

Ricoh Company, Ltd.

FLASH REPORT (Nonconsolidated. Year ended March 31, 2000) —Translation—

Date of approval for the financial results for the year ended March 31, 2000,

at the Board of Directors' meeting: May 11, 2000

Date of shareholders' annual meeting: June 29, 2000

1. Results for the period from April 1, 1999 to March 31, 2000 (Nonconsolidated)

(1) Operating Results (Millions of yen)

	Year ended March 31, 2000	Year ended March 31, '99
Net sales.....	777,501	720,502
(% change from the previous period).....	7.9	-4.3
Operating income.....	58,220	42,831
(% change from the previous period).....	35.9	-8.2
Ordinary income.....	50,113	36,032
(% change from the previous period).....	39.1	-16.1
Net income.....	22,613	18,977
(% change from the previous period).....	19.2	-15.7
Net income per share-basic (yen).....	32.69	27.44
Net income per share-diluted (yen).....	30.58	25.69
Return on equity(%).....	5.1	4.5
Ordinary income on total assets (%).....	6.6	4.8
Ordinary income on net sales (%).....	6.4	5.0

Notes: i. Average number of shares outstanding:

Year ended March 31, 2000 691,744,901 shares

Year ended March 31, 1999 691,591,721 shares

ii. Some changes in accounting and reporting policies.

(2) Dividend Information

	Year ended March 31, 2000	Year ended March 31, '99
Cash dividends, applicable to the year (yen).....	11.00	11.00
Year-end (yen).....	5.50	5.50
Half year (yen).....	5.50	5.50
Total annual dividends (millions of yen).....	7,610	7,607
Payout Ratio (%).....	33.7	40.1
Dividends on shareholders' equity (%).....	1.7	1.8

(3) Financial Position

(Millions of yen)

	Year ended March 31, 2000	Year ended March 31, '99
Total assets.....	763,078	755,016
Shareholders' equity.....	457,960	427,512
Equity ratio (%).....	60.0	56.6
Equity per share (yen).....	661.71	618.15

Notes: i. Number of shares issued

Year ended March 31, 2000 692,082,959 shares

Year ended March 31, 1999 691,598,631 shares

2. Forecast of operating results from April 1, 2000 to March 31, 2001 (Nonconsolidated)

	Half year ended September 30, 2000	Year ended March 31, 2001
Net sales (millions of yen).....	390,000	810,000
Operating income (millions of yen).....	28,000	59,000
Ordinary income (millions of yen).....	25,500	53,000
Net income (millions of yen).....	10,500	27,000
Cash dividends, applicable to the year (yen).....	-	11.00
Half year (yen).....	5.50	-
Year-end (yen).....	-	5.50

Note: Net income per share: 39.01 yen (full year)

I. Balance Sheets (Nonconsolidated)

March 31, 2000 and 1999

(1)Assets

(Millions of yen)

	March 31, 2000	March 31, 1999	Change
Current Assets			
Cash on hand and in banks	36,389	60,124	-23,735
Notes receivable-trade.....	12,223	8,787	+3,436
Accounts receivable-trade	148,035	149,037	-1,002
Marketable securities.....	129,322	108,315	+21,007
Treasury stock.....	52	10	+42
Finished goods.....	23,361	32,840	-9,479
Raw materials.....	3,082	4,704	-1,622
Work-in-process.....	6,272	7,778	-1,506
Supplies.....	9,952	10,499	-547
Advances	155	345	-190
Prepaid expenses.....	995	2,410	-1,415
Deferred tax assets	12,038	-	+12,038
Accounts receivable-other.....	114,687	109,534	+5,153
Other current assets.....	3,397	3,638	-241
Allowance for doubtful accounts	-1,456	-1,941	+485
Total Current Assets.....	498,509	496,087	+2,422
Fixed Assets			
Tangible Fixed Assets			
Buildings.....	47,858	49,883	-2,025
Machinery and equipment.....	17,914	19,987	-2,073
Tools.....	17,972	21,410	-3,438
Land.....	24,497	24,953	-456
Construction in progress.....	3,012	2,461	+551
Total Tangible Fixed Assets.....	111,256	118,697	-7,441
Intangible assets			
Patent rights.....	466	297	+169
Leased property rights.....	119	119	-
Software.....	2,582	-	+2,582
Other intangible fixed assets	237	245	-8
Total Intangible Fixed Assets.....	3,405	663	+2,742
Investments and Other Assets			
Investment securities	8,497	8,632	-135
Investment in subsidiaries	113,652	113,371	+281
Long-term loans receivable	30	18	+12
Long-term loans to affiliates.....	6,594	11,189	-4,595
Bankruptcy and rehabilitation debts	114	104	+10
Deferred tax assets	12,814	-	+12,814
Other investments.....	9,803	9,380	+423
Allowance for doubtful accounts.....	-1,601	-3,130	+1,529
Total Investments and Other Assets.....	149,906	139,567	+10,339
Total Fixed Assets.....	264,569	258,928	+5,641
Total Assets.....	763,078	755,016	+8,062

March 31, 2000 and 1999

(2) Liabilities

(Millions of yen)

	March 31, 2000	March 31, 1999	Change
Current Liabilities			
Notes payable-trade.....	7,238	5,605	+1,633
Accounts payable-trade.....	92,560	89,861	+2,699
Bonds maturing within one year.....	-	15,000	-15,000
Accounts payable-other.....	5,877	55,849	-49,972
Accrued corporate tax.....	21,050	1,272	+19,778
Accrued expenses.....	25,903	20,801	+5,102
Advances by customers	241	305	-64
Deposits payable	4,450	3,278	+1,172
Accrued bonus.....	14,159	12,462	+1,697
Warranty reserve.....	590	545	+45
Notes payable-construction.....	-	845	-845
Total Current Liabilities	172,072	205,826	-33,754
Fixed Liabilities			
Bonds.....	40,000	40,000	-
Convertible bonds.....	64,595	65,120	-525
Estimated retirement allowances.....	28,450	14,501	+13,949
Long-term accrued expenses.....	-	2,054	-2,054
Total Fixed Liabilities.....	133,045	121,676	+11,369
Total Liabilities	305,118	327,503	-22,385

(3) Shareholders' Equity

(Millions of yen)

	March 31, 2000	March 31, 1999	Change
Common Stock.....			
Common Stock.....	103,111	102,848	+263
Additional paid-in-capital.....	143,913	143,651	+262
Legal reserve.....	13,711	12,935	+776
Other retained earnings	197,224	168,077	+29,147
Voluntary reserves:			
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	148	121	+27
General reserve.....	156,350	145,350	+11,000
Unappropriated retained earnings.....	39,148	19,226	+19,922
Total Voluntary reserves	158,075	148,850	+9,225
Total Shareholders' Equity.....	457,960	427,512	+30,448
Total Liabilities and Shareholders' Equity	763,078	755,016	+8,062

II. Statement of Income (Nonconsolidated)

For the years ended March 31, 2000 and 1999

(Millions of yen)

	Year ended March 31, 2000	Year ended March 31, 1999	Change(%)
Net sales	777,501	720,502	+56,999 (7.9)
Cost of sales	549,253	515,062	+34,191 (6.6)
<i>Percentage of net sales (%)</i>	70.6	71.5	
Gross profit	228,247	205,439	+22,808 (11.1)
<i>Percentage of net sales (%)</i>	29.4	28.5	
Selling, general and administrative expenses.....	170,027	162,607	+7,420 (4.6)
<i>Percentage of net sales (%)</i>	21.9	22.6	
Selling expenses.....	58,675	53,754	+4,921
General and administrative expenses.....	111,351	108,853	+2,498
Operating income.....	58,220	42,831	+15,389 (35.9)
<i>Percentage of net sales (%)</i>	7.5	5.9	
Non-operating income.....	10,102	9,950	+152 (1.5)
<i>Percentage of net sales (%)</i>	1.3	1.4	
Interest.....	3,262	3,237	+25
Interest on securities	420	726	-306
Dividends.....	2,837	3,480	-643
Miscellaneous income.....	3,581	2,505	+1,076
Non-operating expenses.....	18,208	16,750	+1,458 (8.7)
<i>Percentage of net sales (%)</i>	2.3	2.3	
Interest	9	14	-5
Interest on bonds.....	1,667	3,358	-1,691
Bond issue costs.....	-	198	-198
Allowance for bankruptcy	-	231	-231
Foreign exchange expenses	5,778	2,397	+3,381
Loss on disposition of fixed assets.....	2,112	2,106	+6
Miscellaneous expenses.....	8,639	8,442	+197
Ordinary income.....	50,113	36,032	+14,081 (39.1)
<i>Percentage of net sales (%)</i>	6.4	5.0	
Extraordinary income.....	1,055	2,501	-1,446 (-57.8)
<i>Percentage of net sales (%)</i>	0.1	0.3	
Extraordinary expenses.....	12,741	8,757	+3,984 (45.5)
<i>Percentage of net sales (%)</i>	1.6	1.2	
Income before income taxes.....	38,428	29,777	+8,651 (29.1)
<i>Percentage of net sales (%)</i>	4.9	4.1	
Provision for income taxes.....	25,600	10,800	+14,800(137.0)
<i>Percentage of net sales (%)</i>	3.3	1.5	
Corporate and other tax adjustments.....	-9,785	-	-9,785 (-)
<i>Percentage of net sales (%)</i>	-1.3	-	
Net income.....	22,613	18,977	+3,636 (19.2)
<i>Percentage of net sales (%)</i>	2.9	2.6	
Retained earnings at beginning of year.....	4,466	4,405	+61
Reversal of reserve for social contribution.....	51	28	+23
Tax effect accounting adjustment for previous term.....	15,067	-	+15,067
Reversal provision for application of tax effect accounting.....	1,134	-	+1,134
Interim dividends.....	3,804	3,803	+1
Transfer to legal reserve.....	380	380	0
Retained earnings at end of year.....	39,148	19,226	+19,922

IV. Proposed Appropriation of Retained Earnings

(Millions of yen)

	Year ended March 31, 2000	Year ended March 31, 1999	Change
Unappropriated retained earnings at end of year	39,148	19,226	+19,922
Reversal of reserve for deferral of capital gain on property.	29	53	-24
Reversal of reserve for special depreciation.....	49	128	-79
Reversal of reserve for warranty on computer programs.....	240	563	-323
Total.....	39,468	19,972	+19,496

To be appropriated as follows:

(Millions of yen)

	Year ended March 31, 2000	Year ended March 31, 1999	Change
Transfer to legal reserve	396	395	+1
Cash dividends	3,806	3,803	+3
Dividends per share (yen)	5.50	5.50	-
Director bonuses.....	160	150	+10
Reserve for deferral of capital gain on property.....	-	2	-2
Reserve for special depreciation.....	365	15	+350
Reserve for warranty on computer programs.....	19	60	-41
Reserve for social contribution.....	51	78	-27
General reserve	30,000	11,000	+19,000
Retained earnings brought forward to the next year	4,668	4,466	+202

Notes:

- i. Reserve for deferral of capital gain on property, special depreciation, and warranty for computer program, are based on the Special Taxation Measures Law.
- ii. On December 10, 1999, the company made interim cash dividends of ¥5.50 per share totaling ¥3,804,364,614.

Significant Accounting Policies (Nonconsolidated)

1. Valuation method for securities

Stock exchange-listed securities are stated at the lower of moving cost or market. Securities not listed on a stock exchange are stated at the moving average cost.

2. Valuation method for inventories

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

3. Depreciation of fixed assets

(1) Tangible Fixed Assets

Tangible fixed assets are depreciated using the declining balance method.

For buildings (excluding fixtures) secured after April 1, 1998, however, Ricoh uses straight-line depreciation as governed by corporate tax law.

(2) Intangible Fixed Assets

Ricoh uses straight-line depreciation for intangible fixed assets.

With software for sale in the marketplace, however, the Company records the larger of depreciation based on projected sales profits or a uniform depreciation based on a projected effective sales period for the balance. The initially projected effective sale term is three years. With software for internal use, the Company uses straight-line depreciation based on a usable period of five years.

(Additional Information)

Software for Sale

Until fiscal 1999, Ricoh recorded the costs of producing masters of software for sale in the manufactured goods and inventory categories. Based on new accounting standards (issued by the Corporate Accounting Deliberative Committee, effective March 13, 1998) for research and development expenses, however, Ricoh began disclosing these costs within intangible fixed assets, the net effect of which is ¥332 million. With depreciation and amortization, the Company records the larger of depreciation based on projected sales profits or a uniform depreciation based on a projected effective sales period for the balance. The initially projected effective sale term is three years.

Software for Internal Use

In fiscal 1999, Ricoh recorded software for internal use as a part of selling, general and administrative expenses upon acquisition. The Company maintained existing accounting practices through a provisional measure under the Clerical Guidelines for Accounting for Research and Development Expenses and Software (Report No. 12 of the Japan Association of Certified Public Accountants, issued on March 31, 1999). From fiscal 2000, however, the Company recorded as intangible fixed assets any software for internal use where previous profits had been generated and costs clearly fell. This change was in line with new accounting standards for research and development expenses (issued by the Corporate Accounting Deliberative Committee on March 13, 1998). The net effect of this change was ¥2,250 million. The Company uses straight-line depreciation based on a usable period of five years.

4. Deferred Assets

These assets are expensed as expended.

5. Basis for provision of reserves

(1) Allowance for Doubtful Accounts

The allowance for doubtful accounts is provided to cover possible losses arising from bad debts and represents the total of possible individual doubtful accounts plus the allowance deductible under Japanese Income Tax Law.

(2) Reserve for Accrued Bonuses

The reserve for accrued bonuses is provided by estimating the amount of bonuses payable to employees for the current financial year under our corporate rules for calculating such bonus payment.

(3) Reserve for Retirement Allowances

Ricoh maintains reserves for employee and director retirement allowances.

The employee retirement allowance system includes lump-sum payments upon retirement. As part of the system, the Company maintains a qualified retirement and pension system that accrues benefits. Ricoh pays these benefits upon retirement based on the years of service and reasons for leaving the Company. Ricoh also maintains a pension fund (Adjustment Pension system) based on the Welfare Pension Insurance Law. The welfare pension system comprises a basic portion in which the Company substitutes part of the government welfare pension insurance benefit for contributions by both the Company and employees and an additional payment component. Pension payments made under the additional component reflect the length of service and remuneration upon termination.

To provide future retirement payments, Ricoh's reserve for retirement allowances is based on projected benefit obligations minus fair value of pension assets in the corporate pension program.

For directors' retirements, the Company has a provision of ¥852 million as an allowance for retirements, based on internal standards. This reserve is in accordance with Article 287, Paragraph 2, of the Japanese Commercial Code.

6. Consumption Taxes

Consumption taxes are excluded from revenues and expenses.

The refundable consumption tax at the end of year is included in "Other current assets" in the balance sheets.

7. Leasing

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

(Additional Information)

Application of Tax Effect Accounting

In fiscal 2000, Ricoh adopted tax effect accounting in line with revised financial reporting regulations. As a result, current and fixed assets were ¥12,038 million and ¥12,814 million higher, respectively, than if the change were not implemented. The change also boosted net income by ¥9,785 million and unappropriated earnings by ¥25,986 million.

Changes to Accounting Policies

In previous years, Ricoh provided the reserve for retirement allowances with deducting the pension assets from payments required at fiscal-year-end with retirements for personal reasons. From fiscal 2000, the Company changed the reserve for retirement allowances to one based on projected benefit obligations upon retirement minus fair value of pension assets in the corporate pension program.

This change was designed to better relate retirement expenses to fluctuations in investment returns and discount rates while strengthening the Company's financial position.

In line with this change, Ricoh transferred an extraordinary loss for the reserves shortfall from the allowance for retirements. This move reduced income before minority interests and equity in earnings of affiliates by ¥12,741 million. The amounts involved did not materially effect the Company's accounts.

Ricoh decided to implement these changes in fiscal 2000 in line of changes to the welfare pension system and the qualified retirement and pension systems, which made it easier to alter accounting policies.

Disclosure Changes

In previous years, Ricoh classified trade notes payable from the acquisition of fixed assets as "Facilities notes payable." From fiscal 2000, the Company included these amounts in "Notes payable."

Notes to Consolidated Financial Statements

(Balance Sheet) (Millions of yen)

	March 31, 2000	March 31, 1999
i. Accumulated depreciation on tangible fixed assets.....	299,518	288,187
ii. Trade notes receivable discounted with banks.....	195	134
iii. Treasury stock (number of shares).....	24,641	9,232
iv. Guarantee obligation	14,550	19,522
v. Issuance of new shares during the year		
Conversion of convertible bonds (number of shares) ...	484,328	
[Amount transferred to common stock (millions of yen)]	[262]	
vi. Contingent liabilities related to		
debt assumption agreements for bonds	-	50,000

(Tax Effect Accounting)

1. The prime components of deferred tax assets and liabilities are as follows:

(Millions of yen)	
March 31, 2000	
Deferred tax assets:	
Decrease in inventories	2,664
Accrued bonus.....	2,302
Accrued enterprise tax	1,988
Estimated retirement allowances	8,844
Depreciation and amortization	2,903
Other	7,331
Total deferred tax assets.....	26,032

(Millions of yen)	
March 31, 2000	
Deferred tax liabilities:	
Reserve for deferral of capital gain on property	-423
Reserve for special depreciation.....	-340
Reserve for warranty on computer programs	-417
Total deferred tax liabilities	-1,180

(Millions of yen)	
March 31, 2000	
Net deferred tax assets.....	24,852
Included in current assets.....	12,038
Included in investment and other assets.....	12,814

2. Difference in corporate tax liabilities after applying legal effective tax rates and tax effect accounting

The Company does not detail the difference in corporate tax liabilities after applying the legal effective tax rate and tax effect accounting because the impact on the legal effective tax rate is 5% and less.

(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)

	Year ended March 31, 2000			Year ended March 31, 1999		
	Lease acquisition price	Accumulated depreciation	Year-end balance	Lease acquisition price	Accumulated depreciation	Year-end balance
Machinery and equipment	10,231	7,568	2,663	12,420	6,983	5,437
Others	3,900	2,113	1,786	4,225	2,251	1,974
Total	14,131	9,681	4,450	16,646	9,235	7,411

2. Year-end balance of current leasing charges

(Millions of yen)

	Year ended March 31, 2000	Year ended March 31, 1999
Less than one year	2,811	3,705
More than one year	1,869	4,025
Total	4,680	7,731

3. Lease payment charges, depreciation, and interest paid

(Millions of yen)

	Year ended March 31, 2000	Year ended March 31, 1999
Lease payment charges	4,184	4,479
Depreciation	3,673	4,063
Interest paid	283	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.