

# Ricoh Company, Ltd.

## FLASH REPORT (Nonconsolidated. Year ended March 31, 2001) —Translation—

Date of approval for the financial results for the year ended March 31, 2001,

at the Board of Directors' meeting: May 9, 2001

Date of shareholders' annual meeting: June 28, 2001

### 1. Results for the period from April 1, 2000 to March 31, 2001 (Nonconsolidated)

(1) Operating Results (Millions of yen)

	Year ended March 31, 2001	Year ended March 31, 2000
Net sales.....	855,499	777,501
(% change from the previous period).....	10.0	7.9
Operating income.....	60,654	58,220
(% change from the previous period).....	4.2	35.9
Ordinary income.....	65,971	50,113
(% change from the previous period).....	31.6	39.1
Net income.....	34,404	22,613
(% change from the previous period).....	52.1	19.2
Net income per share-basic (yen).....	49.67	32.69
Net income per share-diluted (yen).....	46.24	30.58
Return on equity(%).....	7.3	5.1
Ordinary income on total assets (%).....	8.3	6.6
Ordinary income on net sales (%).....	7.7	6.4

Notes: i. Average number of shares outstanding:

Year ended March 31, 2001 692,616,894 shares

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

ii. Changes in accounting method, etc.: no change

### (2) Dividend Information

	Year ended March 31, 2001	Year ended March 31, 2000
Cash dividends, applicable to the year (yen).....	12.00	11.00
Year-end (yen).....	6.00	5.50
Half year (yen).....	6.00	5.50
Total annual dividends (millions of yen).....	8,312	7,610
Payout Ratio (%).....	24.2	33.7
Dividends on shareholders' equity (%).....	1.7	1.7

### (3) Financial Position

(Millions of yen)

	March 31, 2001	March 31, 2000
Total assets.....	824,119	763,078
Shareholders' equity.....	489,176	457,960
Equity ratio (%).....	59.4	60.0
Equity per share (yen).....	706.13	661.71

Notes: i. Number of shares issued

As of March 31, 2001 692,755,584 shares

As of March 31, 2000 692,082,959 shares

### 2. Forecast of operating results from April 1, 2001 to March 31, 2002 (Nonconsolidated)

	Half year ended September 30, 2001	Year ended March 31, 2002
Net sales (millions of yen).....	420,000	880,000
Operating income (millions of yen).....	32,000	68,000
Ordinary income (millions of yen).....	32,000	67,000
Net income (millions of yen).....	18,500	39,000
Cash dividends, applicable to the year (yen).....	-	12.00
Half year (yen).....	6.00	-
Year-end (yen).....	-	6.00

Note: Net income per share: 53.62 yen (full year)

## 11. Nonconsolidated Financial Statements

### (1) Balance Sheets (Nonconsolidated)

March 31, 2001 and 2000

Assets	(Millions of yen)		
	March 31, 2001	March 31, 2000	Change
<b>Current Assets</b>			
Cash on hand and in banks .....	3,987	36,389	-32,402
Notes receivable-trade.....	13,133	12,223	+910
Accounts receivable-trade .....	178,930	148,035	+30,895
Marketable securities.....	80,314	129,322	-49,008
Treasury stock.....	28	52	-24
Finished goods.....	29,012	23,361	+5,651
Raw materials .....	4,377	3,082	+1,295
Work-in-process.....	7,186	6,272	+914
Supplies.....	7,153	9,952	-2,799
Advances .....	261	155	+106
Prepaid expenses .....	1,285	995	+290
Deferred tax assets .....	15,682	12,038	+3,644
Accounts receivable-other.....	120,254	114,687	+5,567
Short-term loans .....	22,847	-	+22,847
.....Other current assets .....	1,563	3,397	-1,834
Allowance for doubtful accounts .....	-1,222	-1,456	+234
<b>Total Current Assets.....</b>	<b>484,797</b>	<b>498,509</b>	<b>-13,712</b>
<b>Fixed Assets</b>			
<b>Tangible Fixed Assets</b>			
Buildings.....	47,999	47,858	+141
Machinery and equipment.....	21,160	17,914	+3,246
Tools .....	19,555	17,972	+1,583
Land.....	24,404	24,497	-93
Construction in progress.....	1,172	3,012	-1,840
<b>Total Tangible Fixed Assets.....</b>	<b>114,293</b>	<b>111,256</b>	<b>+3,037</b>
<b>Intangible assets</b>			
Patent rights .....	394	466	-72
Leased property rights .....	8,479	119	+8,360
Software .....	4,991	2,582	+2,409
Other intangible fixed assets .....	228	237	-9
<b>Total Intangible Fixed Assets.....</b>	<b>14,092</b>	<b>3,405</b>	<b>+10,687</b>
<b>Investments and Other Assets</b>			
Investment securities .....	47,894	8,497	+39,397
Investment in subsidiaries.....	131,748	113,652	+18,096
Long-term loans receivable.....	28	30	-2
Long-term loans to affiliates .....	7,000	6,594	+406
Bankruptcy and rehabilitation debts .....	86	114	-28
Deferred tax assets .....	14,068	12,814	+1,254
Other investments.....	12,086	9,803	+2,283
Allowance for doubtful accounts.....	-1,980	-1,601	-379
<b>Total Investments and Other Assets .....</b>	<b>210,934</b>	<b>149,906</b>	<b>+61,028</b>
<b>Total Fixed Assets.....</b>	<b>339,321</b>	<b>264,569</b>	<b>+74,752</b>
<b>Total Assets.....</b>	<b>824,119</b>	<b>763,078</b>	<b>+61,041</b>

March 31, 2001 and 2000

Liabilities

(Millions of yen)

	March 31, 2001	March 31, 2000	Change
<b>Current Liabilities</b>			
Notes payable-trade.....	7,444	7,238	+206
Accounts payable-trade.....	109,796	92,560	+17,236
Convertible bonds maturing within one year.....	34,062	-	+34,062
Accounts payable-other.....	8,370	5,877	+2,493
Accrued corporate tax.....	18,891	21,050	-2,159
Accrued expenses .....	39,204	25,903	+13,301
Advances by customers .....	237	241	-4
Deposits payable.....	4,063	4,450	-387
Accrued bonus.....	16,825	14,159	+2,666
Warranty reserve.....	577	590	-13
Total Current Liabilities .....	239,473	172,072	+67,401
<b>Fixed Liabilities</b>			
Bonds.....	40,000	40,000	-
Convertible bonds.....	29,889	64,595	-34,706
Estimated retirement allowances .....	-	28,450	-28,450
Retirement benefit obligation .....	24,850	-	+24,850
Reserve for directors' retirement allowances .....	730	-	+730
Total Fixed Liabilities .....	95,469	133,045	-37,576
<b>Total Liabilities.....</b>	<b>334,942</b>	<b>305,118</b>	<b>+29,824</b>

Shareholders' Equity

(Millions of yen)

	March 31, 2001	March 31, 2000	Change
Common Stock.....	103,433	103,111	+322
Additional paid-in-capital.....	144,235	143,913	+322
Legal reserve.....	14,523	13,711	+812
Other retained earnings .....	222,693	197,224	+25,469
<b>Voluntary reserves:</b>			
Reserve for deferral of capital gain on property.....	588	617	-29
Reserve for special depreciation.....	473	157	+316
Reserve for warranty on computer programs .....	580	801	-221
Reserve for social contribution.....	116	148	-32
General reserve.....	186,350	156,350	+30,000
Unappropriated retained earnings.....	34,585	39,148	-4,563
Total Voluntary reserves .....	188,108	158,075	+30,033
Unrealized holding gains on available-for-sale securities .....	4,290	-	+4,290
Total Shareholders' Equity.....	489,176	457,960	+31,216
<b>Total Liabilities and Shareholders' Equity.....</b>	<b>824,119</b>	<b>763,078</b>	<b>+61,041</b>

## (2) Statement of Income (Nonconsolidated)

For the years ended March 31, 2001 and 2000

(Millions of yen)

	Year ended March 31, 2001	Year ended March 31, 2000	Change(%)
Net sales .....	855,499	777,501	+77,998 (10.0)
Cost of sales .....	608,334	549,253	+59,081 (10.8)
<i>Percentage of net sales (%)</i> .....	71.1	70.6	
Gross profit .....	247,165	228,247	+18,918 (8.3)
<i>Percentage of net sales (%)</i> .....	28.9	29.4	
Selling, general and administrative expenses .....	186,510	170,027	+16,483 (9.7)
<i>Percentage of net sales (%)</i> .....	21.8	21.9	
Selling expenses .....	62,113	58,675	+3,438
General and administrative expenses .....	124,396	111,351	+13,054
Operating income .....	60,654	58,220	+2,434 (4.2)
<i>Percentage of net sales (%)</i> .....	7.1	7.5	
Non-operating income .....	19,711	10,102	+9,609 (95.1)
<i>Percentage of net sales (%)</i> .....	2.3	1.3	
Interest.....	4,863	3,262	+1,601
Interest on securities .....	780	420	+360
Dividends .....	3,728	2,837	+891
Exchange gain .....	2,904	-	+2,904
Miscellaneous income .....	7,433	3,581	+3,852
Non-operating expenses .....	14,394	18,208	-3,814 (-20.9)
<i>Percentage of net sales (%)</i> .....	1.7	2.3	
Interest .....	14	9	+5
Interest on bonds .....	1,449	1,667	-218
Allowance for bankruptcy .....	2,326	-	+2,326
Exchange loss .....	-	5,778	-5,778
Loss on disposition of fixed assets .....	1,676	2,112	-436
Miscellaneous expenses .....	8,927	8,639	+288
Ordinary income .....	65,971	50,113	+15,858 (31.6)
<i>Percentage of net sales (%)</i> .....	7.7	6.4	
Extraordinary income .....	13,959	1,055	+12,904(1,222.1)
<i>Percentage of net sales (%)</i> .....	1.6	0.1	
Extraordinary expenses .....	20,813	12,741	+8,072 (63.4)
<i>Percentage of net sales (%)</i> .....	2.4	1.6	
Income before income taxes .....	59,117	38,428	+20,689 (53.8)
<i>Percentage of net sales (%)</i> .....	6.9	4.9	
Provision for income taxes .....	32,700	25,600	+7,100 (27.7)
<i>Percentage of net sales (%)</i> .....	3.8	3.3	
Corporate and other tax adjustments .....	-7,987	-9,785	+1,798 (-18.4)
<i>Percentage of net sales (%)</i> .....	-0.9	-1.3	
Net income.....	34,404	22,613	+11,791 (52.1)
<i>Percentage of net sales (%)</i> .....	4.0	2.9	
Retained earnings at beginning of year.....	4,668	4,466	+202
Reversal of reserve for social contribution.....	83	51	+32
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.....	4,156	3,804	+352
Transfer to legal reserve.....	415	380	+35
Retained earnings at end of year.....	34,585	39,148	-4,563

## Reference:

Exchange rate (average rate for the corresponding periods)

	Year ended March 31, 2001	Year ended March 31, 2000
US\$ 1.....	¥110.55	¥112.00
EURO 1.....	¥100.67	¥113.86

### 3. Proposed Appropriation of Retained Earnings

(Millions of yen)

	Year ended March 31, 2001	Year ended March 31, 2000	Change
Unappropriated retained earnings at end of year .....	34,585	39,148	-4,563
Reversal of reserve for deferral of capital gain on property...	50	29	+21
Reversal of reserve for special depreciation.....	150	49	+101
Reversal of reserve for warranty on computer programs .....	332	240	+92
<b>Total.....</b>	<b>35,118</b>	<b>39,468</b>	<b>-4,350</b>

To be appropriated as follows:

(Millions of yen)

	Year ended March 31, 2001	Year ended March 31, 2000	Change
Transfer to legal reserve .....	431	396	+35
Cash dividends .....	4,156	3,806	+350
Dividends per share (yen) .....	6.00	5.50	
Director bonuses .....	160	160	-
Reserve for deferral of capital gain on property .....	143	-	+143
Reserve for special depreciation .....	327	365	-38
Reserve for warranty on computer programs .....	6	19	-13
Reserve for social contribution .....	83	51	+32
General reserve.....	25,000	30,000	-5,000
Retained earnings brought forward to the next year.....	4,809	4,668	+141

Notes:

On December 8, 2000, the Company made interim cash dividends of ¥6.00 per share totaling ¥4,156,198,488.

## Significant Accounting Policies (Nonconsolidated)

### 1. Accounting policy for assets

(1) Inventories are stated at the lower of average cost or market.

#### (2) Securities

i. Securities of subsidiaries and affiliates are stated at moving average cost.

ii. Other securities:

Marketable securities are marked to market based on the market price at the end of the term and other factors (accounting for all valuation differences with the full capital injection method; the cost of securities sold is based on moving average cost).

Non-marketable securities are stated at cost based on the moving average method.

(3) Derivatives are stated at market value.

### 2. Depreciation of fixed assets

#### (1) Tangible fixed assets

Tangible fixed assets are depreciated using the declining balance method.

For buildings (excluding fixtures) secured on and 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.

### 3. Basis for provision of reserves

#### (1) Allowance for Doubtful Accounts

The allowance for doubtful accounts is provided to cover possible losses from bad debts and represents possible individual doubtful accounts based on historical default rates and the potential for irrecoverableness.

#### (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) Product Guarantees Reserve

To cover product after-sales service expenses, the Company calculates the product guarantees reserve based on projected service costs during guarantee terms.

#### (4) Reserve for Retirement Benefit Obligations

To cover projected employee benefits, the Company records the estimated obligations at the end of the current fiscal year based on projected year-end benefit obligations and plan assets. In fiscal 2001, the Company fully expensed the ¥ 20,813 million arising from the change in accounting standards.

#### (5) Reserve for Directors' Retirement Allowances

At year-end, Ricoh calculates the amounts required under internal rules to pay directors retirement allowances.

### 4. Leasing

Finance leases for which ownership does not transfer to lessees are accounted for as operating leases.

### 5. Hedge accounting

#### (1) Hedge Accounting Methods

Ricoh accounts for hedges at market value. With currency swaps, however, the Company hedges by assigning transactions that meet assignment requirements.

#### (2) Hedging Instruments and Targets

Hedging Instruments... Derivative transactions (for currency swaps and exchange contracts)

Hedging Targets... Transactions for which losses may arise from market fluctuations or for which market fluctuations may affect valuations.

#### (3) Hedging policies

In keeping with its internal Market Risk Management Rules, Ricoh uses derivatives to manage the exposure of its assets and liabilities to market fluctuations.

#### (4) Hedge Effectiveness

Ricoh assesses the effectiveness of hedges by analyzing the ratios of the total market fluctuations of hedged targets and instruments.

## 6. Consumption taxes

Consumption taxes are excluded from revenues and expenses. The refundable consumption tax at the end of the year is included in "Others" in the balance sheets, after offsetting suspense payments and receipt of consumption taxes and etc.

### Additional Information

#### 1. Retirement benefit

In this fiscal year, Ricoh adopted the "Opinion on Establishing Retirement Benefit Accounting Standards," issued by the Business Accounting Deliberative Council on June 16, 1998. As a result of this change, income before income taxes in this term was ¥6,854 million lower.

#### 2. Financial instruments

In the fiscal 2001, Ricoh adopted the "Opinion on Establishing Financial Instrument Accounting Standards," issued by the Business Accounting Deliberative Council on January 22, 1999. As a result of this change, ordinary income and income before income taxes were ¥618 million higher than under the previous accounting policy.

At the start of the term, the Company reviewed its marketable securities holdings. In the other securities category, it decided to record bonds due in less than one year and other instruments deemed to be equivalent to deposits as marketable securities, recording other instruments as investment securities. As a result, marketable securities included in current assets decreased ¥33,105 million, while investment securities were equivalently higher.

#### 3. Accounting standards for foreign currency transactions

In the fiscal 2001, the Company adopted the "Opinion on Revising Foreign Currency Denominated Transaction Accounting Standards," issued by the Business Accounting Deliberative Council on October 22, 1999. This change had no material effect in the Company's financial statements.

### Changes in Indication Method

1. Ricoh decided to disclose short-term loans separately as they exceed 1% of total assets. In fiscal 2000, these loans totaled ¥2,445 million as part of other current assets.

2. In previous fiscal years, Ricoh included the reserve for directors' retirement allowances in the reserve for employee retirement benefits. From the end of fiscal 2001, the Company separately disclosed the reserve for directors' retirement allowances. At the end of fiscal 2000, those allowances represented ¥852 million of the reserve for employee retirement benefits.

## Notes to Nonconsolidated Financial Statements

(Balance Sheet)	(Millions of yen)	
	March 31, 2001	March 31, 2000
i. Accumulated depreciation on tangible fixed assets.....	311,519	299,518
ii. Trade notes receivable discounted with banks .....	157	195
iii. Treasury stock (number of shares).....	13,590	24,641
iv. Guarantee obligation.....	12,230	14,550
v. Issuance of new shares during the year		
Conversion of convertible bonds (number of shares).....	672,625	
[Amount transferred to common stock (millions of yen)]	[322]	
vi. Notes receivable matured at the end of this fiscal year which were not settled due to a bank holiday .....	3,633	

### (Tax Effect Accounting)

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

	(Millions of yen)	
	March 31, 2001	March 31, 2000
Deferred tax assets:		
Decrease in inventories .....	3,333	2,664
Accrued bonus.....	3,817	2,302
Accrued enterprise tax.....	1,877	1,988
Estimated retirement allowances .....	-	8,844
Retirement benefit obligation .....	16,604	-
Depreciation and amortization.....	2,283	2,903
Other.....	11,923	7,331
Total deferred tax assets.....	39,837	26,032

	(Millions of yen)	
	March 31, 2001	March 31, 2000
Deferred tax liabilities:		
Reserve for deferral of capital gain on property .....	-462	-423
Reserve for special depreciation.....	-415	-340
Reserve for warranty on computer programs .....	-280	-417
Unrealized holding gains on available-for-sale securities	-3,087	-
Retirement benefit trust establishment .....	-5,842	
Total deferred tax liabilities .....	-10,086	-1,180

	(Millions of yen)	
	March 31, 2001	March 31, 2000
Net deferred tax assets.....	29,751	24,852
Included in current assets .....	15,682	12,038
Included in investment and other assets .....	14,068	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 ineffective tax rate after applying accounting for income tax rate because the impact of the difference on the normal 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, 2001			Year ended March 31, 2000		
	Lease acquisition price	Accumulated depreciation	Year-end balance	Lease acquisition price	Accumulated depreciation	Year-end balance
Machinery and equipment	3,918	3,140	777	10,231	7,568	2,663
Others	4,459	2,353	2,106	3,900	2,113	1,786
Total	8,377	5,494	2,883	14,131	9,681	4,450

### 2. Year-end balance of current leasing charges

(Millions of yen)

	Year ended March 31, 2001	Year ended March 31, 2000
Less than one year	1,561	2,811
More than one year	1,450	1,869
Total	3,012	4,680

### 3. Lease payment charges, depreciation, and interest paid

(Millions of yen)

	Year ended March 31, 2001	Year ended March 31, 2000
Lease payment charges	2,390	4,184
Depreciation	2,168	3,673
Interest paid	174	283

### 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.

## (Securities)

Market values of subsidiaries and affiliates

(Millions of yen)	Balance Sheets	Fair value	Difference
Securities of consolidated companies	8,518	47,102	38,584
Securities of affiliated companies	6,757	50,553	43,796