	1,455,000
Operating income.....	87,000
Income before income taxes.....	69,000
Net income.....	41,000

Note: Net income per share (Consolidated) 59.27 yen
Net income per share (Nonconsolidated) 41.20 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: Nonconsolidated results for the period from April 1, 1999 to September 30, 1999

(Millions of yen)

	Half Year ended September 30, 1999
Net sales.....	381,020
<i>(% change from the previous corresponding period)...</i>	<i>7.3</i>
Operating income.....	30,029
<i>(% change from the previous corresponding period)...</i>	<i>44.9</i>
Ordinary income	24,086
<i>(% change from the previous corresponding period)...</i>	<i>22.7</i>
Interim income	14,073
<i>(% change from the previous corresponding period)...</i>	<i>55.5</i>
Net income per share (yen).....	20.35
Total assets	787,710
Shareholders' equity.....	452,807

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

i. Number of consolidated subsidiaries: 253

Number of affiliated companies: 71

Total: 324

ii. Major subsidiaries

Major consolidated subsidiaries

Domestic:

Tokyo Ricoh Co., Ltd.; Osaka Ricoh Co., Ltd.; Ricoh Technosystems Co., Ltd.; Ricoh Leasing Co., Ltd.;

Ricoch Optical Industries Co., Ltd.; Tohoku Ricoh Co., Ltd.; Ricoh Elemex Corporation;

Overseas:

Ricoch Corporation; Ricoh Europe B.V.; Ricoh Hong Kong Ltd.; Ricoh Asia Pacific Pte, Ltd.;

Gestetner Holdings PLC; Ricoh Electronics, Inc.; Ricoh Asia Industry (Shenzhen) Ltd.

Major affiliated companies (accounted for by the equity method)

Domestic: Coca Cola West Japan Co., Ltd.

Overseas: Shanghai Ricoh Facsimile Co., Ltd.

(4) Changes in accounting method, etc.:

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

Consolidated subsidiaries:

10 additions: Inchcape NRG Ltd. and its 9 subsidiaries

3 removals because of liquidation: Hanimex (Canada) Ltd.; Gestetner (Private) Ltd.; Gestetner (Pvt.) Ltd.

Companies accounted for by the equity method:

10 removals because of consolidation changes: Inchcape NRG Ltd. and its 9 subsidiaries

1 removal by liquidation: Rip Co., Ltd.

ii. Changes in accounting policies:

No changes.

I. Sales by Product Line (Consolidated)

For the half years ended September 30, 1998 and 1999, and year ended March 31, 1999.

(Millions of yen)

	Half year ended September 30, '99	Half Year ended September 30, '98	Change(%)	Year ended March 31, '99
Copiers and related supplies:				
Domestic.....	223,146	227,483	-4,337 (-1.9)	450,797
Overseas..	226,704	229,268	-2,564 (-1.1)	456,111
Total.....	449,850	456,751	-6,901 (-1.5)	906,908
<i>Percentage of net sales (%)</i>	62.7	64.5		63.6
Communications and Information Systems:				
Domestic.....	126,173	111,998	+14,175 (12.7)	234,073
Overseas.....	51,549	45,992	+5,557 (12.1)	93,470
Total.....	177,722	157,990	+19,732 (12.5)	327,543
<i>Percentage of net sales (%)</i>	24.8	22.3		23.0
Other Businesses:				
Domestic.....	72,547	64,636	+7,911 (12.2)	136,105
Overseas.....	17,386	29,072	-11,686 (-40.2)	55,443
Total.....	89,933	93,708	-3,775 (-4.0)	191,548
<i>Percentage of net sales (%)</i>	12.5	13.2		13.4
Total:				
Domestic	421,866	404,117	+17,749 (4.4)	820,975
<i>Percentage of net sales (%)</i>	58.8	57.0		57.6
Overseas	295,639	304,332	-8,693 (-2.9)	605,024
<i>Percentage of net sales (%)</i>	41.2	43.0		42.4
The Americas.....	122,830	124,745	-1,915 (-1.5)	239,623
<i>Percentage of net sales (%)</i>	17.1	17.6		16.8
Europe.....	130,968	136,934	-5,966 (-4.4)	283,373
<i>Percentage of net sales (%)</i>	18.3	19.4		19.9
Other.....	41,841	42,653	-812 (-1.9)	82,028
<i>Percentage of net sales (%)</i>	5.8	6.0		5.8
Total.....	717,505	708,449	+9,056 (1.3)	1,425,999
<i>Percentage of net sales (%)</i>	100.0	100.0		100.0

II. Statement of Income (Consolidated)

For the half years ended September 30, 1998 and 1999, and year ended March 31, 1999.

(Millions of yen)

	Half year ended September 30, '99	Half Year ended September 30, '98	Change(%)	Year ended March 31, '99
Net sales	717,505	708,449	+9,056 (1.3)	1,425,999
Cost of sales.....	423,659	429,216	-5,557(-1.3)	857,423
<i>Percentage of net sales (%).....</i>	<i>59.0</i>	<i>60.6</i>		<i>60.1</i>
Gross Profit.....	293,846	279,233	+14,613 (5.2)	568,576
<i>Percentage of net sales (%).....</i>	<i>41.0</i>	<i>39.4</i>		<i>39.9</i>
Selling, general and administrative expenses	249,803	248,023	+1,780 (0.7)	495,029
<i>Percentage of net sales (%).....</i>	<i>34.9</i>	<i>35.0</i>		<i>34.7</i>
Operating income	44,043	31,210	+12,833(41.1)	73,547
<i>Percentage of net sales (%).....</i>	<i>6.1</i>	<i>4.4</i>		<i>5.2</i>
Other (income) expense				
Interest and dividend income.....	3,393	4,462	-1,069(-24.0)	5,933
<i>Percentage of net sales (%).....</i>	<i>0.5</i>	<i>0.6</i>		<i>0.4</i>
Interest expense.....	5,013	6,645	-1,632(-24.6)	11,661
<i>Percentage of net sales (%).....</i>	<i>0.7</i>	<i>0.9</i>		<i>0.8</i>
Other, net	8,567	6,619	+1,948(29.4)	14,765
<i>Percentage of net sales (%).....</i>	<i>1.2</i>	<i>0.9</i>		<i>1.0</i>
Income before income taxes, equity income and minority interests.....	33,856	22,408	+11,448(51.1)	53,054
<i>Percentage of net sales (%).....</i>	<i>4.7</i>	<i>3.2</i>		<i>3.7</i>
Provision for income taxes.....	14,113	11,403	+2,710(23.8)	24,555
<i>Percentage of net sales (%).....</i>	<i>2.0</i>	<i>1.6</i>		<i>1.7</i>
Minority interests in earnings of subsidiaries	773	850	-77(-9.1)	1,939
<i>Percentage of net sales (%).....</i>	<i>0.1</i>	<i>0.1</i>		<i>0.1</i>
Equity in earnings of affiliates.....	1,470	2,009	-539(-26.8)	4,095
<i>Percentage of net sales (%).....</i>	<i>0.2</i>	<i>0.2</i>		<i>0.3</i>
Interim (net) income	20,440	12,164	+8,276(68.0)	30,655
<i>Percentage of net sales (%)</i>	<i>2.8</i>	<i>1.7</i>		<i>2.1</i>

III. Balance Sheets (Consolidated)

September 30, 1999 and March 31, 1999

(1) Assets	(Millions of yen)		
	September 30, 1999	March 31, 1999	Change
Current Assets			
Cash and cash equivalents.....	148,515	147,132	+1,383
Notes and accounts receivable trade.....	328,489	347,134	-18,645
Marketable securities.....	112,880	98,246	+14,634
Inventories.....	160,827	162,298	-1,471
Other current assets.....	87,803	82,557	+5,246
Total Current Assets.....	838,514	837,367	+1,147
Fixed Assets			
Tangible fixed assets.....	258,263	264,917	-6,654
Finance receivable.....	366,580	350,384	+16,196
Other Investments.....	175,042	175,349	-307
Total Fixed Assets.....	799,885	790,650	+9,235
Total Assets.....	1,638,399	1,628,017	+10,382

(2) Liabilities	(Millions of yen)		
	September 30, 1999	March 31, 1999	Change
Current Liabilities			
Notes and accounts payable trade.....	251,355	249,159	+2,196
Short-term borrowings.....	296,641	308,716	-12,075
Other current liabilities	121,745	103,331	+18,414
Total Current Liabilities	669,741	661,206	+8,535
Fixed Liabilities			
Long-Term Liabilities.....	325,571	344,580	-19,009
Estimated retirement allowances.....	72,662	82,283	-9,621
Other fixed liabilities.....	14,165	14,831	-666
Total Fixed Liabilities.....	412,398	441,694	-29,296
Minority Interest.....	41,855	37,658	+4,197
Total Liabilities	1,123,994	1,140,558	-16,564

(3) Shareholders' Investment	(Millions of yen)		
	September 30, 1999	March 31, 1999	Change
Shareholders' Investment			
Common stock	102,903	102,849	+54
Additional paid-in capital.....	154,135	154,055	+80
Legal reserve	14,687	14,271	+416
Retained earnings.....	254,813	238,592	+16,221
Other comprehensive earnings.....	-12,133	-22,308	+10,175
Total Shareholders' Investment.....	514,405	487,459	+26,946
Total Liabilities and Shareholders' Investment	1,638,399	1,628,017	+10,382

Note: Other comprehensive earnings;

Net unrealized holding gains on available-for-sale securities.....	14,232	8,944	+5,288
Pension liability adjustments	-10,295	-18,845	+8,550
Cumulative translation adjustments	-16,070	-12,407	-3,663

IV. Segment Information

For the half years ended September 30, 1998 and 1999, and year ended March 31, 1999

By Product Line

(Millions of yen)

	Half Year ended September 30, 1999			
	Office equipment	Other	Corporate and eliminations	Total
a. Net sales and operating income/expenses				
Net Sales (including intersegment sales and transfers).	627,572	92,244	-2,311	717,505
Operating expenses	562,593	90,452	20,417	673,462
Operating income.....	64,979	1,792	-22,728	44,043
b. Assets, depreciation, and capital expenditure				
Assets.....	1,020,237	178,343	439,819	1,638,399
Depreciation.....	25,137	4,227	688	30,052
Capital expenditure	29,648	3,331	496	33,475

(Millions of yen)

	Half Year ended September 30, 1998			
	Office equipment	Other	Corporate and eliminations	Total
a. Net sales and operating income/expenses				
Net Sales (including intersegment sales and transfers).	614,741	95,193	-1,485	708,449
Operating expenses	562,415	94,588	20,236	677,239
Operating income.....	52,326	605	-21,721	31,210
b. Assets, depreciation, and capital expenditure				
Assets.....	1,059,620	197,553	424,334	1,681,507
Depreciation.....	26,234	5,463	764	32,461
Capital expenditure	30,041	8,241	1,310	39,592

(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

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.

Half year ended September 30, 1999	22,700 million yen
Half year ended September 30, 1998	21,734 million yen
Year ended March 31, 1999	41,572 million yen
- 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).

Half year ended September 30, 1999	448,155 million yen
Half year ended September 30, 1998	435,077 million yen
Year ended March 31, 1999	424,394 million yen
- iv. Intersegment sales and transfers for each segment are immaterial.

2. By Region

(Millions of yen)

	Half Year ended September 30, 1999					
	Japan	The Americas	Europe	Other	Corporate and eliminations	Total
a. Net Sales and operating income/expenses						
Net sales						
(1) Sales to outside customers...	427,863	122,273	134,943	32,426	-	717,505
(2) Intersegment sales.....	135,400	3,753	1,747	19,695	-160,595	-
Total	563,263	126,026	136,690	52,121	-160,595	717,505
Operating expenses	530,483	120,677	129,541	51,273	-158,512	673,462
Operating income.....	32,780	5,349	7,149	848	-2,083	44,043
b. Assets	1,003,616	101,607	129,632	57,519	346,025	1,638,399

(Millions of yen)

	Half Year ended September 30, 1998					
	Japan	The Americas	Europe	Other	Corporate and eliminations	Total
a. Net Sales and operating income/expenses						
Net sales						
(1) Sales to outside customers...	408,622	123,311	141,174	35,342	-	708,449
(2) Intersegment sales.....	120,295	4,675	3,198	21,009	-149,177	-
Total	528,917	127,986	144,372	56,351	-149,177	708,449
Operating expenses	504,476	122,229	139,916	54,997	-144,379	677,239
Operating income.....	24,441	5,757	4,456	1,354	-4,798	31,210
b. Assets	983,251	124,914	165,034	61,676	346,632	1,681,507

(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

Note:

i. 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).

Half year ended September 30, 1999 448,155 million yen

Half year ended September 30, 1998 435,077 million yen

Year ended March 31, 1999 424,394 million yen

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

3. Overseas Sales

(Millions of yen)

	Half Year ended September 30, 1999			
	The Americas	Europe	Other	Total
(1) Overseas sales	122,830	130,968	41,841	295,639
(2) Consolidated net sales				717,505
(3) Overseas sales as a percentage of net sales (%).....	17.1	18.3	5.8	41.2

(Millions of yen)

	Half Year ended September 30, 1998			
	The Americas	Europe	Other	Total
(1) Overseas sales	124,745	136,934	42,653	304,332
(2) Consolidated net sales				708,449
(3) Overseas sales as a percentage of net sales (%).....	17.6	19.4	6.0	43.0

(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

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