

Ricoh Company, Ltd. And Consolidated Subsidiaries

INTERIM REPORT (Consolidated. Half year ended September 30, 2000)

*Date of approval for the financial results for the half year ended September 30, 2000, at the Board of Directors' meeting: November 8, 2000

1. Results for the Period from April 1, 2000 to September 30, 2000

(1) Operating Results (Millions of yen)

	Half Year ended September 30, 2000	Half Year ended September 30, 1999	Year ended March 31, 2000
Net sales.....	735,303	717,505	1,447,157
(% change from the previous corresponding period).....	2.5	1.3	1.5
Operating income.....	51,141	44,043	88,921
(% change from the previous corresponding period).....	16.1	41.1	20.9
Income before income taxes.....	46,171	33,856	70,393
(% change from the previous corresponding period).....	36.4	51.1	32.7
Interim (net) income.....	25,808	20,440	41,928
(% change from the previous corresponding period).....	26.3	68.0	36.8
Interim (net) income per share (yen).....	37.27	29.55	60.61
Fully diluted net income per share (yen)	34.44	27.41	56.06

Notes:

- Equity in income (loss) of affiliates: ¥1,250 million; ¥1,470 million, half year ended September 30, 1999; ¥2,497 million in the year ended March 31, 2000
- Difference between fair value of available-for-sale securities and cost amount: ¥9,824 million
- The difference between derivative transaction estimated fair value and carrying amount: ¥4,045 million.
- Changes in accounting method, etc.: no change

(2) Financial Position (Millions of yen)

	September 30, 2000	September 30, 1999	March 31, 2000
Total assets.....	1,566,307	1,638,399	1,543,320
Shareholders' equity.....	554,853	514,405	541,506
Equity ratio (%).....	35.4	31.4	35.1
Equity per share (yen).....	800.99	743.66	782.43

(3) Cash Flow (Millions of yen)

	Half Year ended September 30, 2000	Half Year ended September 30, 1999	Year ended March 31, 2000
Cash flows from operating activities.....	25,160	-	135,640
Cash flows from investing activities.....	-24,320	-	-28,490
Cash flows from financing activities.....	1,152	-	-121,249
Cash and cash equivalents at End of Year.....	113,372	-	111,838

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

Number of consolidated subsidiaries: 251; nonconsolidated subsidiaries: 45; affiliated companies: 25

(5) Changes in accounting method, etc.:

Consolidated subsidiaries: 2 additions; 9 removals

Companies accounted for by the equity method: 2 additions; 1 removal

Notes: 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.

Net income per share is calculated based on Statement of Financial Accounting Standards(SFAS) No.128.

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

Net sales	1,510,000
Operating income	105,000
Income before income taxes	94,000
Net income	53,000

Note: Net income per share (Consolidated) 76.51 yen

In accordance with Japanese regulations, Ricoh has issued forecast for its financial results for the fiscal year ending March 2001. 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.

Group Position

The Ricoh Group comprises 296 subsidiaries and 25 affiliates.

Their development, manufacturing, sales, and service activities center on office equipment (copiers and related supplies and communications and information systems), optical equipment, and other devices.

The parent company heads development. The parent company and subsidiaries and affiliates maintain an integrated domestic and international manufacturing structure. Below, we have listed our main product areas and the positions of key subsidiaries and affiliates.

<Office Equipment>

In this business category, the Company provides products and systems that help enhance the office productivity of customers. Major products include:

Digital/analog copiers, laser printers, facsimile machines, stencil duplicators, optical disks.

Ricoh also provides solution systems including personal computers and servers, utilizing its information technology. The Company also provides support, service, and related supplies, as well as use ware including IT environment setup, network administration, and user support.

[Main Subsidiaries and Affiliates]

Production

Japan...Tohoku Ricoh Co., Ltd.; Ricoh Elemex Corporation, Ricoh Unitechno Co., Ltd.,

Hasama Ricoh Inc., Ricoh Microelectronics Co., Ltd., Ricoh Keiki Co., Ltd.

The Americas...Ricoh Electronics, Inc.

Europe...Ricoh UK Products Ltd., Ricoh Industrie France S.A.

Other regions...Ricoh Asia Industry (Shenzhen) Ltd., Sindo Ricoh Co., Ltd., Shanghai Ricoh Facsimile Co., Ltd.

Sales and Service

Japan ...Tokyo Ricoh Co., Ltd. Osaka Ricoh Co., Ltd. and 44 other sales companies nationwide,

Ricoh Technosystems Co., Ltd.; NBS Ricoh Co., Ltd.

The Americas...Ricoh Corporation, Savin Corporation

Europe...Ricoh Europe B.V., Ricoh Deutschland GmbH, Ricoh UK Ltd., Ricoh France S.A.,

Ricoh Espana S.A., Ricoh Italia S.p.A., Gestetner Holdings PLC

Other regions...Ricoh Hong Kong Ltd., Ricoh Asia Pacific Pte. Ltd., Ricoh Australia Pty, Ltd.,

Ricoh New Zealand Ltd.

<Other Businesses>

Manufacturing and marketing analog cameras and optical lenses, semiconductor devices, and measuring equipment, and providing leasing and logistics services

[Main Subsidiaries and Affiliates]

Production

Japan...Ricoh Optical Industries Co., Ltd., Ricoh Elemex Corporation

Overseas...Taiwan Ricoh Co., Ltd., Dong Guan Tailien Optical Co., Ltd.

Sales

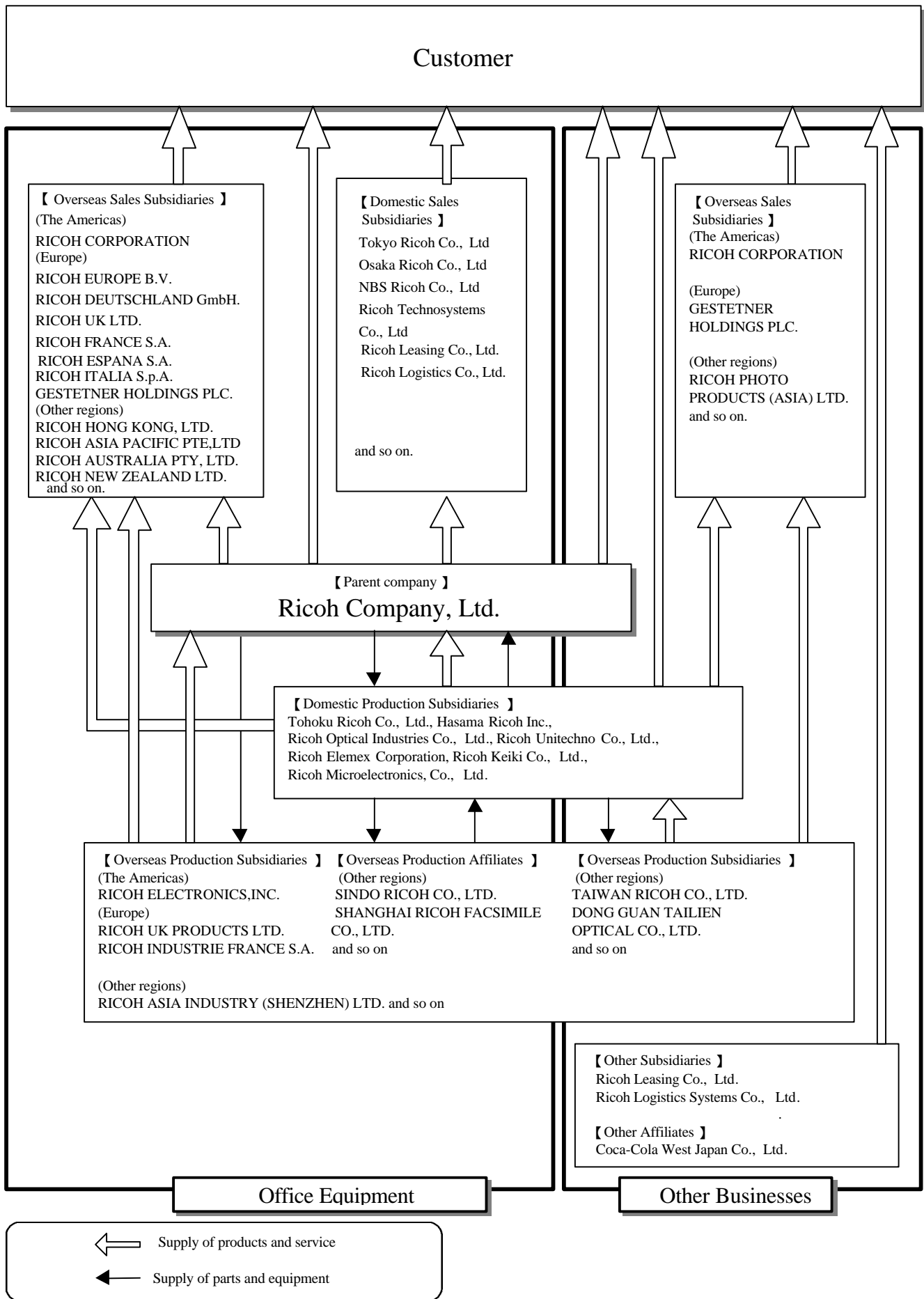
Ricoh Corporation, Ricoh Photo Products (Asia) Ltd.

Others

Ricoh Leasing Company, Ltd., Ricoh Logistics System Co., Ltd.

<Business System Chart>

This group position can be shown by the following chart.



1. Sales by Product Line (Consolidated)

For the half years ended September 30, 1999 and 2000, and year ended March 31, 2000.

(Millions of yen)

	Half year ended September 30, '00	Half Year ended September 30, ' 99	Change(%)	Change excluding exchange rate effect(%)	Year ended March 31, '00
Copiers and related supplies:					
Domestic.....	226,651	223,146	+3,505 (1.6)	+3,505 (1.6)	453,600
Overseas.....	206,463	226,704	-20,241 (-8.9)	+9,543 (4.2)	416,691
Total.....	433,114	449,850	-16,736(-3.7)	+13,048 (2.9)	870,291
<i>Percentage of net sales (%)</i>	58.9	62.7			60.1
Communications and Information Systems:					
Domestic.....	144,143	126,173	+17,970(14.2)	+17,970(14.2)	262,186
Overseas.....	54,153	51,549	+2,604 (5.1)	+10,233(19.9)	120,593
Total.....	198,296	177,722	+20,574(11.6)	+28,203(15.9)	382,779
<i>Percentage of net sales (%)</i>	27.0	24.8			26.5
Other Businesses:					
Domestic.....	85,329	72,547	+12,782(17.6)	+12,782(17.6)	157,384
Overseas.....	18,564	17,386	+1,178 (6.8)	+3,092(17.8)	36,703
Total.....	103,893	89,933	+13,960(15.5)	+15,874(17.7)	194,087
<i>Percentage of net sales (%)</i>	14.1	12.5			13.4
Total:					
Domestic	456,123	421,866	+34,257 (8.1)	+34,257 (8.1)	873,170
<i>Percentage of net sales (%)</i>	62.0	58.8			60.3
Overseas	279,180	295,639	-16,459(-5.6)	+22,868 (7.7)	573,987
<i>Percentage of net sales (%)</i>	38.0	41.2			39.7
The Americas.....	112,496	122,830	-10,334(-8.4)	+115 (0.1)	231,181
<i>Percentage of net sales (%)</i>	15.3	17.1			16.0
Europe.....	117,183	130,968	-13,785(-10.5)	+10,014 (7.6)	258,515
<i>Percentage of net sales (%)</i>	16.0	18.3			17.9
Other.....	49,501	41,841	+7,660(18.3)	+12,739(30.4)	84,291
<i>Percentage of net sales (%)</i>	6.7	5.8			5.8
Total.....	735,303	717,505	+17,798 (2.5)	+57,125 (8.0)	1,447,157
<i>Percentage of net sales (%)</i>	100.0	100.0			100.0

Reference:

Exchange rate

	Half year ended September 30, '00	Half Year ended September 30, ' 99	Year ended March 31, '00
US\$ 1.....	¥107.23	¥117.23	¥111.52
EURO 1.....	¥98.63	¥123.43	¥115.35

(Reference) Consolidated Sales by Category**(Office equipment; other businesses)**

For the half years ended September 30, 1999 and 2000, and year ended March 31, 2000.

(Millions of yen)

	Half year ended September 30, '00	Half Year ended September 30, '99	Change(%)	Change excluding exchange rate effect(%)	Year ended March 31, '00
<Office Equipment>					
Imaging Solutions:					
Digital Imaging Systems	275,112	266,414	+8,698 (3.3)	+24,958 (9.4)	546,206
<i>Percentage of net sales (%)</i>	37.4	37.1			37.7
Domestic	160,504	146,235	+14,269 (9.8)	+14,269 (9.8)	299,709
Overseas	114,608	120,179	-5,571(-4.6)	+10,689 (8.9)	246,497
Other Imaging Systems	147,171	189,581	-42,410(-22.4)	-30,302(-16.0)	351,817
<i>Percentage of net sales (%)</i>	20.0	26.5			24.3
Domestic	61,957	77,162	-15,205(-19.7)	-15,205(-19.7)	149,221
Overseas	85,214	112,419	-27,205(-24.2)	-15,097(-13.4)	202,596
Total Imaging Solutions.....	422,283	455,995	-33,712(-7.4)	-5,344(-1.2)	898,023
<i>Percentage of net sales (%)</i>	57.4	63.6			62.1
Domestic	222,461	223,397	-936(-0.4)	-936(-0.4)	448,930
Overseas	199,822	232,598	-32,776(-14.1)	-4,408(-1.9)	449,093
Networking input/output systems:					
Printing Systems	89,761	67,768	+21,993(32.5)	+29,504(43.5)	141,098
<i>Percentage of net sales (%)</i>	12.2	9.4			9.8
Domestic	41,958	33,496	+8,462(25.3)	+8,462(25.3)	77,649
Overseas	47,803	34,272	+13,531(39.5)	+21,042(61.4)	63,449
Other Input/Output Systems.....	18,871	14,369	+4,502(31.3)	+5,906(41.1)	32,010
<i>Percentage of net sales (%)</i>	2.6	2.0			2.2
Domestic	8,023	3,618	+4,405(121.8)	+4,405(121.8)	9,521
Overseas	10,848	10,751	+97 (0.9)	+1,501(14.0)	22,489
Total Networking input/output systems.	108,632	82,137	+26,495(32.3)	+35,410(43.1)	173,108
<i>Percentage of net sales (%)</i>	14.8	11.4			12.0
Domestic	49,981	37,114	+12,867(34.7)	+12,867(34.7)	87,170
Overseas.....	58,651	45,023	+13,628(30.3)	+22,543(50.1)	85,938
Network system solutions.....	100,495	89,440	+11,055(12.4)	+11,185(12.5)	181,939
<i>Percentage of net sales (%)</i>	13.7	12.5			12.6
Domestic	98,352	88,808	+9,544(10.7)	+9,544(10.7)	179,686
Overseas.....	2,143	632	+1,511(239.1)	+1,641(259.7)	2,253
Office Equipment Total	631,410	627,572	+3,838 (0.6)	+41,251 (6.6)	1,253,070
<i>Percentage of net sales (%)</i>	85.9	87.5			86.6
Domestic	370,794	349,319	+21,475 (6.1)	+21,475 (6.1)	715,786
Overseas.....	260,616	278,253	-17,637(-6.3)	+19,776 (7.1)	537,284

(Reference) Consolidated Sales by Category
(Office equipment; other businesses)(Continued)

For the half years ended September 30, 1999 and 2000, and year ended March 31, 2000.

(Millions of yen)

	Half year ended September 30, '00	Half Year ended September 30, '99	Change(%)	Change excluding exchange rate effect (%)	Year ended March 31, '00
< Other Businesses >					
Other Businesses.....	103,893	89,933	+13,960(15.5)	+15,874(17.7)	194,087
<i>Percentage of net sales (%)</i>	<i>14.1</i>	<i>12.5</i>			<i>13.4</i>
Domestic	85,329	72,547	+12,782(17.6)	+12,782(17.6)	157,384
Overseas.....	18,564	17,386	+1,178 (6.8)	+3,092(17.8)	36,703
Grand Total	735,303	717,505	+17,798 (2.5)	+57,125 (8.0)	1,447,157
<i>Percentage of net sales (%)</i>	<i>100.0</i>	<i>100.0</i>			<i>100.0</i>
Domestic	456,123	421,866	+34,257 (8.1)	+34,257 (8.1)	873,170
<i>Percentage of net sales (%)</i>	<i>62.0</i>	<i>58.8</i>			<i>60.3</i>
Overseas.....	279,180	295,639	-16,459(-5.6)	+22,868 (7.7)	573,987
<i>Percentage of net sales (%)</i>	<i>38.0</i>	<i>41.2</i>			<i>39.7</i>
The Americas.....	112,496	122,830	-10,334(-8.4)	+115 (0.1)	231,181
<i>Percentage of net sales (%)...</i>	<i>15.3</i>	<i>17.1</i>			<i>16.0</i>
Europe	117,183	130,968	-13,785(-10.5)	+10,014 (7.6)	258,515
<i>Percentage of net sales (%)...</i>	<i>16.0</i>	<i>18.3</i>			<i>17.9</i>
Other.....	49,501	41,841	+7,660(18.3)	+12,739(30.4)	84,291
<i>Percentage of net sales (%)...</i>	<i>6.7</i>	<i>5.8</i>			<i>5.8</i>

Each category includes the following products:

Digital Imaging Systems.....	Digital PPCs, color PPCs, stencil duplicators, facsimile machines, related supplies and services
Other Imaging Systems.....	Analog PPCs, diazo copiers, and related supplies including thermal paper, and services
Printing Systems.....	Multifunctional printers(MFPs), laser printers, related supplies, services and software
Other Input/Output Systems.....	Optical discs and system scanners
Network System Solutions	Personal computers, PC servers, network systems, network related software, And service/support
Other Businesses.....	Digital cameras, analog cameras, semiconductors

Reference:

Exchange rate

	Half year ended September 30, '00	Half Year ended September 30, '99	Year ended March 31, '00
US\$ 1.....	¥107.23	¥117.23	¥111.52
EURO 1.....	¥98.63	¥123.43	¥115.35

2. Statement of Income (Consolidated)

For the half years ended September 30, 1999 and 2000, and year ended March 31, 2000.

(Millions of yen)

	Half year ended September 30, '00	Half Year ended September 30, '99	Change(%)	Year ended March 31, '00
Net sales	735,303	717,505	+17,798 (2.5)	1,447,157
Cost of sales.....	441,274	423,659	+17,615 (4.2)	867,148
<i>Percentage of net sales (%).....</i>	<i>60.0</i>	<i>59.0</i>		<i>59.9</i>
Gross Profit.....	294,029	293,846	+183 (0.1)	580,009
<i>Percentage of net sales (%).....</i>	<i>40.0</i>	<i>41.0</i>		<i>40.1</i>
Selling, general and administrative expenses	242,888	249,803	-6,915(-2.8)	491,088
<i>Percentage of net sales (%).....</i>	<i>33.0</i>	<i>34.9</i>		<i>33.9</i>
Operating income	51,141	44,043	+7,098(16.1)	88,921
<i>Percentage of net sales (%).....</i>	<i>7.0</i>	<i>6.1</i>		<i>6.1</i>
Other (income) expense				
Interest and dividend income.....	4,835	3,393	+1,442(42.5)	5,997
<i>Percentage of net sales (%).....</i>	<i>0.6</i>	<i>0.5</i>		<i>0.4</i>
Interest expense.....	2,830	5,013	-2,183(-43.5)	10,181
<i>Percentage of net sales (%).....</i>	<i>0.4</i>	<i>0.7</i>		<i>0.7</i>
Other, net	6,975	8,567	-1,592(-18.6)	14,344
<i>Percentage of net sales (%).....</i>	<i>0.9</i>	<i>1.2</i>		<i>1.0</i>
Income before income taxes, equity income and minority interests.....	46,171	33,856	+12,315(36.4)	70,393
<i>Percentage of net sales (%).....</i>	<i>6.3</i>	<i>4.7</i>		<i>4.9</i>
Provision for income taxes.....	19,834	14,113	+5,721(40.5)	28,363
<i>Percentage of net sales (%).....</i>	<i>2.7</i>	<i>2.0</i>		<i>2.0</i>
Minority interests in earnings of subsidiaries	1,779	773	+1,006(130.1)	2,599
<i>Percentage of net sales (%).....</i>	<i>0.2</i>	<i>0.1</i>		<i>0.2</i>
Equity in earnings of affiliates.....	1,250	1,470	-220(-15.0)	2,497
<i>Percentage of net sales (%).....</i>	<i>0.1</i>	<i>0.2</i>		<i>0.2</i>
Interim (net) income	25,808	20,440	+5,368(26.3)	41,928
<i>Percentage of net sales (%)</i>	<i>3.5</i>	<i>2.8</i>		<i>2.9</i>

Reference:

Exchange rate

	Half year ended September 30, '00	Half Year ended September 30, '99	Year ended March 31, '00
US\$ 1.....	¥107.23	¥117.23	¥111.52
EURO 1.....	¥98.63	¥123.43	¥115.35

3. Net Income Per Share (Consolidated)

For the half years ended September 30, 1999 and 2000, and year ended March 31, 2000

(Yen)

	Half year ended September 30, '00	Half Year ended September 30, '99	Change	Year ended March 31, '00
Net income per share-basic (yen)	37.27	29.55	+7.72	60.61
Net income per share- diluted (yen)	34.44	27.41	+7.03	56.06

4. Balance Sheets (Consolidated)

September 30, 2000 and March 31, 2000
Assets

(Millions of yen)

	September 30, 2000	March 31, 2000	Change
Current Assets			
Cash and time deposits.....	131,287	128,914	+2,373
Trade receivables.....	354,358	341,246	+13,112
Marketable securities.....	73,807	128,768	-54,961
Inventories.....	153,117	143,161	+9,956
Other current assets.....	44,174	37,658	+6,516
Total Current Assets.....	756,743	779,747	-23,004
Fixed Assets			
Tangible fixed assets.....	245,626	243,514	+2,112
Finance receivable.....	386,642	372,861	+13,781
Other Investments.....	177,296	147,198	+30,098
Total Fixed Assets.....	809,564	763,573	+45,991
Total Assets.....	1,566,307	1,543,320	+22,987

Liabilities and Shareholders' Investment
of yen)

(Millions)

	September 30, 2000	March 31, 2000	Change
Current Liabilities			
Trade payables	267,476	261,100	+6,376
Short-term borrowings.....	241,269	207,162	+34,107
Other current liabilities	125,937	123,932	+2,005
Total Current Liabilities	634,682	592,194	+42,488
Fixed Liabilities			
Long-term indebtedness.....	275,851	307,962	-32,111
Retirement benefit obligation.....	39,197	37,837	+1,360
Other fixed liabilities.....	15,160	17,463	-2,303
Total Fixed Liabilities.....	330,208	363,262	-33,054
Total Liabilities	964,890	955,456	+9,434
Minority Interest.....	46,564	46,358	+206
Shareholders' Investment			
Common stock	103,414	103,112	+302
Additional paid-in capital.....	154,615	154,314	+301
Retained earnings.....	309,183	287,182	+22,001
Accumulated other comprehensive income	-12,359	-3,102	-9,257
Total Shareholders' Investment.....	554,853	541,506	+13,347
Total Liabilities and Shareholders' Investment	1,556,307	1,543,320	+22,987
Note: Other comprehensive income;			
Net unrealized holding gains on available-for-sale securities	13,904	18,299	-4,395
Pension liability adjustments	-1,188	-1,600	+412
Cumulative translation adjustments.....	-25,075	-19,801	-5,274

Reference: Exchange rate

US\$ 1.... ¥108.00(As of September 30, 2000) ¥106.15(As of March 31, 2000)

EURO 1.... ¥95.03(As of September 30, 2000) ¥102.14(As of March 31, 2000)

5. Retained Earnings

For the half year ended September 30, 2000 and year ended March 31, 2000

(Millions of yen)

	Half year ended September 30, 2000	Year ended March 31, 2000
Retained earnings (beginning balance).....	287,182	252,863
Net income	25,808	41,928
Cash dividends	3,807	7,609
Retained earnings (ending balance)	309,183	287,182

6. Statements of Cash Flow (Consolidated)

For the half year ended September 30, 2000 and year ended March 31, 2000

(Millions of yen)

	Half year ended September 30, 2000	Year ended March 31, 2000
I. Cash Flows from Operating Activities:		
1. Net income.....	25,808	41,928
2. Adjustments to reconcile net income to net cash provided by operating activities—		
Depreciation and amortization.....	28,909	61,946
Equity in earnings of affiliates, net of dividends received.....	(807)	(846)
Retirement benefit obligation, net.....	2,121	8,618
Deferred income taxes.....	(6,757)	(18,053)
Loss on disposal and sales of plant and equipment.....	1,072	207
Changes in assets and liabilities, net of effects from acquisition—		
Decrease (increase) in trade receivables.....	(16,601)	(7,794)
Decrease (increase) in inventories.....	(11,682)	8,502
Decrease (increase) in finance receivables.....	(13,751)	(22,914)
(Decrease) increase in trade payables.....	9,899	23,852
(Decrease) increase in accrued income taxes and accrued expenses and other.....	1,933	27,620
Other, net.....	5,016	12,574
Net cash provided by operating activities.....	25,160	135,640
II. Cash Flows from Investing Activities:		
1. Proceeds from sales of plant and equipment.....	299	2,989
2. Expenditures for plant and equipment.....	(37,309)	(56,930)
3. Payments for purchases of available-for-sale securities.....	(15,790)	(54,194)
4. Proceeds from sales of available-for-sale securities.....	40,300	24,534
5. (Increase) decrease in investments in and advances to affiliates..	85	4,254
6. Decrease (increase) in time deposits.....	(1,288)	(1,571)
7. Decrease (increase) in cash deposits for assignment of debt securities	-	50,000
8. Decrease (increase) in intangible fixed assets.....	(9,574)	(1,766)
9. Other, net.....	(1,043)	4,194
Net cash used in investing activities.....	(24,320)	(28,490)
III. Cash Flows from Financing Activities:		
1. Proceeds from long-term indebtedness.....	16,058	8,362
2. Repayment of long-term indebtedness.....	(25,095)	(36,699)
3. (Decrease) increase in short-term borrowings, net.....	14,369	(56,529)
4. Proceeds from issuance of long-term debt securities.....	-	35,000
5. Repayment of long-term debt securities.....	-	(66,620)
6. Cash dividends paid.....	(3,808)	(7,595)
7. Other, net.....	(372)	2,832
Net cash provided by (used in) financing activities.....	1,152	(121,249)
IV. Effect of Exchange Rate Changes on Cash and Cash Equivalents..	(458)	(4,718)
V. Net Increase (Decrease) in Cash and Cash Equivalents.....	1,534	(18,817)
VI. Cash and Cash Equivalents at Beginning of Year.....	111,838	130,655
VII. Cash and Cash Equivalents at End of Year.....	113,372	111,838
Supplemental Disclosures of Cash Flow Information:		
Cash Paid during the Year for—		
Interest.....	4,727	17,305
Income taxes.....	32,369	26,546

Note: Our cash flow for the year included additional deposits of ¥50.0 billion based on corporate bond underwriting contracts.

Significant Accounting Policies (Consolidated)

1. Items relating to the scale of consolidation and the application of the equity method

Consolidated subsidiaries:

2 additions including San-Ai Logistics Co., Ltd.(newly established)

9 removals including Fujimex Ltd.(liquidation)

Companies accounted for by the equity method:

2 additions including Laikok Photographic Products (Hong Kong) Ltd. (merger and acquisition)

1 removal: Sanwa Systems Co., Ltd..(liquidation)

2. Consolidated Accounting Policies

(1) Principles of Consolidation

The consolidated financial statements include the accounts of Ricoh. All significant intercompany balances and transactions have been eliminated in consolidation. Investments in affiliated companies are accounted for on the equity basis.

(2) Securities

Ricoh conforms with SFAS No.115, "Accounting for Certain Investments in Debt and Equity Securities," which requires certain investments in debt and equity securities to be classified as either held-to-maturity, trading, or available-for-sale securities. Available-for-sale are reported at fair value with unrealized gains and losses, net of related taxes, excluded from earnings and reported in accumulated other comprehensive income (loss).

The cost of the securities sold was computed based on the average cost of each security held at the time of sale.

(3) Inventories

Inventories are stated at the lower of average cost or market. Inventory costs include raw materials, labor and manufacturing overheads.

(4) Plant and Equipment

Depreciation of plant and equipment is computed principally by using the declining-balance method over the estimated useful lives. Most of the foreign subsidiaries have adopted the straight-line method for computing depreciation.

Certain leased buildings, machinery and equipment are accounted for as capital leases in conformity with SFAS No. 13, "Accounting for Leases."

(5) Goodwill

Ricoh has classified as goodwill the cost in excess of fair value of the net assets of major companies acquired in purchase transactions. Goodwill is being amortized on a straight-line method over the estimated periods benefited, not to exceed 20 years.

(6) Use of Estimates

Management of the Company has made a number of estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses, and the disclosure of contingent assets and liabilities, to prepare these financial statements in conformity with generally accepted accounting principles. Actual results could differ from those estimates.

7. Segment Information

(1) Industry Segment Information

For the half years ended September 30, 1999 and 2000, and year ended March 31, 2000.

(Millions of yen)

	Half year ended September 30, '00	Half Year ended September 30, '99	Change(%)	Year ended March 31, '00
Net sales:				
Office Equipment	631,410	627,572	+3,838 (0.6)	1,253,070
Other Businesses	105,428	92,244	+13,184(14.3)	197,490
Intersegment transaction	-1,535	-2,311	+776(-33.6)	-3,403
Total	735,303	717,505	+17,798 (2.5)	1,447,157
Operating expenses:				
Office Equipment	564,338	562,593	+1,745 (0.3)	1,124,675
Other Businesses	97,638	90,452	+7,186 (7.9)	191,447
Intersegment transaction	-1,533	-2,283	+750(-32.9)	-3,410
Corporate and eliminations.....	23,719	22,700	+1,019 (4.5)	45,524
Total	684,162	673,462	+10,700 (1.6)	1,358,236
Operating income:				
Office Equipment	67,072	64,979	+2,093 (3.2)	128,395
Other Businesses	7,790	1,792	+5,998(334.7)	6,043
Intersegment transaction	-2	-28	+26(-92.9)	7
Unallocated expense	-23,719	-22,700	-1,019 (4.5)	-45,524
Consolidated operating income.....	51,141	44,043	+7,098(16.1)	88,921
Other income(expenses).....	-4,970	-10,187	+5,217(-51.2)	-18,528
Consolidated pretax profit.....	46,171	33,856	+12,315(36.4)	70,393
Total assets:				
Office Equipment	1,001,813	1,020,237	-18,424(-1.8)	965,316
Other Businesses	174,016	178,343	-4,327(-2.4)	161,017
Elimination	-8,913	-8,336	-577 (6.9)	-7,509
Corporate assets	399,391	448,155	-48,764(-10.9)	424,496
Total	1,566,307	1,638,399	-72,092(-4.4)	1,543,320
Capital expenditure:				
Office Equipment	31,173	29,648	+1,525 (5.1)	51,817
Other Businesses	5,459	3,331	+2,128(63.9)	5,561
Corporate	677	496	+181(36.5)	978
Total	37,309	33,475	+3,834(11.5)	58,356
Depreciation and Amortization:				
Office Equipment	24,641	25,137	-496(-2.0)	54,046
Other Businesses	3,519	4,227	-708(-16.7)	6,838
Corporate	749	688	+61 (8.9)	1,062
Total	28,909	30,052	-1,143(-3.8)	61,946

(2) Geographic Segment Information

For the half years ended September 30, 1999 and 2000, and year ended March 31, 2000.

(Millions of yen)

	Half year ended September 30, '00	Half Year ended September 30, '99	Change(%)	Year ended March 31, '00
Net sales:				
Japan				
Unaffiliated Customers	466,456	427,863	+38,593 (9.0)	885,998
Intersegment	140,898	135,400	+5,498 (4.1)	259,792
Total	607,354	563,263	+44,091 (7.8)	1,145,790
The Americas				
Unaffiliated Customers	112,042	122,273	-10,231 (-8.4)	230,496
Intersegment	2,875	3,753	-878(-23.4)	5,988
Total	114,917	126,026	-11,109(-8.8)	236,484
Europe				
Unaffiliated Customers	119,160	134,943	-15,783(-11.7)	265,621
Intersegment	1,530	1,747	-217(-12.4)	3,355
Total	120,690	136,690	-16,000(-11.7)	268,976
Other				
Unaffiliated Customers	37,645	32,426	+5,219(16.1)	65,042
Intersegment	19,120	19,695	-575(-2.9)	36,026
Total	56,765	52,121	+4,644 (8.9)	101,068
Elimination of intersegment sales	-164,423	-160,595	-3,828 (2.4)	-305,161
Total	735,303	717,505	+17,798 (2.5)	1,447,157
Operating expenses:				
Japan	561,819	530,483	+31,336 (5.9)	1,083,227
The Americas	110,676	120,677	-10,001(-8.3)	226,210
Europe	115,575	129,541	-13,966(-10.8)	255,698
Other	54,494	51,273	+3,221 (6.3)	95,802
Corporate and eliminations.....	-158,402	-158,512	+110(-0.1)	-302,701
Total	684,162	673,462	+10,700 (1.6)	1,358,236
Operating income:				
Japan	45,535	32,780	+12,755(38.9)	62,563
The Americas	4,241	5,349	-1,108(-20.7)	10,274
Europe	5,115	7,149	-2,034(-28.5)	13,278
Other	2,271	848	+1,423(167.8)	5,266
Corporate and eliminations.....	-6,021	-2,083	-3,938(189.1)	-2,460
Consolidated operating income	51,141	44,043	+7,098(16.1)	88,921
Other income(expenses).....	-4,970	-10,187	+5,217(-51.2)	-18,528
Consolidated pretax profit.....	46,171	33,856	+12,315(36.4)	70,393
Total assets:				
Japan	1,014,105	1,003,616	+10,489 (1.0)	956,670
The Americas	103,733	101,607	+2,126 (2.1)	93,191
Europe	123,108	129,632	-6,524(-5.0)	120,587
Other	52,454	57,519	-5,065(-8.8)	52,791
Eliminations.....	-126,484	-102,130	-24,354(23.8)	-104,415
Corporate assets	399,391	448,155	-48,764(-10.9)	424,496
Consolidated	1,566,307	1,638,399	-72,092(-4.4)	1,543,320

8. Notes to Consolidated Financial Statements

(1) Fair Market Value of Marketable Securities

The non-marketable securities as of March 31, 2000, and September 30, 2000, primarily relate to less than 20%-owned companies and are stated at cost.

The securities and the respective cost, gross unrealized holding gains, gross unrealized holding losses and fair value as of March 31, 2000 and September 30, 2000, are as follows:

Half year ended September 30, 2000				(Millions of yen)
	Cost	Gross unrealized holding gains	Gross unrealized holding losses	Fair value
Current:				
Equity securities	82	6	-	88
Japanese and foreign governmental bond securities.....	.997	28	-	1,025
Corporate debt securities.....	4,140	272	6	4,406
Bank debt securities.....	3,018	-	302	2,716
Other.....	65,550	25	3	65,572
	73,787	331	311	73,807
Noncurrent:				
Equity securities	8,299	11,706	966	19,039
Corporate debt securities.....	23,592	443	245	23,790
Other.....	11,491	65	1,199	10,357
Non-marketable securities.....	1,233	-	-	1,233
	44,615	12,214	2,410	54,419
Year ended March 31, 2000				(Millions of yen)
	Cost	Gross unrealized holding gains	Gross unrealized holding losses	Fair value
Current:				
Equity securities	2,993	238	480	2,751
Japanese and foreign governmental bond securities.....	.1,012	43	2	1,053
Corporate debt securities.....	33,640	602	10	34,232
Bank debt securities.....	158	-	5	153
Other.....	90,508	106	35	90,579
	128,311	989	532	128,768
Noncurrent:				
Equity securities	6,791	15,441	221	22,011
Corporate debt securities.....	4,147	-	34	4,113
Other.....	40	-	-	40
Non-marketable securities.....	2,621	-	-	2,621
	13,599	15,441	255	28,785

Other includes money management funds of 38,868 million yen and 22,560 million yen as of March 31, 2000, and September 30, 2000, respectively, and investment trusts consisting of investments in marketable debt.

(2) Derivative

The Company and certain of its subsidiaries enter into various financial instrument contracts in the normal course of business and in connection with the management of its assets and liabilities.

The Company and certain of its subsidiaries enter into foreign currency contracts and currency options to hedge assets and liabilities denominated in foreign currencies.

The outstanding contracted amounts of foreign currency as of March 31, 2000, and September 30, 2000, were 91,627 million yen and 43,184 million yen, respectively.

The outstanding contracted amounts of currency options as of September 30, 2000, was 119,372 million yen.

Gains or losses on those contracts used to hedge existing assets and liabilities are recognized in income currently.

In connection with short-term borrowings and long-term indebtedness, the Company and certain of its subsidiaries have used interest rate swap agreements as a means of managing its interest exposure; at March 31, 2000, and September 30, 2000, they had 378,010 million yen and 343,960 million yen of contractual amounts under interest rate swap agreements.

Interest rate swap transactions generally involve the exchange of floating rate for fixed rate interest payment obligations without an exchange of underlying principal amounts. The differentials to be paid or received under the interest rate swap agreements are accrued.

The counterparties to the above financial instrument contracts are major financial institutions and, therefore, the Company and certain of its subsidiaries are exposed to credit risk in the event of nonperformance by counterparties. However, the Company does not anticipate nonperformance by them.

The carrying amount and estimated fair value of derivative financial instruments as of March 31, 2000 and September 30, 2000 are as follows:

	Half year ended September 30, 2000		(Millions of yen)
	Carrying amount	Estimated Fair value	Profit/loss
Interest rate swap agreements, net.....	-24	2,711	2,735
Foreign currency contracts-net credit	1,647	2,850	1,203
Currency options-net credit.....	0	107	107
Total.....	1,623	5,668	4,045

	Year ended March 31, 2000		(Millions of yen)
	Carrying amount	Estimated Fair value	Profit/loss
Interest rate swap agreements, net.....	-47	2,685	2,732
Foreign currency contracts-net credit	2,314	2,102	-212
Currency options-net credit.....	-	-	-
Total.....	2,267	4,787	2,520

(3) Transactions of Ricoh with affiliates

(Millions of yen)

	September 30, 2000	March 31, 2000
Account balances:		
Receivables	5,361	4,406
Payables	3,073	3,030

(Millions of yen)

	Half year ended September 30, 2000	Year ended March 31, 2000
Transactions:		
Sales	10,001	23,231
Purchases	7,530	13,412
Dividend income	409	1,651