

Ricoh Company, Ltd.

INTERIM REPORT (Nonconsolidated. 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**

*Start of cash dividends payment: **December 10, 1999**

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

(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.....	381,020	355,212	720,502
(% change from the previous corresponding period....)	7.3	-3.6	-4.3
Operating income.....	30,029	20,718	42,831
(% change from the previous corresponding period).....	44.9	-10.0	-8.2
Ordinary income.....	24,086	19,632	36,032
(% change from the previous corresponding period).....	22.7	-6.8	-16.1
Interim (net) income.....	14,073	9,052	18,977
(% change from the previous corresponding period).....	55.5	-22.5	-15.7
Net income per share (yen).....	20.35	13.09	27.44

- Notes: i. Average number of shares outstanding:
- | | |
|------------------------------------|--------------------|
| Half year ended September 30, 1999 | 691,650,395 shares |
| Half year ended September 30, 1998 | 691,585,568 shares |
| Year ended March 31, 1999 | 691,591,721 shares |
- ii. No changes in accounting and reporting policies.
iii. The Company applied tax effect accounting in the first year ended September 30, 1999.

(2) Dividend Information (Yen)

	Half Year ended September 30, 1999	Half Year ended September 30, 1998	Year ended March 31, 1999
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, 1999	September 30, 1998	March 31, 1999
Total assets.....	787,710	770,164	755,016
Shareholders' equity.....	452,807	421,390	427,512
Equity ratio (%).....	57.5	54.7	56.6
Equity per share (yen).....	654.61	609.30	618.15

- Notes: i. Number of shares issued:
- | | |
|------------------------------------|--------------------|
| Half year ended September 30, 1999 | 691,717,985 shares |
| Half year ended September 30, 1998 | 691,597,805 shares |
| Year ended March 31, 1999 | 691,598,631 shares |
- ii. Differences between market price of marketable securities and carrying amount: 141,193 million yen
iii. Differences between market prices and contract amount of derivative transaction: -39 million yen

4. Forecast of operating results from April 1, 1999 to March 31, 2000 (Nonconsolidated) (Millions of yen)

Net sales	760,000
Operating income	57,000
Ordinary income.....	49,000
Net income	28,500
Cash dividends, applicable to the year (yen).....	11.00

Note: Net income per share ¥41.20

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.

I. Sales by Product Line (Nonconsolidated)

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.....	159,966	163,517	-3,551 (-2.2)	328,682
Export.....	108,905	93,848	+15,057 (16.0)	189,042
Total.....	268,871	257,365	+11,506 (4.5)	517,724
<i>Percentage of net sales (%).....</i>	<i>70.6</i>	<i>72.5</i>		<i>71.9</i>
Communications and Information Systems:				
Domestic.....	68,040	54,484	+13,556 (24.9)	117,367
Export.....	24,861	18,536	+6,325 (34.1)	35,278
Total.....	92,901	73,021	+19,880 (27.2)	152,645
<i>Percentage of net sales (%).....</i>	<i>24.4</i>	<i>20.6</i>		<i>21.2</i>
Photographic Equipment:				
Domestic.....	2,707	2,831	-124 (-4.4)	4,982
Export.....	1,584	2,468	-884 (-35.8)	4,013
Total.....	4,291	5,299	-1,008 (-19.0)	8,996
<i>Percentage of net sales (%).....</i>	<i>1.1</i>	<i>1.5</i>		<i>1.2</i>
Other Businesses:				
Domestic.....	11,083	12,148	-1,065 (-8.8)	24,721
Export.....	3,873	7,377	-3,504 (-47.5)	16,415
Total.....	14,956	19,525	-4,569 (-23.4)	41,136
<i>Percentage of net sales (%).....</i>	<i>3.9</i>	<i>5.4</i>		<i>5.7</i>
Total:				
Domestic.....	241,796	232,980	+8,816 (3.8)	475,753
<i>Percentage of net sale (%).....</i>	<i>63.5</i>	<i>65.6</i>		<i>66.0</i>
Export.....	139,224	122,231	+16,993 (13.9)	244,748
<i>Percentage of net sales (%).....</i>	<i>36.5</i>	<i>34.4</i>		<i>34.0</i>
The Americas.....	62,614	49,593	+13,021 (26.3)	101,227
<i>Percentage of net sales (%).....</i>	<i>16.4</i>	<i>14.0</i>		<i>14.0</i>
Europe.....	58,374	56,320	+2,054 (3.6)	112,840
<i>Percentage of net sales (%).....</i>	<i>15.3</i>	<i>15.9</i>		<i>15.7</i>
Other.....	18,234	16,317	+1,917 (11.7)	30,681
<i>Percentage of net sales (%).....</i>	<i>4.8</i>	<i>4.5</i>		<i>4.3</i>
Total.....	381,020	355,212	+25,808 (7.3)	720,502
<i>Percentage of net sales(%)</i>	<i>100.0</i>	<i>100.0</i>		<i>100.0</i>

Note: From the period under review, Ricoh moved optical disc products from Other Businesses to the Communications and Information Systems category. This change increased sales in the latter category by ¥9,195 million, representing ¥3,967 million domestically and ¥5,228 million overseas. Optical disk sales in the Other Businesses category in the previous corresponding period totaled ¥5,804 million, representing ¥1,819 million domestically and ¥3,984 million overseas. For fiscal 1999, these sales were ¥13,464 million—¥2,539 million in Japan and ¥10,924 million abroad.

II. Statement of Income (Nonconsolidated)

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	381,020	355,212	+25,808 (7.3)	720,502
Cost of sales	267,895	250,347	+17,548 (7.0)	515,062
<i>Percentage of net sales (%)</i>	70.3	70.5		71.5
Selling, general and administrative expenses	83,094	84,146	-1,052 (-1.3)	162,607
<i>Percentage of net sales (%)</i>	21.8	23.7		22.6
Operating income	30,029	20,718	+9,311 (44.9)	42,831
<i>Percentage of net sales (%)</i>	7.9	5.8		5.9
Non-operating income				
Interest and dividends.....	3,612	4,624	-1,012 (-21.9)	7,444
<i>Percentage of net sales (%)</i>	0.9	1.3		1.0
Other income.....	1,439	1,166	+273 (23.4)	2,505
<i>Percentage of net sales (%)</i>	0.4	0.3		0.4
Non-operating expenses				
Interest	898	1,655	-757 (-45.7)	3,373
<i>Percentage of net sales (%)</i>	0.2	0.5		0.4
Other expenses	10,097	5,221	+4,876 (93.4)	13,376
<i>Percentage of net sales (%)</i>	2.7	1.4		1.9
Ordinary income.....	24,086	19,632	+4,454 (22.7)	36,032
<i>Percentage of net sales (%)</i>	6.3	5.5		5.0
Extraordinary income.....	-	-	-	2,501
<i>Percentage of net sales (%)</i>	-	-		0.3
Extraordinary expenses.....	-	3,880	-3,880(-100.0)	8,757
<i>Percentage of net sales (%)</i>	-	1.1		1.2
Income before income taxes.....	24,086	15,752	+8,334 (52.9)	29,777
<i>Percentage of net sales (%)</i>	6.3	4.4		4.1
Provision for income taxes excluding enterprise tax	-	6,700	-6,700(-100.0)	-
<i>Percentage of net sales (%)</i>	-	1.9		-
Provision for income taxes including enterprise tax	15,500	-	+15,500 (-)	10,800
<i>Percentage of net sales (%)</i>	4.0	-		1.5
Corporate and other tax adjustments	-5,487	-	-5,487 (-)	-
<i>Percentage of net sales (%)</i>	-1.4	-		-
Interim (net) income	14,073	9,052	+5,021 (55.5)	18,977
<i>Percentage of net sales (%)</i>	3.7	2.5		2.6
Retained earnings at beginning of year				
Beginning balance.....	4,466	4,405	+61 (1.4)	4,405
<i>Percentage of net sales (%)</i>	1.2	1.2		0.6
Reversal of reserve for social contribution	8	-	+8 (-)	28
<i>Percentage of net sales (%)</i>	0.0	-		0.0
Tax effect accounting adjustment for previous term	15,067	-	+15,067 (-)	-
<i>Percentage of net sales (%)</i>	3.9	-		-
Reversal provision for application of tax effect accounting.....	1,134	-	+1,134 (-)	-
<i>Percentage of net sales (%)</i>	0.3	-		-
Interim dividends.....	-	-	-	3,803
<i>Percentage of net sales (%)</i>	-	-		0.5
Transfer to legal reserve.....	-	-	-	380
<i>Percentage of net sales (%)</i>	-	-		0.1
Retained earnings at end of half year (year)	34,750	13,457	+21,293(158.2)	19,226
<i>Percentage of net sales (%)</i>	9.1	3.8		2.7

III. Balance Sheets (Nonconsolidated)

September 30, 1999 and March 31, 1999

(1)Assets

(Millions of yen)

	September 30, 1999	March 31, 1999	Change
Current Assets			
Cash on hand and in banks.....	55,939	60,124	-4,185
Notes receivable-trade.....	10,490	8,787	+1,703
Accounts receivable-trade	128,770	149,037	-20,267
Marketable securities.....	141,642	108,315	+33,327
Treasury stock	28	10	+18
Finished goods.....	33,867	32,840	+1,027
Raw materials.....	3,992	4,704	-712
Work-in-process	5,904	7,778	-1,874
Supplies.....	11,255	10,499	+756
Short-term loans receivable	3,178	91	+3,087
Accounts receivable-other.....	113,501	109,534	+3,967
Tax assets brought forward.....	11,009	-	+11,009
Other current assets.....	3,551	6,303	-2,752
Allowance for doubtful accounts.....	-2,892	-1,941	-951
Total Current Assets	520,239	496,087	+24,152
Fixed Assets			
Tangible Fixed Assets			
Buildings.....	48,331	49,883	-1,552
Machinery and equipment.....	18,333	19,987	-1,654
Tools.....	20,627	21,410	-783
Land.....	24,910	24,953	-43
Construction in progress.....	3,459	2,461	+998
Total Tangible Fixed Assets.....	115,662	118,697	-3,035
Intangible Fixed Assets.....	2,684	663	+2,021
Investments and Other Assets			
Investment securities	16,453	16,359	+94
Investment in subsidiaries.	104,663	104,685	-22
Long-term loans receivable.....	11,638	11,207	+431
Tax assets brought forward.....	9,545	-	+9,545
Other investments.....	10,378	10,443	-65
Allowance for doubtful accounts.....	-3,556	-3,130	-426
Total Investments and Other Assets	149,124	139,567	+9,557
Total Fixed Assets.....	267,471	258,928	+8,543
Total Assets.....	787,710	755,016	+32,694

September 30, 1999 and March 31, 1999

(2) Liabilities

(Millions of yen)

	September 30, 1999	March 31, 1999	Change
Current Liabilities			
Notes payable-trade	6,063	5,605	+458
Accounts payable-trade.....	76,761	89,861	-13,100
Bonds maturing within one year.....	15,000	15,000	-
Accounts payable-other.....	56,261	55,849	+412
Accrued corporate tax.....	15,771	1,272	+14,499
Accrued expenses.....	23,894	20,801	+3,093
Accrued bonus.....	14,239	12,462	+1,777
Warranty reserve	582	545	+37
Notes payable-construction.....	413	845	-432
Other current Liabilities.....	4,103	3,583	+520
Total Current Liabilities	213,091	205,826	+7,265
Fixed Liabilities			
Bonds.....	40,000	40,000	-
Convertible bonds.....	65,012	65,120	-108
Estimated retirement allowances.....	15,171	14,501	+670
Long-term accrued expenses.....	1,627	2,054	-427
Total Fixed Liabilities.....	121,811	121,676	+135
Total Liabilities	334,902	327,503	+7,399

(3) Shareholders' Equity

(Millions of yen)

	September 30, 1999	March 31, 1999	Change
Common Stock	102,902	102,848	+54
Additional paid-in-capital.....	143,705	143,651	+54
Legal reserve.....	13,330	12,935	+395
Retained earnings			
Reserve for deferral of capital gain on property.....	617	1,113	-496
Reserve for special depreciation.....	157	383	-226
Reserve for warranty on computer programs.....	801	1,881	-1,080
Reserve for social contribution.....	192	121	+71
General reserve.....	156,350	145,350	+11,000
Unappropriated retained earnings.....	34,750	19,226	+15,524
[Net income for the period].....	[14,073]	[18,977]	[-4,904]
Total Retained earnings	192,868	168,077	+24,791
Total Shareholders' Equity.....	452,807	427,512	+25,295
Total Liabilities and Shareholders' Equity.....	787,710	755,016	+32,694
Notes:			
i. Accumulated depreciation on tangible fixed assets.....	292,239	288,187	
ii. Trade notes receivable discounted with banks.....	111	134	
iii. Treasury stock (shares).....	15,328	9,232	
iv. Guarantee obligation.....	17,795	19,522	
v. Issuance of new shares during the year			
Conversion of convertible bonds (shares).....	119,354	52,209	
[Amount transferred to common stock (millions of yen)].	[54]	[29]	
vi. Contingent liabilities related to debt assumption agreements for bonds.....	50,000	50,000	

Standard Account Policies For Preparing Financial Statements

1. Accounting policies for fiscal statements for the six month ended September 30, 1999, 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, 1999, 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 based on the declining balance method which is the same method as those required under the provision of Japanese income tax laws.

However, regarding buildings (excluding fixtures) secured after April 1, 1998, Ricoh uses straight-line depreciation for as governed by that law.

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, 1999 is included in "Other Current Assets" in the balance sheet.

(Additional information)

1. Application of Tax Effect Accounting

Ricoh started applying tax effect accounting in the first half of fiscal 2000 in line with a revision on interim financial reporting regulations.

Without this change, current and fixed assets would have risen another ¥11,009 million and ¥9,545 million, respectively. Net income would have been ¥5,487 million higher, while unappropriated retained earnings at the end of the term would have gained an additional ¥21,688 million.

2. Software

To date, Ricoh has classified the master production costs of for-sale software as finished goods and supplies. From the first half of fiscal 2000, however, the Company has reclassified software as an intangible fixed asset in line with new accounting standards for research and development-related expenses. Ricoh has previously included software for internal uses in selling, general and administrative expenses at the time of purchase. We now treat such software as an asset, including it in intangible fixed assets.

3. Reclassification of Business Taxes

Business taxes were included in selling, general and administrative taxes in the previous corresponding term.

These taxes totaled ¥3,200 million in the year under review. In line with a change in interim financial reporting regulations, we included these taxes in Corporate and residents taxes in the first half of fiscal 2000, which totaled ¥12,300 million. The new line item is called Corporate, residents, and business taxes.

(Change in Presentation of Accrued Enterprise and Business Taxes)

To date, Ricoh has presented accrued enterprise and business taxes as "Accrued enterprise tax." However, in this interim term, the Company made accrued enterprise taxes part of "Accrued corporate tax" and accrued business taxes part of "Accounts payable-other."

(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, 1999			Half Year ended September 30, 1998			Year ended March 31, 1999		
	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	10,584	6,570	4,014	12,208	5,439	6,769	12,420	6,983	5,437
Others	4,039	2,157	1,882	4,727	2,283	2,443	4,225	2,251	1,974
Total	14,624	8,727	5,896	16,936	7,723	9,212	16,646	9,235	7,411

2. Year-end balance of current leasing charges

(Millions of yen)

	Half Year ended September 30, 1999	Half Year ended September 30, 1998	Year ended March 31, 1999
Less than one year	3,472	4,011	3,705
More than one year	2,704	5,645	4,025
Total	6,177	9,657	7,731

3. Lease payment charges, depreciation, and interest paid

(Millions of yen)

	Half Year ended September 30, 1999	Half Year ended September 30, 1998	Year ended March 31, 1999
Lease payment charges	2,503	2,348	4,479
Depreciation	2,272	2,058	4,063
Interest paid	179	334	435

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, 1999			
	Carrying value evaluated	Fair value value	Evaluated gains/losses
1. Current assets			
Equities	8,464	27,210	18,746
Bonds.....	6,521	6,609	87
Others.....	41,570	41,728	157
Subtotal.....	56,556	75,548	18,992
2. Fixed assets			
Equities	16,389	138,590	122,200
Bonds.....	-	-	-
Others.....	-	-	-
Subtotal.....	16,389	138,590	122,200
Totals.....	72,945	214,138	141,193

(Millions of yen)

Year ended March 31, 1999			
	Carrying value evaluated	Fair market value	Evaluated gains/losses
1. Current assets			
Equities	8,137	22,693	14,555
Bonds.....	6,521	6,637	116
Others.....	33,990	34,055	65
Subtotal.....	48,649	63,387	14,737
2. Fixed assets			
Equities	16,513	125,638	109,124
Bonds.....	-	-	-
Others.....	-	-	-
Subtotal.....	16,513	125,638	109,124
Totals.....	65,163	189,025	123,861

(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

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, 1999.....0 yen
 Year ended March 31, 1999.....1 million yen
 Half year ended September 30, 1998.....0 yen

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

(1) Current assets (Millions of yen)

	Half Year ended September 30, 1999	Year ended March 31, 1999	Half Year ended September 30, 1998
a. Money management fund.....	29,099	25,633	42,253
b. Commercial paper.....	39,992	17,988	17,980
c. Unlisted foreign bonds.....	16,133	14,035	17,031
d. Medium-term government securities fund.....	-	-	5,009
e. Unlisted domestic bonds with remaining redemption periods of less than one year.....	-	2,019	2,038
f. Securities investment trust under closing period.....	-	-	200

(2) Fixed assets (Millions of yen)

	Half Year ended September 30, 1999	Year ended March 31, 1999	Half Year ended September 30, 1998
Unlisted equities and investments excluding securities traded over-the-counter.....	101,352	101,156	100,890

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

1. Currencies

(Millions of yen)

	Type	Half Year ended September 30, 1999			Year ended March 31, 1999		
		Contract amounts, etc.	Fair value	Evaluated gains/ losses	Contract amounts, etc.	Fair value	Evaluated gains/ losses
Non-market transactions	Forward exchange transactions sales of US\$	-	-	-	-	-	-
	Currency options transactions Sales *Call						
	DFL	-	-	-	-	-	-
	US\$	-	-	-	-	-	-
	Purchase *Put						
	DFL	-	-	-	-	-	-
	US\$	-	-	-	-	-	-
Total		-	-	-	-	-	-

Notes:

- i. Market value calculation
 - a. Forward exchange transactions
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, 1999			Year ended March 31, 1999		
		Contract amounts, etc.	Fair value	Evaluated gains/ losses	Contract amounts, etc.	Fair value	Evaluated gains/ losses
Non-market	Interest swap transactions *Fixed receivable/ fluctuating payment	-	-	-	9,000	-	159
	*Fixed payment/ fluctuating receivable	1,500	-	-39	5,500	-	-63
	*Fluctuating receivable and payment	-	-	-	10,000	-	78
	Interest options transactions *Call	-	-	-	5,000 (13)	-	0 -13
	Total	1,500	-	-39	-	-	174

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.