



INTERIM REPORT

Half year ended September 30, 2003

(Results for the Period from April 1, 2003 to September 30, 2003)

Three months ended September 30, 2003

(Results for the Period from July 1, 2003 to September 30, 2003)

Performance Outline (Consolidated)

(1) Half year ended September 30, 2003, 2002 and Year ended March 31, 2004 (Forecast)

	Half year ended		Change	(Billions of yen)	
	September 30, 2003 (Results)	September 30, 2002 (Results)		Year ended March 31, 2004 (Forecast)	Change
Domestic sales	448.6	449.5	-0.2%	900.0	0.4%
Overseas sales	439.4	407.2	7.9%	900.0	6.8%
Net sales	888.0	856.8	3.6%	1,800.0	3.5%
Gross profit	388.1	360.6	7.6%	783.6	5.1%
Operating income	77.2	61.3	26.0%	152.0	13.7%
Income before income taxes	71.4	55.6	28.3%	144.0	16.6%
Net income	42.2	33.5	26.1%	85.0	17.2%
Exchange rate (Yen/US\$)	118.06	123.08	-5.02	113.03	-8.93
Exchange rate (Yen/EURO)	133.47	116.95	16.52	130.74	9.74
Net income per share (yen)	56.79	46.11	10.68	114.42	14.63
Total assets	1,912.1	1,826.3	85.7	-	-
Shareholders' equity	703.0	663.6	39.4	-	-
Interest-bearing debt	484.9	543.2	-58.3	-	-
Equity ratio (%)	36.8	36.3	0.5	-	-
Shareholder's equity per share (yen)	946.38	912.98	33.40	-	-
Cash flows from operating activities	61.6	99.1	-37.4	-	-
Cash flows from investing activities	-19.9	-33.3	13.3	-	-
Cash flows from financing activities	-6.6	-16.5	9.9	-	-
Cash and cash equivalents at end of period	225.0	217.4	7.5	-	-
Capital expenditures	36.3	38.4	-2.0	75.0	1.0
Depreciation for tangible fixed assets	33.6	33.8	-0.2	70.0	0.4
R&D expenditures	44.2	40.2	4.0	90.0	6.4

(2) Three months ended September 30, 2003 and 2002

	(Billions of yen)		
	Three months ended September 30, 2003	Three months ended September 30, 2002	Change
Domestic sales	224.3	224.7	-0.2%
Overseas sales	226.3	203.8	11.0%
Net sales	450.6	428.5	5.2%
Gross profit	195.3	174.1	12.2%
Operating income	38.7	25.4	52.6%
Income before income taxes	34.0	23.4	45.7%
Net income	19.9	14.0	42.2%
Exchange rate (Yen/US\$)	117.61	119.19	-1.58
Exchange rate (Yen/EURO)	132.27	117.34	14.93
Net income per share (yen)	26.75	19.26	7.49
Capital expenditures	17.6	20.8	-3.1
Depreciation for tangible fixed assets	16.5	16.9	-0.3
R&D expenditures	24.8	21.7	3.1

Ricoh Company, Ltd.

* The Company bases the forecast estimates for March 31, 2004 above upon information currently available to management, which involves risks and uncertainties that could cause actual results to differ materially from those projected.

Policies

(1) Basic Management

The Ricoh Group intends to be the company that gains most from the 21st century. With this aim, we will continue to provide high reliability and create new value in order to contribute both to productivity improvement and also to the knowledge creation for individuals working anytime, anywhere. Accordingly, our proactive approach encompasses not only products and services for traditional office setups but also customers working in a broadband environment. Our three-year 14th medium-term management plan — which extends from April 2002 until March 2005 — features the following five basic management policies:

- i. Realize a "vital and motivated culture"
- ii. Strengthen technologies to become the World No.1 product manufacturing company
- iii. Build "Customer-Friendly" and "Environmentally-Friendly" company
- iv. Strengthen each business unit and revolutionize group business structures
- v. Strengthen management constitution for competitive advantage

(2) Medium-Term Management Strategies

Ricoh meets the challenges of digital networking in our core competence of office equipment. Accordingly, we have made every possible effort since our 13th medium-term management plan to move beyond the manufacture of equipment such as copiers and printers so that we may overhaul our operational structure, thus allowing us to help our customers in their efforts to improve or enhance productivity through our offering.

As a means of further contributing to our customers' profitability, therefore, we fully recognize the importance of not only copying as relevant to the ever-increasing digitization of data and capability for colorization, but also of the proposal of measures capable of realizing efficient and effective control of printed matter and all other types of document — or in other words, the full series of activities including the input, output, storage, and searching of information.

Our 14th medium-term management plan thus focuses on the realization of total document volume (TDV), thereby broadening our revenue and earning framework. In this, our basic strategy features the following three goals:

- i. Replacing monochrome products with color models

To provide a full lineup of compact color machines at prices comparable to those of monochrome models, thus securing our customers' requirements for color capability without being limited simply to the replacement of monochrome copies.

- ii. Increased sales of high-speed models

To provide high-speed copiers with a competitive edge in terms of purchase price, maintenance costs, and reliability, thus responding suitably to customer needs for high levels of efficiency.

- iii. Provision of printing solutions

To propose optimum combinations of copiers and printers in order to allow customers to meet additional cost reduction requirements.

Ricoh is striving to enhance its technological capabilities in order to become the World No.1 product manufacturing company that will provide products and services more competitive than any others. In specific terms, these efforts focus on technologies aimed at developing next-generation, high-speed color imaging equipment, design and development aimed at simplifying the process of connecting various items of office hardware, and the creation of environmentally-friendly products and services.

(3) Basic Approach and Policies for Corporate Governance

In our drive to enhance competitive strengths, Ricoh is committed to the management transparency in accordance with our corporate philosophy and ethics. We have taken the following steps to ensure a sustainable, high level of corporate governance.

- i. Management organization and other corporate governance structure related to decision-making, execution and auditing

- Implementation of an auditor system

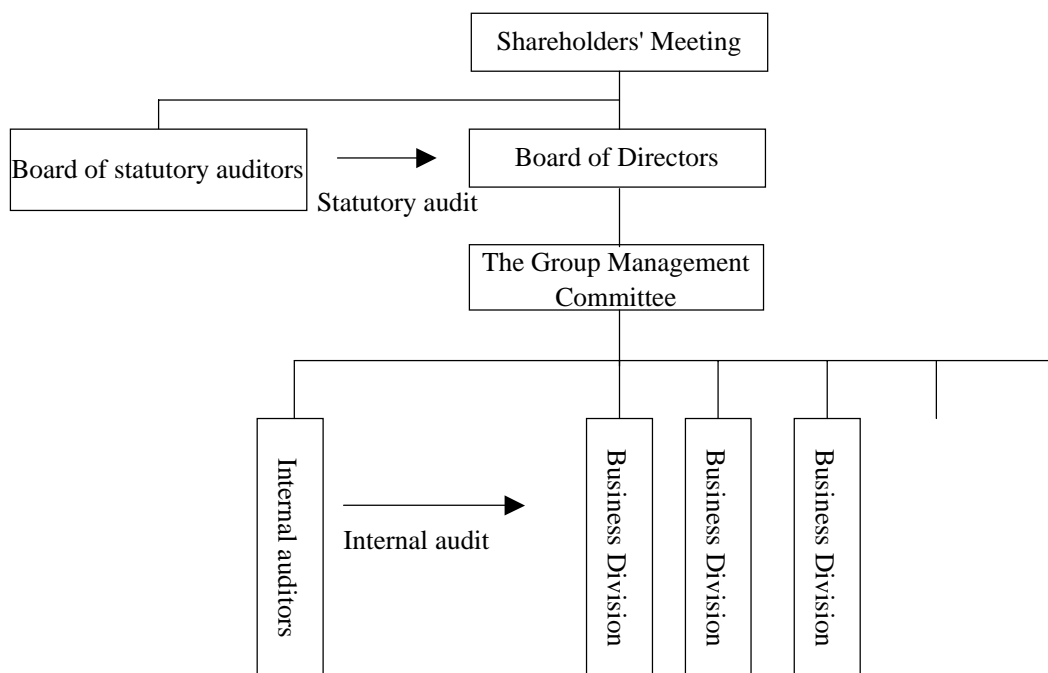
- Introduction of an executive officer system and the assignment of authority to divisions in order to clarify their roles

- Maintaining of a board of sixteen directors including two external members to handle major decisions on group management

- Reinforcement of the auditing of individual divisions and establishment of a group management

- Committee to formulate and implement optimal strategies for the entire group

- Maintaining of auditing required by law through the efforts of four auditors including two external auditors and establishment of independent internal auditing through an auditing office



ii. Personal factors, capital-based factors, business factors, and the like between the company and the two external directors and two external auditors.

There are currently no conflicts of interest.

iii. Corporate governance initiatives implemented by Ricoh over the past year

In January 2003, Ricoh established a Corporate Social Responsibility (CSR) Office to enable this company to better serve communities.

In terms of the disclosure of corporate information, corporate rules have been setup for the entire process comprising data research, gathering, reporting, and disclosure. Furthermore, a Disclosure Committee has been established in order to ensure that such information is disclosed in a proper, punctual, and comprehensive manner.

In response to calls for higher degrees of independence for auditing firms, we have set forth regulations regarding the policies and measures for advance acknowledgement of audited and non-audited activities. The board of auditors' advance acknowledgement system has been implemented with respect to the content of auditing contracts and the corresponding charges.

(4) Challenges

While Japanese and US markets are now showing signs of recovery, the yen still remains strong with respect to the dollar in the Japanese market, and consequently, difficulty is still experienced in the prediction of economic prospects. Added to this, competition is very severe in the field of color copying and digital networking.

The Ricoh Group's priorities in the achievement of sustainable growth within such a challenging environment are to create new customer value while further improving management efficiency, thereby enhancing corporate competitiveness.

In order that we may recognize new customer requirements and provide the highest levels of product value, it is crucial that this company becomes the World No.1 product manufacturing company. With this fully in mind, we intend to redouble our efforts in the creation of new value in all facets of management targeting customer satisfaction, while at the same time, reinforcing our technological strengths as a means of generating new value with our products and services. By both creating and providing value in this way, Ricoh will strive to meet its goals of being people-friendly and environment-friendly. In other words, we will endeavor to realize higher levels of ease-of-use in order that our customers can take full advantage of products and services that become evermore complex as digital networking continues to develop. In this mission, we also strive to fortify our environmental management system without compromising profitability.

As part of a drive to improve capital efficiency and earning, steady progress is currently being made in the optimization of efficiency through process reform in all group fields. Furthermore, we also intend to vastly reduce costs and raise price competitiveness, thus realizing a highly-efficient, low-cost management structure capable of responding adequately to today's deflationary business environment.

(5) Dividend Policy

Ricoh endeavors to ensure stable dividends by improving profitability while increasing retained earnings to enhance our corporate structure and to generate new business. These retained earnings will be used both in the reinforcement of core businesses and for investment in new fields with both medium-term and long-term perspectives. Rebates to shareholders are paid with consideration given to the dividend payout ratio. Ricoh understands the market buying of treasury stock is also seen as an effective means for the payment of dividends.

(6) Approach and Policies for Reducing Minimum Investment Lots

Ricoh plans to keep investment patterns and shareholder composition under close scrutiny, and we will consider taking the appropriate steps to alter the minimum investment lot if so required. By reducing the minimum number of shares required to invest in the company, Ricoh believes that a broader range of investors can be attracted to equity markets, while at the same time, the liquidity of this company's shares may be enhanced. Nevertheless, many investors already trade in Ricoh's shares, and for this reason, management has concluded that there is no immediate need for reduction of the minimum investment lots.

Furthermore, we intend to pay attention to the condition of business partners and of shareholder makeup as we carefully study both the necessity and the timing of implementation of these measures.

Operating Results & Financial Position

*Overview

The Ricoh Group's consolidated net sales for the medium-term period of fiscal 2003 (the six months period from April 1 to September 30, 2003) increased 3.6% from the previous corresponding period to ¥888.0 billion. During this period, the average yen exchange rates were at ¥118.06 against the dollar (up ¥5.02) and ¥133.47 against the euro (down ¥16.52). Accordingly, the increase in sales would be 1.7% excluding effects of such foreign fluctuations.

Domestic sales of printing systems such as MFPs (multifunctional printers) and laser printers increased, whereas sales of optical disks and PC servers decreased, resulting in total sales of ¥448.6 billion, down 0.2% from the previous corresponding period. Meanwhile, overseas sales of digital PPC, color PPC, and printing systems increased particularly in terms of color equipments. In addition, due to the yen's depreciation against the euro, this increased overall sales increased 7.9% to ¥439.4 billion. Excluding the effect of exchange fluctuations, the total overseas sales would rise 3.8% from the previous corresponding period.

Gross profit increased 7.6% to ¥388.1 billion. It was owing to increased sales of high-margin, high-value added products both in Japan and overseas, continuous cost cutting activities and yen's depreciation against the euro.

As a result of an increase in strategic costs associated with investment in research and development and the IT development of core systems, selling, general and administrative expenses increased 3.9% to ¥310.8 billion. In accordance with these results, operating income increased 26.0% to ¥77.2 billion.

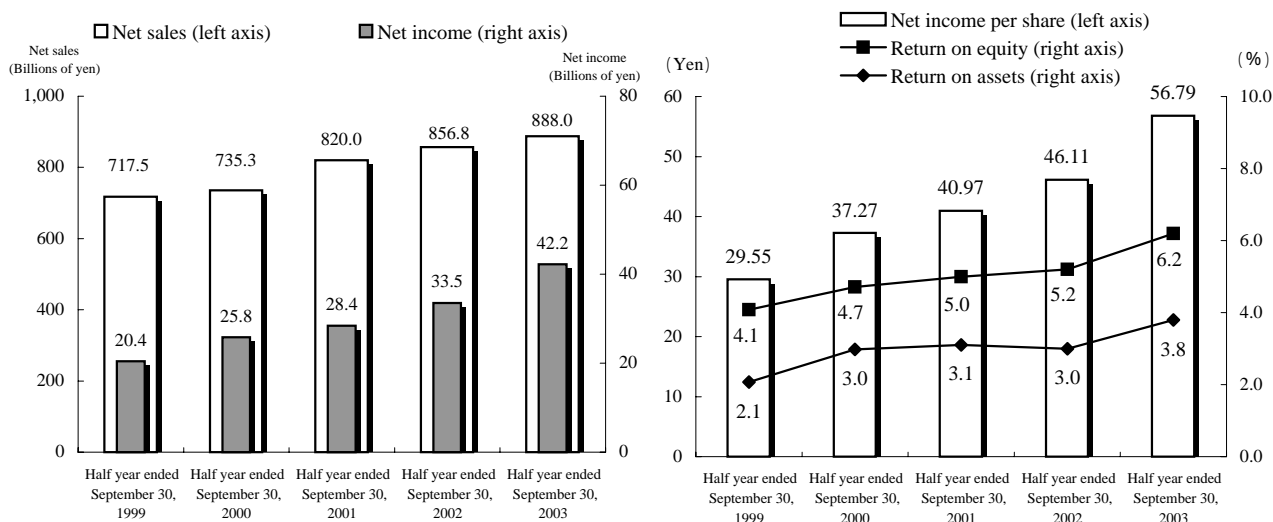
In terms of non-operating profit and loss, the enhancement of cash management activities in Japan, the US, and Europe are led to reduction of both interest-bearing debt and interest expenses. However, interest and dividend income both shrank and the appreciating yen generated foreign exchange losses. As a result of these factors, income before income taxes increased 28.3% to ¥71.4 billion from the previous corresponding period.

Due to the change of the Corporate Tax Law in Japan, the amount of tax exemption on research and development expenses increased, thereby leading to a decline in the effective tax rate.

Furthermore, whereas minority interests in earnings of subsidiaries increased, equity in earnings of affiliates decreased from the previous corresponding period.

As a result, Net income increased 26.1% to ¥42.2 billion.

Consolidated performance



*Consolidated Sales by Product Line

Office Equipment (¥775.5 billion, up 3.5% from the previous corresponding period)

The Ricoh Group makes solution proposals to customers for the optimization of their total printing cost in order to support their efficient management of TDV (total document volume). As a strategy to realize this objective, the group is shifting away from stand-alone analog equipment toward digitalization, networking, colorization, and high speed technologies. Consequently, sales of digital PPC, printing systems such as MFPs and laser printers have continued to grow.

While domestic sales have decreased due to slow sales of optical discs and PC servers, overseas sales have increased as a result of increased retail of digital PPC and printing systems, particularly color equipment, in accordance with the effect of yen's depreciation against the euro. As a result, total sales of office equipment have increased to ¥775.5 billion, 3.5% up from the previous corresponding period.

Imaging Solutions (¥415.0 billion, down 3.5% from the previous corresponding period)

Digital Imaging Systems

- Continuous new offering of digital PPC products ("Imagio Neo 352/452 series" in Japan and "Aficio 2035/2045 series" overseas)
- Release of new color PPC products ("Imagio Neo C385/C325 series" in Japan and "Aficio 1224C/1232C series" overseas)
- Domestic sales have decreased due to a shift to MFPs, slow demand, and other factors
- Overseas sales have risen due to increased retail of digital PPC and color PPC.

As a result, sales in this category decreased 0.1% from the previous corresponding period.

Other Imaging Systems

- Sales in this category have decreased 12.4% from the previous corresponding period due to a shift from analog equipments to MFPs or color equipment.

Network Input/Output Systems (¥263.1 billion, up 20.2% from the previous corresponding period)

Printing Systems

- Offering of new products to cope with the shift to high-speed, networked, and color models both in Japan and overseas ("IPSiO NX series" and "Imagio Neo C380" in Japan, and "AP-400/400N" and "CL series" overseas)
- Sales of MFPs and laser printers have continued to grow.

As a result, sales in this category have increased 23.3% from the previous corresponding period.

Other Input/Output Systems

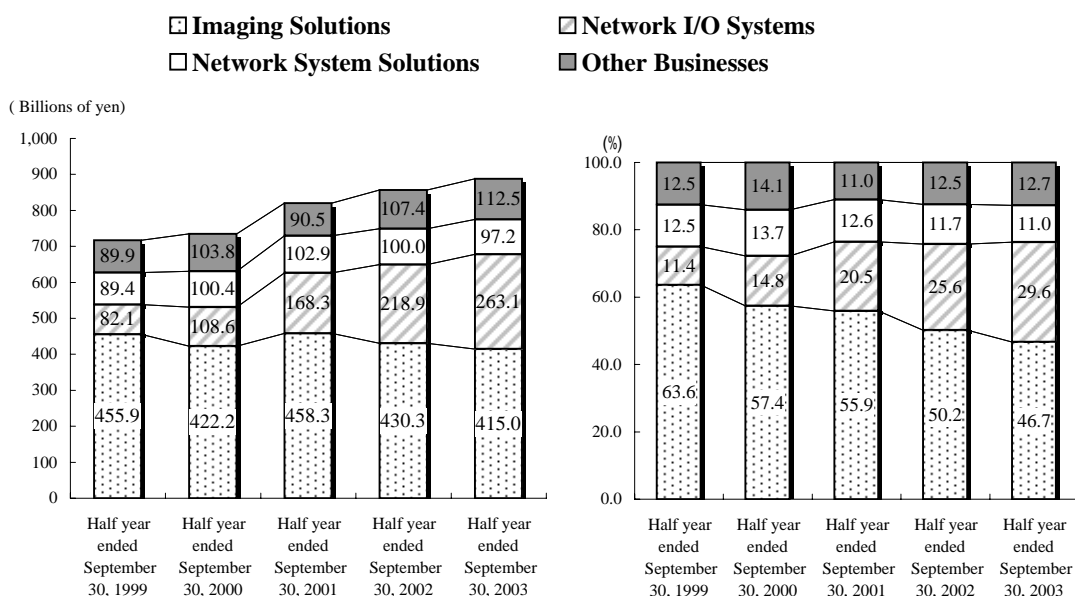
- While sales of optical disc products in Japan have decreased, sales in overseas markets have increased greatly. As a result, the overall sales in this category have risen by 0.6% from the previous corresponding period.

Network System Solutions (¥97.2 billion, down 2.8% from the previous corresponding period)

- To meet customers' needs for improvement of total cost performance
- To intensify solution-centered activities such as use-ware support, software solutions, and the like
- Sales decrease in terms of PC servers

Other Businesses (¥112.5 billion, up 4.8% from the previous corresponding period)

Sales of other business segment have increased 4.8% from the previous corresponding period to ¥112.5 billion. Sales of semiconductor business have grown, and leasing and other business activities have steadily progressed.



* Consolidated Sales by Geographic Area

Japan (¥448.6 billion, down 0.2% from the previous corresponding period)

Despite the continuing severe condition of the Japanese economy, sales of printing systems such as MFPs and laser printers have increased, owing to the implementation of merchandising and marketing strategies to meet customer requirements. On the other hand, sales of analog products have decreased due to a shift to MFPs and color products, in addition, sales of optical discs, PC servers have also declined. As a result, sales of office equipment decreased 1.1% from the previous corresponding period. sales of other business activities such as semiconductors increased 3.5%.

The Americas (¥167.6 billion, down 1.6% from the previous corresponding period)

Although the US economy is showing signs of recovery, competition has become more intense, and the yen's appreciation has effected to this segment. Under these circumstances, we have focused on areas such as digital PPC and printing systems in order to respond to changing customer needs for networking, color capability, and higher speeds, and we have also committed to expand sales to major accounts. Accordingly, Sales in the Americas have decreased 1.6% from the previous corresponding period. However, after factoring out the yen's appreciation against dollar it gained 2.4%.

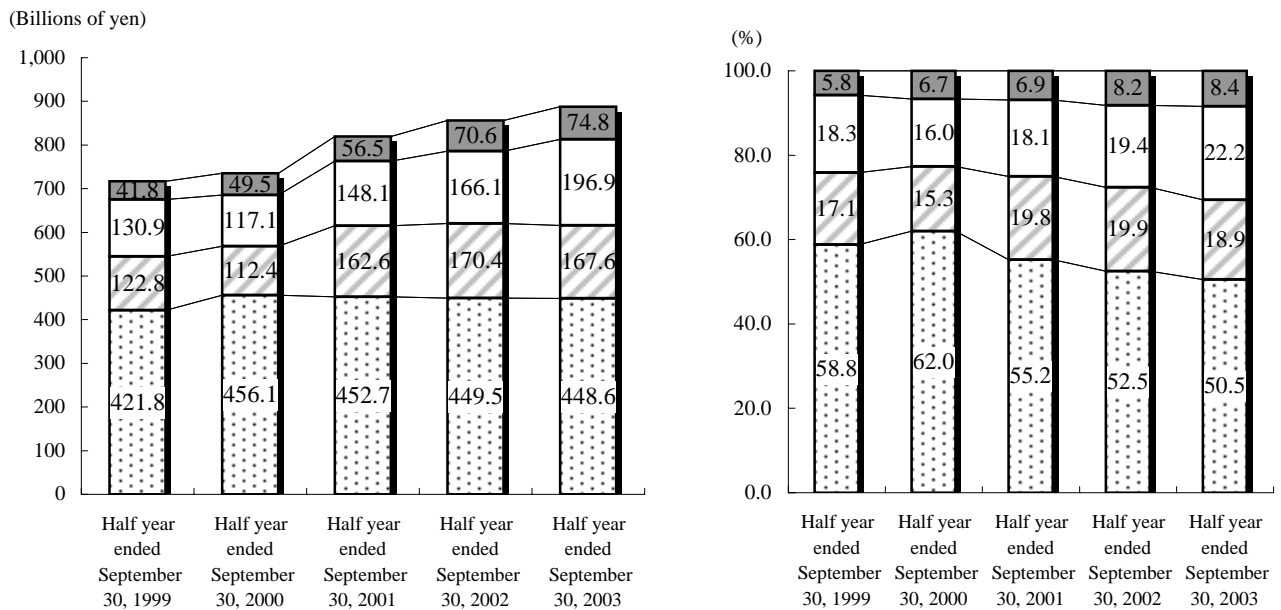
Europe (¥196.9 billion, up 18.5% from the previous corresponding period)

Despite the instability of the European economy, we have continuously increased sales of digital PPC and printing systems, and have maintained the top share in the European copier market. Aided by increased sales of optical discs and the yen's depreciation against the euro, sales in Europe have shown an increase of 18.5% from the previous corresponding period.

Others (¥74.8 billion, up 5.9% from the previous corresponding period)

In other regions, such as China and other Asian countries, we have committed to increasing sales of digital PPC and MFPs to meet an overwhelming shift in demand toward digital, networked, and color-capable products. Demand for optical discs has also continuously increased, and the semiconductor business also continues to show strong performance. We have also increased production at our Chinese manufacturing facilities in order to meet increased worldwide supply. As a result, sales in the Others have increased 5.9% from the previous corresponding period.

■ Japan ■ The Americas □ Europe ■ Others



*Segment Information

Business Segment

Office Equipment

In terms of imaging solutions and printing systems — our principal product area — we have released a series of high value-added products, ranging from low-end to high-speed models, and with document functionality ranging from input/output to sharing and management. Accordingly, sales of digital PPC, color PPC, and MFPs have increased. Laser printers have also generated increased sales both in Japan and overseas through the continuous offerings of effective new products. Though sales of PC servers have decreased as a result of sluggish demand, the optical disc business has shown steady expansion, especially in Europe and other region. As a result, sales of office equipment increased 3.5% from the previous corresponding period to ¥775.5 billion.

Turning our attention to operating expenses, despite strategic investment in research and development and in IT development of core systems, operating income increased 9.7% from the previous corresponding period, to ¥102.6 billion. This increase has been thanks to increased sales of high value-added products with high margins, and continuous reduction in production and administration areas, as well as the effect of the yen's depreciation against the euro. The ratio of operating income to net sales increased 0.7% from the previous corresponding period, to 13.2%.

Although capital investment was made, with a focus on enhancing and expanding new product production lines and research and development, capital investment declined from the previous corresponding period.

Total assets increased from the previous corresponding period due to an increase in the finance receivables and in overseas inventories in order to expand sales, however, asset efficiency has improved.

Other Businesses

The semiconductor business has experienced a recovery of demand in Japan, and increased sales overseas. Furthermore, businesses such as leasing have shown a steady performance. As a result, total sales from other businesses have increased 4.4% from the previous corresponding period, to ¥113.7 billion.

Regarding operating income, an extraordinary expense was accrued in the metering equipment business during the same period in the previous year, which is finished. Besides, increased earnings from our semiconductor and other businesses, operating income in this segment turned to positive.

	(Billions of yen)		
	Half year ended September 30, 2003	Half year ended September 30, 2002	Change (%)
Office Equipment:			
Net sales	775.5	749.3	3.5
Operating income	102.6	93.5	9.7
<i>Operating income on sales(%)</i>	<i>13.2</i>	<i>12.5</i>	<i>0.7</i>
Identifiable assets	1,196.9	1,168.9	2.4
Capital expenditures	31.9	35.2	-9.3
Depreciation	29.3	29.7	-1.1
Other Businesses:			
Net sales	113.7	108.9	4.4
Operating income	2.9	-3.0	-
<i>Operating income on sales(%)</i>	<i>2.6</i>	<i>-2.8</i>	<i>5.4</i>
Identifiable assets	184.0	184.7	-0.4
Capital expenditures	3.9	2.6	46.5
Depreciation	3.3	3.1	7.5

Geographic Segment

Japan

In the office equipment business, aggressive marketing strategies have increased sales of printing systems in Japan. Sales in Japan have increased 5.1% to ¥663.2 billion, owing to increased export to overseas markets with steady sales, and the effect of the yen's depreciation against the euro. Operating income has increased 52.5% to ¥56.7 billion, due to writing off of the extraordinary expense accrued in the metering equipment business during the same period last year, increased revenue, a shift to high value-added products, and the effect of continuous cost reductions.

The Americas

Although US economy is on the road to recovery, competition has been heating up as well. Under these circumstances, we are developing and strengthening our sales channels, and we have achieved good results from such strategies as expanding sales of PPC and printing systems, and bolstering our sales to major accounts. We have seen particularly strong growth in sales of color models, thanks to the effect of new products. However, sales in the Americas have decreased 1.5% from the previous corresponding period to ¥164.9 billion, due the higher yen against the US dollar. Operating income has increased 1.9% to ¥7.6 billion, owing to increased income from manufacturing, due to the effect of production in the optimum regions closer to customers, as well as our commitment to reducing costs and expenses.

Europe

Throughout Europe, our consolidated subsidiaries have shown increased sales, especially digital PPC and printing systems. We retain the top share of the European copier market. Sales in Europe have increased 18.7% to ¥198.3 billion. Operating income has increased 35.8% to ¥9.5 billion, owing to increased income from manufacturing, due to the effect of production in the optimum regions closer to customers, as well as the effect of the yen's depreciation against the euro.

Others

In the China region and Asia / Oceania region, we have expanded production in our manufacturing facilities in China to increase worldwide supply and maintain high production levels. On the other hand, there has been a large-scale shift in demand toward digital, networked, and color-capable office equipment, and we are enhancing our sales readiness in the promising Chinese market. As a result, sales in other regions have increased 21.5% to ¥99.8 billion. Operating income has increased 0.1% to ¥4.5 billion, owing to increased revenue and increased production, while offsetting prior investment for enhancing our Chinese sales readiness.

	(Billions of yen)		
	Half year ended September 30, 2003	Half year ended September 30, 2002	Change (%)
Japan:			
Net sales	663.2	631.2	5.1
Operating income	56.7	37.2	52.5
<i>Operating income on sales(%)</i>	8.6	5.9	2.7
Identifiable assets	1,061.1	1,047.6	1.3
The Americas:			
Net sales	164.9	167.4	-1.5
Operating income	7.6	7.5	1.9
<i>Operating income on sales(%)</i>	4.7	4.5	0.2
Identifiable assets	192.7	204.8	-5.9
Europe:			
Net sales	198.3	167.1	18.7
Operating income	9.5	7.0	35.8
<i>Operating income on sales(%)</i>	4.8	4.2	0.6
Identifiable assets	186.6	165.8	12.6
Others:			
Net sales	99.8	82.2	21.5
Operating income	4.5	4.5	0.1
<i>Operating income on sales(%)</i>	4.6	5.5	-0.9
Identifiable assets	69.1	59.4	16.3

*Cash Flows

	(Billions of yen)		
	Half year ended September 30, 2003	Half year ended September 30, 2002	Change
Cash flows from operating activities	61.6	99.1	-37.4
Cash flows from investing activities	-19.9	-33.3	13.3
Cash flows from financing activities	-6.6	-16.5	9.9
Cash and Cash Equivalents at End of Period	225.0	217.4	7.5

Net cash provided by operating activities decreased ¥37.4 billion as compared to the previous corresponding period, to ¥61.6 billion. This was attributed to the fact that although net income and depreciation and amortization expenses increased, finance receivable have grown and overseas inventories increased in order to cope with an expansion of sales.

Net cash used in investing activities was ¥19.9 billion, decrease ¥13.3 billion as compared to the previous corresponding period. This is due primarily to capital investment in new product lines and new product development.

As a result, free cash flow generated by operating activities and investing activities has decreased by ¥24.0 billion from the previous corresponding period to ¥41.6 billion.

Net cash used in financing activities amounted to ¥6.6 billion, as a result of factors such as the payment of dividends and the reacquisition of treasury stock.

Consequently, cash and cash equivalents at the end of this half-year period have risen by ¥35.7 billion as compared to the end of the preceding year (March 31,2003), to ¥225 billion.

Transition of our cashflow indices from fiscal 2000 to 2004 are as follows:

	Half year ended September 30, 1999	Half year ended September 30, 2000	Half year ended September 30, 2001	Half year ended September 30, 2002	Half year ended September 30, 2003
Shareholders' equity / Total assets	31.4%	35.4%	33.9%	36.3%	36.8%
Market capitalization / Total assets	78.1%	86.9%	72.7%	84.2%	77.3%
Interest bearing debt / Operating cash flow	10.6	20.6	12.2	5.5	7.9
Operating cash flow / Interest expense	11.7	8.9	9.9	24.6	21.5

Notes:

- i. All indices are calculated based on consolidated data.
- ii. Market capitalization equals the stock price at the end of half year multiples by the number of shares outstanding at the end of half year.
- iii. Operating cash flow is shown in consolidated statement of cash flow. Interest bearing debt equals all debt in consolidated balance sheets.

*Forecast for the entire fiscal year

In terms of forecasted results for the current fiscal year, we have slightly reduced our estimated sales as announced in July this year to ¥1,800 billion. For the 3rd quarter and onward, we predict an exchange rate of ¥108.00 against the US dollar, and of ¥128.00 against the euro. The rapid appreciation of the yen that began in September of this year is forecasted to continue.

Meanwhile, as steady sales continue in our core products area such as digital PPC and printing systems, we intend to implement business strategies such as the release of valuable new products, and we believe that sales will consequently increase both in Japan and overseas.

It is our intention to adjust our forecasted operating income upward to ¥152.0 billion in accordance with the fact that results for the current half-year period were more stable than initially predicted, and that further profitability growth is expected. We will also adjust our forecasted income before income taxes down to ¥144.0 billion as a result of the effect of exchange losses incurred during the first half of fiscal 2003. We, however, intend to maintain our forecast for net income in the current fiscal year at ¥85.0 billion.

Ricoh Group has centered its 14th medium-term management plan, started in April 2002, on expanding its profit base by expanding total document volume. The basic strategy entails:

- Responding to greater demand for color documents among office users
- Expanding sales of high-speed machines
- Deploying printing solutions

The crucial challenges for our customers will be to improve work flow and enhance productivity by better managing TDV (total document volumes). We will support such efforts by continuing to formulate proposals to optimize customer's total printing costs and offer products and services that meet more sophisticated needs for color and faster office document production. In addition, we plan to expand operations by integrating production, sales, and service through a management base in the highly promising Chinese market, to complement similar organizations Japan, the United States, and Europe.

Ricoh will pursue efficiencies through process reform in each business domain to ensure sustainable earnings growth and cash flows, as part of which it is working on a low-cost management structure that can withstand deflationary environments by further reinforcing price competitiveness.

Our performance forecasts for fiscal 2004 are as follows:

Exchange Rate Assumptions for the 2nd half year

US\$ 1 = ¥108.00 (¥118.06 in 1st half year)

EURO 1 = ¥128.00 (¥133.47 in 1st half year)

Exchange Rate Assumptions for the full year ended March 31, 2004

US\$ 1 = ¥113.03 (¥121.96 in previous fiscal year)

EURO 1 = ¥130.74 (¥121.00 in previous fiscal year)

(Billions of yen)

	Year ended March 31, 2004 (Forecast)	Year ended March 31, 2003 (Results)	Change
Domestic sales	900.0	896.0	0.4%
Overseas sales	900.0	842.3	6.8%
Net sales	1,800.0	1,738.3	3.5% (*1)
Gross profit	783.6	745.3	5.1%
Operating income	152.0	133.6	13.7%
Income before income taxes	144.0	123.4	16.6%
Net income	85.0	72.5	17.2% (*2)

Notes:

*1...Net sales would be tenth consecutive year of growth.

*2...Net income would be twelfth consecutive year of growth and tenth consecutive year of record high.

* Ricoh bases the forecast estimates for March 31, 2004 above upon information currently available to management, which involves risks and uncertainties that could cause actual results to differ materially from those projected.

Ricoh Company, Ltd. and Consolidated Subsidiaries

INTERIM REPORT (Consolidated. Half year ended September 30, 2003)

Date of approval for the financial results for the half year ended September 30, 2003, at the Board of Directors' meeting:
October 29, 2003

1. Results for the period from April 1, 2003 to September 30, 2003

	(Millions of yen)		
	Half year ended September 30, 2003	Half year ended September 30, 2002	Year ended March 31, 2003
Net sales	888,090	856,821	1,738,358
<i>(% change from the previous corresponding periods)</i>	<i>3.6</i>	<i>4.5</i>	<i>3.9</i>
Operating income	77,255	61,328	133,654
<i>(% change from the previous corresponding periods)</i>	<i>26.0</i>	<i>2.4</i>	<i>3.1</i>
Income before income taxes	71,416	55,673	123,470
<i>(% change from the previous corresponding periods)</i>	<i>28.3</i>	<i>6.0</i>	<i>8.4</i>
Net income	42,265	33,525	72,513
<i>(% change from the previous corresponding periods)</i>	<i>26.1</i>	<i>18.0</i>	<i>17.7</i>
Net income per share-basic (yen)	56.79	46.11	99.79
Net income per share-diluted (yen)	-	44.68	96.81

Notes:

- i. Equity in income of affiliates: ¥972 million; ¥1,608 million (half year ended September 30, 2002); ¥2,403 million (year ended March 31, 2003)
- ii. Average number of shares outstanding (consolidated): 744,261,032 shares; 727,020,387 shares (half year ended September 30, 2002) 726,659,698 shares (year ended March 31, 2003)
- iii. No change in accounting method has been made

	(Millions of yen)		
	September 30, 2003	September 30, 2002	March 31, 2003
Total assets	1,912,162	1,826,385	1,884,922
Shareholders' equity	703,075	663,665	657,514
Equity ratio (%)	36.8	36.3	34.9
Equity per share (yen)	946.38	912.98	885.41

Note: Number of shares outstanding as of September 30, 2003: 742,906,263 shares; 726,919,110 shares (September 30, 2002); 742,608,635 shares (March 31, 2003)

	(Millions of yen)		
	Half year ended September 30, 2003	Half year ended September 30, 2002	Year ended March 31, 2003
Cash flows from operating activities	61,656	99,119	185,742
Cash flows from investing activities	-19,997	-33,395	-98,199
Cash flows from financing activities	-6,643	-16,562	-67,143
Cash and cash equivalents at end of period	225,013	217,418	189,243

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

Number of consolidated subsidiaries: 333; non-consolidated subsidiaries: 37; affiliated companies: 24

(5) Changes in accounting method, etc.:

Consolidated subsidiaries: No addition; 1 removal

Companies accounted for by the equity method: No change

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.

2. Forecast of operating results from April 1, 2003 to March 31, 2004		(Millions of yen)
Net sales		1,800,000
Operating income		152,000
Income before income taxes		144,000
Net income		85,000

Note: Net income per share (Consolidated) 114.42 yen

In accordance with Japanese regulations, Ricoh has issued forecast for its financial results for the fiscal year ending March 2004. 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 370 subsidiaries and 24 affiliates.

Their development, manufacturing, sales, and service activities center on office equipment business and other businesses (optical equipments, semiconductors and metering equipments).

Ricoh Company, Ltd., a parent company, heads development. The parent company and subsidiaries or 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 Business>

In this business category, Ricoh provides products and systems that support the enhancement of the office productivity of customers. Major products include:

Digital/analog copiers, MFPs (multifunctional printers), laser printers, facsimile machines, digital duplicators, optical disks. Ricoh also provides solution systems including personal computers and servers, utilizing its information technology. Another business Ricoh also provides are support, service, and related supplies, as well as useware including IT environment setup and network administration.

[Main Subsidiaries and Affiliates]

Production

Japan...Tohoku Ricoh Co., Ltd., Ricoh Elemex Corporation, Ricoh Unitechno Co., Ltd., Hasama Ricoh Inc., Ricoh Microelectronics Co., Ltd., and Ricoh Keiki Co., Ltd.

The Americas...Ricoh Electronics, Inc.

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

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

Sales and Service

Japan ...Ricoh Tohoku Co., Ltd., Ricoh Chubu Co., Ltd., Ricoh Kansai Co., Ltd., Ricoh Chugoku Co., Ltd.,

Ricoh Kyushu Co., Ltd., Tokyo Ricoh Co., Ltd., Osaka Ricoh Co., Ltd. and 43 other sales companies

Ricoh Technosystems Co., Ltd., NBS Ricoh Co., Ltd., Ricoh Leasing Co., Ltd., and Ricoh Logistics System

The Americas...Ricoh Corporation, Savin Corporation, and Lanier Worldwide, Inc.

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

Ricoh Espana S.A., Ricoh Italia S.p.A., and NRG Group PLC

Other regions...Ricoh China Co., Ltd., Ricoh Hong Kong Ltd., Ricoh Asia Pacific Pte, Ltd.,

Ricoh Australia Pty, Ltd., and Ricoh New Zealand Ltd.

<Other Businesses>

Manufacturing and marketing optical equipment, semiconductors and metering equipments, 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.

Sales

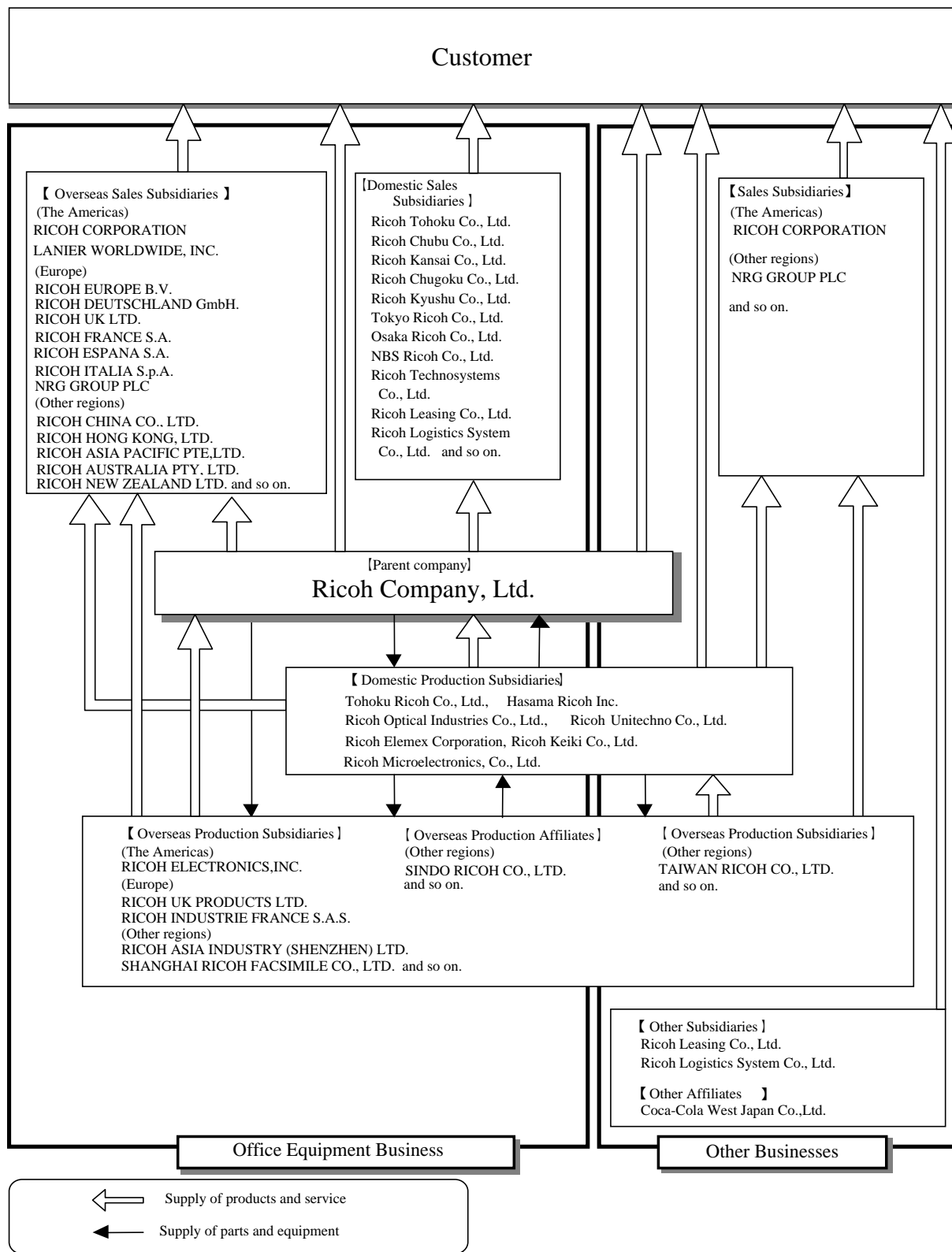
Ricoh Corporation, NRG Group PLC

Other

Ricoh Leasing Co., Ltd., Ricoh Logistics System Co., Ltd., and Coca-Cola West Japan Co., Ltd. (affiliated company)

<Chart of Business System>

The following chart is showing the group positions.



Note: Following subsidiaries are listed on domestic stock exchange.
 Ricoh Leasing Co., Ltd.: Tokyo Stock Exchange, Nagoya Stock Exchange
 Ricoh Elemex Corporation: Tokyo Stock Exchange

Consolidated Performance

1. Consolidated Statements of Income

(Three months ended September 30, 2003 and 2002)

(Millions of yen)

	Three months ended September 30, 2003	Three months ended September 30, 2002	Change	%
Net sales	450,637	428,550	22,087	5.2
Cost of sales	255,282	254,402	880	0.3
<i>Percentage of net sales (%)</i>	56.6	59.4		
Gross Profit	195,355	174,148	21,207	12.2
<i>Percentage of net sales (%)</i>	43.4	40.6		
Selling, general and administrative expenses	156,584	148,747	7,837	5.3
<i>Percentage of net sales (%)</i>	34.8	34.7		
Operating income	38,771	25,401	13,370	52.6
<i>Percentage of net sales (%)</i>	8.6	5.9		
Other (income) expense				
Interest and dividend income	617	1,072	-455	-42.4
<i>Percentage of net sales (%)</i>	0.1	0.3		
Interest expense	1,339	2,291	-952	-41.6
<i>Percentage of net sales (%)</i>	0.3	0.5		
Other, net	3,950	779	3,171	407.1
<i>Percentage of net sales (%)</i>	0.8	0.2		
Income before income taxes, equity income and minority interests	34,099	23,403	10,696	45.7
<i>Percentage of net sales (%)</i>	7.6	5.5		
Provision for income taxes	14,362	11,019	3,343	30.3
<i>Percentage of net sales (%)</i>	3.2	2.6		
Minority interests in earnings of subsidiaries	347	-843	1,190	-
<i>Percentage of net sales (%)</i>	0.1	-0.2		
Equity in earnings of affiliates	520	777	-257	-33.1
<i>Percentage of net sales (%)</i>	0.1	0.2		
Net income	19,910	14,004	5,906	42.2
<i>Percentage of net sales (%)</i>	4.4	3.3		
Reference : Exchange rate				
US\$ 1	¥117.61	¥119.19		
EURO 1	¥132.27	¥117.34		

(Half year ended September 30, 2003, 2002 and year ended March 31, 2003)

(Millions of yen)

	Half year ended September 30, 2003	Half year ended September 30, 2002	Change	%	Year ended March 31, 2003
Net sales	888,090	856,821	31,269	3.6	1,738,358
Cost of sales	499,983	496,176	3,807	0.8	993,009
<i>Percentage of net sales (%)</i>	56.3	57.9			57.1
Gross Profit	388,107	360,645	27,462	7.6	745,349
<i>Percentage of net sales (%)</i>	43.7	42.1			42.9
Selling, general and administrative expenses	310,852	299,317	11,535	3.9	611,695
<i>Percentage of net sales (%)</i>	35.0	34.9			35.2
Operating income	77,255	61,328	15,927	26.0	133,654
<i>Percentage of net sales (%)</i>	8.7	7.2			7.7
Other (income) expense					
Interest and dividend income	1,313	2,035	-722	-35.5	3,772
<i>Percentage of net sales (%)</i>	0.1	0.2			0.2
Interest expense	2,863	4,030	-1,167	-29.0	6,853
<i>Percentage of net sales (%)</i>	0.3	0.5			0.4
Other, net	4,289	3,660	629	17.2	7,103
<i>Percentage of net sales (%)</i>	0.5	0.4			0.4
Income before income taxes, equity income and minority interests	71,416	55,673	15,743	28.3	123,470
<i>Percentage of net sales (%)</i>	8.0	6.5			7.1
Provision for income taxes	28,424	24,020	4,404	18.3	51,984
<i>Percentage of net sales (%)</i>	3.2	2.8			3.0
Minority interests in earnings of subsidiaries	1,699	-264	1,963	-	1,376
<i>Percentage of net sales (%)</i>	0.1	-			0.0
Equity in earnings of affiliates	972	1,608	-636	-39.6	2,403
<i>Percentage of net sales (%)</i>	0.1	0.2			0.1
Net income	42,265	33,525	8,740	26.1	72,513
<i>Percentage of net sales (%)</i>	4.8	3.9			4.2
Reference : Exchange rate					
US\$ 1	¥118.06	¥123.08			¥121.96
EURO 1	¥133.47	¥116.95			¥121.00

2-1. Consolidated Sales by Product Category

(Three months ended September 30, 2003 and 2002)

(Millions of yen)

	Three months ended September 30, 2003	Three months ended September 30, 2002	Change	%
<Office Equipment>				
Imaging Solutions:				
Digital Imaging Systems	150,161	153,096	-2,935	-1.9
<i>Percentage of net sales (%)</i>	<i>33.3</i>	<i>35.7</i>		
Other Imaging Systems	52,165	57,345	-5,180	-9.0
<i>Percentage of net sales (%)</i>	<i>11.6</i>	<i>13.4</i>		
Total Imaging Solutions	202,326	210,441	-8,115	-3.9
<i>Percentage of net sales (%)</i>	<i>44.9</i>	<i>49.1</i>		
Network Input/Output Systems:				
Printing Systems	117,351	94,755	22,596	23.8
<i>Percentage of net sales (%)</i>	<i>26.0</i>	<i>22.1</i>		
Other Input/Output Systems	18,304	13,672	4,632	33.9
<i>Percentage of net sales (%)</i>	<i>4.1</i>	<i>3.2</i>		
Total Network Input/Output Systems	135,655	108,427	27,228	25.1
<i>Percentage of net sales (%)</i>	<i>30.1</i>	<i>25.3</i>		
Network System Solutions	53,795	53,122	673	1.3
<i>Percentage of net sales (%)</i>	<i>11.9</i>	<i>12.4</i>		
Office Equipment Total	391,776	371,990	19,786	5.3
<i>Percentage of net sales (%)</i>	<i>86.9</i>	<i>86.8</i>		
< Other Businesses >				
Other Businesses	58,861	56,560	2,301	4.1
<i>Percentage of net sales (%)</i>	<i>13.1</i>	<i>13.2</i>		
Grand Total	450,637	428,550	22,087	5.2
<i>Percentage of net sales (%)</i>	<i>100.0</i>	<i>100.0</i>		
Reference : Exchange rate				
US\$ 1	¥117.61	¥119.19		
EURO 1	¥132.27	¥117.34		

(Half year ended September 30, 2003, 2002 and year ended March 31, 2003)

(Millions of yen)

	Half year ended September 30, 2003	Half year ended September 30, 2002	Change	%	Year ended March 31, 2003
<Office Equipment>					
Imaging Solutions:					
Digital Imaging Systems	309,158	309,385	-227	-0.1	626,967
<i>Percentage of net sales (%)</i>	<i>34.8</i>	<i>36.1</i>			<i>36.1</i>
Other Imaging Systems	105,936	120,977	-15,041	-12.4	232,746
<i>Percentage of net sales (%)</i>	<i>11.9</i>	<i>14.1</i>			<i>13.4</i>
Total Imaging Solutions	415,094	430,362	-15,268	-3.5	859,713
<i>Percentage of net sales (%)</i>	<i>46.7</i>	<i>50.2</i>			<i>49.5</i>
Network Input/Output Systems:					
Printing Systems	233,457	189,408	44,049	23.3	408,830
<i>Percentage of net sales (%)</i>	<i>26.3</i>	<i>22.1</i>			<i>23.5</i>
Other Input/Output Systems	29,725	29,535	190	0.6	54,549
<i>Percentage of net sales (%)</i>	<i>3.3</i>	<i>3.5</i>			<i>3.2</i>
Total Network Input/Output Systems	263,182	218,943	44,239	20.2	463,379
<i>Percentage of net sales (%)</i>	<i>29.6</i>	<i>25.6</i>			<i>26.7</i>
Network System Solutions	97,232	100,052	-2,820	-2.8	197,482
<i>Percentage of net sales (%)</i>	<i>11.0</i>	<i>11.7</i>			<i>11.3</i>
Office Equipment Total	775,508	749,357	26,151	3.5	1,520,574
<i>Percentage of net sales (%)</i>	<i>87.3</i>	<i>87.5</i>			<i>87.5</i>
< Other Businesses >					
Other Businesses	112,582	107,464	5,118	4.8	217,784
<i>Percentage of net sales (%)</i>	<i>12.7</i>	<i>12.5</i>			<i>12.5</i>
Grand Total	888,090	856,821	31,269	3.6	1,738,358
<i>Percentage of net sales (%)</i>	<i>100.0</i>	<i>100.0</i>			<i>100.0</i>
Reference : Exchange rate					
US\$ 1	¥118.06	¥123.08			¥121.96
EURO 1	¥133.47	¥116.95			¥121.00

Each category includes the following product line:

Digital Imaging Systems	Digital PPCs, color PPCs, digital duplicators and facsimile machines
Other Imaging Systems	Analog PPCs, diazo copiers, and thermal paper
Printing Systems	MFPs(multifunctional printers), laser printers and software
Other Input/Output Systems	Optical discs and system scanners
Network System Solutions	Personal computers, PC servers, network systems and network related software
Other Businesses	Optical equipments, metering equipments and semiconductors

2-2. Consolidated Sales by Geographic Area

(Three months ended September 30, 2003 and 2002)

(Millions of yen)

	Three months ended September 30, 2003	Three months ended September 30, 2002	Change	%
<Domestic>	224,301	224,731	-430	-0.2
<i>Percentage of net sales (%)</i>	49.8	52.4		
<Overseas>	226,336	203,819	22,517	11.0
<i>Percentage of net sales (%)</i>	50.2	47.6		
The Americas	88,173	86,262	1,911	2.2
<i>Percentage of net sales (%)</i>	19.6	20.1		
Europe	98,332	82,909	15,423	18.6
<i>Percentage of net sales (%)</i>	21.8	19.4		
Other	39,831	34,648	5,183	15.0
<i>Percentage of net sales (%)</i>	8.8	8.1		
Grand Total	450,637	428,550	22,087	5.2
<i>Percentage of net sales (%)</i>	100.0	100.0		
Reference : Exchange rate				
US\$ 1	¥117.61	¥119.19		
EURO 1	¥132.27	¥117.34		

(Half year ended September 30, 2003, 2002 and year ended March 31, 2003)

(Millions of yen)

	Half year ended September 30, 2003	Half year ended September 30, 2002	Change	%	Year ended March 31, 2003
<Domestic>	448,636	449,575	-939	-0.2	896,022
<i>Percentage of net sales (%)</i>	50.5	52.5			51.5
<Overseas>	439,454	407,246	32,208	7.9	842,336
<i>Percentage of net sales (%)</i>	49.5	47.5			48.5
The Americas	167,664	170,433	-2,769	-1.6	343,940
<i>Percentage of net sales (%)</i>	18.9	19.9			19.8
Europe	196,951	166,169	30,782	18.5	354,477
<i>Percentage of net sales (%)</i>	22.2	19.4			20.4
Other	74,839	70,644	4,195	5.9	143,919
<i>Percentage of net sales (%)</i>	8.4	8.2			8.3
Grand Total	888,090	856,821	31,269	3.6	1,738,358
<i>Percentage of net sales (%)</i>	100.0	100.0			100.0
Reference : Exchange rate					
US\$ 1	¥118.06	¥123.08			¥121.96
EURO 1	¥133.47	¥116.95			¥121.00

3. Consolidated Balance Sheets

(September 30, 2003 and March 31, 2003)

Assets	(Millions of yen)		
	September 30, 2003	March 31, 2003	Change
Current Assets			
Cash and time deposits	226,894	200,330	26,564
Trade receivables	407,634	417,942	-10,308
Marketable securities	136	107	29
Inventories	152,154	146,051	6,103
Other current assets	58,567	58,083	484
Total Current Assets	845,385	822,513	22,872
Fixed Assets			
Tangible fixed assets	242,258	248,752	-6,494
Finance receivable	497,109	476,293	20,816
Other Investments	327,410	337,364	-9,954
Total Fixed Assets	1,066,777	1,062,409	4,368
Total Assets	1,912,162	1,884,922	27,240

Note:

Contents of cash and time deposits:

Cash and cash equivalents	225,013	189,243
Time deposits	1,881	11,087

Liabilities and Shareholders' Investment	(Millions of yen)		
	September 30, 2003	March 31, 2003	Change
Current Liabilities			
Trade payables	273,276	280,798	-7,522
Short-term borrowings	200,568	138,713	61,855
Other current liabilities	161,423	169,072	-7,649
Total Current Liabilities	635,267	588,583	46,684
Fixed Liabilities			
Long-term indebtedness	284,392	345,902	-61,510
Retirement benefit obligation	212,756	209,011	3,745
Other fixed liabilities	28,219	30,653	-2,434
Total Fixed Liabilities	525,367	585,566	-60,199
Total Liabilities	1,160,634	1,174,149	-13,515
Minority Interest	48,453	53,259	-4,806
Shareholders' Investment			
Common stock	135,364	135,364	0
Additional paid-in capital	186,600	186,521	79
Retained earnings	471,815	434,748	37,067
Accumulated other comprehensive income (loss)	-86,531	-94,733	8,202
Treasury stock	-4,173	-4,386	213
Total Shareholders' Investment	703,075	657,514	45,561
Total Liabilities and Shareholders' Investment	1,912,162	1,884,922	27,240

Note: Other comprehensive income;

Net unrealized holding gains on available-for-sale securities	11,381	8,582	2,799
Pension liability adjustments	-83,411	-89,119	5,708
Net unrealized gains (losses) on derivative instruments	-58	-178	120
Cumulative translation adjustments	-14,443	-14,018	-425

Reference: Exchange rate	September 30, 2003	March 31, 2003
US\$ 1	¥111.25	¥120.20
EURO 1	¥129.19	¥129.83

4. Retained Earnings

For the half year ended September 30, 2003 and year ended March 31, 2003

	(Millions of yen)	
	Half year ended September 30, 2003	Year ended March 31, 2003
Retained earnings (beginning balance)	434,748	385,741
Net income	42,265	72,513
Cash dividends	5,198	10,178
Retirement of treasury stock	-	13,328
Retained earnings (ending balance)	471,815	434,748

5. Consolidated Statements of Cash Flow

(Half year ended September 30, 2003, 2002 and year ended March 31, 2003)

(Millions of yen)

	Half year ended September 30, 2003	Half year ended September 30, 2002	Year ended March 31, 2003
I. Cash Flows from Operating Activities:			
1. Net income	42,265	33,525	72,513
2. Adjustments to reconcile net income to net cash provided by operating activities—			
Depreciation and amortization	37,827	36,782	76,551
Equity in earnings of affiliates, net of dividends received	-230	-670	-1,167
Deferred income taxes	-1,257	-5,030	-9,289
Loss on disposal and sales of tangible fixed assets	837	777	1,975
Changes in assets and liabilities—			
Decrease in trade receivables	7,935	30,129	22,176
(Increase) decrease in inventories	-7,979	9,521	14,983
Increase in finance receivables	-21,723	-20,230	-33,109
(Decrease) increase in trade payables	-6,773	-5,339	5,632
(Decrease) increase in accrued income taxes and accrued expenses and other	-5,069	-2,004	11,173
Retirement benefit obligation, net	9,806	5,354	7,806
Other, net	6,017	16,304	16,498
Net cash provided by operating activities	61,656	99,119	185,742
II. Cash Flows from Investing Activities:			
1. Proceeds from sales of plant and equipment	134	174	245
2. Expenditures for tangible fixed assets	-36,282	-36,576	-71,984
3. Payments for purchases of available-for-sale securities	-25,103	-22,019	-52,219
4. Proceeds from sales of available-for-sale securities	33,514	22,133	24,513
5. Increase in investments in and advances to affiliates	-141	-586	-448
6. Decrease in time deposits	9,159	3,815	944
7. Other, net	-1,278	-336	750
Net cash used in investing activities	-19,997	-33,395	-98,199
III. Cash Flows from Financing Activities:			
1. Proceeds from long-term indebtedness	1,125	51,032	58,194
2. Repayment of long-term indebtedness	-15,970	-11,559	-23,133
3. Increase (decrease) in short-term borrowings, net	30,244	-48,641	-73,393
4. Proceeds from issuance of long-term debt securities	1,000	10,000	11,000
5. Repayment of long-term debt securities	-14,000	-11,553	-11,723
6. Cash dividends paid	-5,181	-5,089	-10,176
7. Purchase of treasury stocks	-3,643	-460	-17,281
8. Other, net	-218	-292	-631
Net cash used in financing activities	-6,643	-16,562	-67,143
IV. Effect of Exchange Rate Changes on Cash and Cash Equivalents	754	-1,916	-1,329
V. Net Increase in Cash and Cash Equivalents	35,770	47,246	19,071
VI. Cash and Cash Equivalents at Beginning of Year	189,243	170,172	170,172
VII. Cash and Cash Equivalents at End of Period	225,013	217,418	189,243

6. Segment Information

(1) Industry Segment Information

(Three months ended September 30, 2003 and 2002)

(Millions of yen)

	Three months ended September 30, 2003	Three months ended September 30, 2002	Change	%
Office Equipment:				
Net sales:				
Unaffiliated customers	391,776	371,990	19,786	5.3
Intersegment	-	-	-	-
Total	391,776	371,990	19,786	5.3
Operating expenses	337,322	325,007	12,315	3.8
Operating income	54,454	46,983	7,471	15.9
<i>Operating income on office equipment sales(%)</i>	<i>13.9</i>	<i>12.6</i>		
Other Businesses:				
Net sales:				
Unaffiliated customers	58,861	56,560	2,301	4.1
Intersegment	538	754	-216	-28.6
Total	59,399	57,314	2,085	3.6
Operating expenses	58,825	60,766	-1,941	-3.2
Operating income	574	-3,452	4,026	-
<i>Operating income on sales in other businesses (%)</i>	<i>1.0</i>	<i>-6.0</i>		
Corporate and Eliminations:				
Net sales:				
Intersegment	-538	-754	216	-
Total	-538	-754	216	-
Operating expenses:				
Intersegment	-548	-736	188	-
Corporate	16,267	18,112	-1,845	-
Total	15,719	17,376	-1,657	-
Operating income	-16,257	-18,130	1,873	-
Consolidated:				
Net sales:				
Unaffiliated customers	450,637	428,550	22,087	5.2
Intersegment	-	-	-	-
Total	450,637	428,550	22,087	5.2
Operating expenses	411,866	403,149	8,717	2.2
Operating income	38,771	25,401	13,370	52.6
<i>Operating income on consolidated net sales(%)</i>	<i>8.6</i>	<i>5.9</i>		

Identifiable assets: (Millions of yen)

	September 30, 2003	September 30, 2002	Change	%
Office Equipment	1,196,927	1,168,995	27,932	2.4
Other Businesses	184,083	184,776	-693	-0.4
Elimination	-7,596	-6,851	-745	10.9
Corporate assets	538,748	479,465	59,283	12.4
Total	1,912,162	1,826,385	85,777	4.7

Capital expenditure: (Millions of yen)

	Three months ended September 30, 2003	Three months ended September 30, 2002	Change	%
Office Equipment	14,621	19,352	-4,731	-24.4
Other Businesses	2,665	1,194	1,471	123.2
Corporate	391	266	125	47.0
Total	17,677	20,812	-3,135	-15.1

Depreciation: (Millions of yen)

	Three months ended September 30, 2003	Three months ended September 30, 2002	Change	%
Office Equipment	14,436	14,411	25	0.2
Other Businesses	1,694	1,802	-108	-6.0
Corporate	466	699	-233	-33.3
Total	16,596	16,912	-316	-1.9

(Half year ended September 30, 2003, 2002 and year ended March 31, 2003)

(Millions of yen)

	Half year ended September 30, 2003	Half year ended September 30, 2002	Change	%	Year ended March 31, 2003
Office Equipment:					
Net sales:					
Unaffiliated customers	775,508	749,357	26,151	3.5	1,520,574
Intersegment	-	-	-	-	-
Total	775,508	749,357	26,151	3.5	1,520,574
Operating expenses	672,809	655,773	17,036	2.6	1,329,776
Operating income	102,699	93,584	9,115	9.7	190,798
<i>Operating income on office equipment sales(%)</i>	13.2	12.5			12.5
Other Businesses:					
Net sales:					
Unaffiliated customers	112,582	107,464	5,118	4.8	217,784
Intersegment	1,165	1,492	-327	-21.9	2,755
Total	113,747	108,956	4,791	4.4	220,539
Operating expenses	110,761	112,047	-1,286	-1.1	222,772
Operating income	2,986	-3,091	6,077	-	-2,233
<i>Operating income on sales in other businesses (%)</i>	2.6	-2.8			-1.0
Corporate and Eliminations:					
Net sales:					
Intersegment	-1,165	-1,492	327	-	-2,755
Total	-1,165	-1,492	327	-	-2,755
Operating expenses:					
Intersegment	-1,195	-1,487	292	-	-2,726
Corporate	28,460	29,160	-700	-	54,882
Total	27,265	27,673	-408	-	52,156
Operating income	-28,430	-29,165	735	-	-54,911
Consolidated:					
Net sales:					
Unaffiliated customers	888,090	856,821	31,269	3.6	1,738,358
Intersegment	-	-	-	-	-
Total	888,090	856,821	31,269	3.6	1,738,358
Operating expenses	810,835	795,493	15,342	1.9	1,604,704
Operating income	77,255	61,328	15,927	26.0	133,654
<i>Operating income on consolidated net sales(%)</i>	8.7	7.2			7.7

Identifiable assets:

(Millions of yen)

	September 30, 2003	September 30, 2002	Change	%	March 31, 2003
Office Equipment	1,196,927	1,168,995	27,932	2.4	1,198,706
Other Businesses	184,083	184,776	-693	-0.4	176,296
Elimination	-7,596	-6,851	-745	10.9	-6,908
Corporate assets	538,748	479,465	59,283	12.4	516,828
Total	1,912,162	1,826,385	85,777	4.7	1,884,922

Capital expenditure:

(Millions of yen)

	Half year ended September 30, 2003	Half year ended September 30, 2002	Change	%	Year ended March 31, 2003
Office Equipment	31,938	35,202	-3,264	-9.3	65,720
Other Businesses	3,916	2,673	1,243	46.5	7,213
Corporate	480	546	-66	-12.1	1,023
Total	36,334	38,421	-2,087	-5.4	73,956

Depreciation:

(Millions of yen)

	Half year ended September 30, 2003	Half year ended September 30, 2002	Change	%	Year ended March 31, 2003
Office Equipment	29,378	29,718	-340	-1.1	60,687
Other Businesses	3,349	3,115	234	7.5	6,917
Corporate	895	1,062	-167	-15.7	1,954
Total	33,622	33,895	-273	-0.8	69,558

(2) Geographic Segment Information

(Three months ended September 30, 2003 and 2002)

(Millions of yen)

	Three months ended September 30, 2003	Three months ended September 30, 2002	Change	%
Japan:				
Net sales:				
External customers	240,584	238,610	1,974	0.8
Intersegment	87,257	74,386	12,871	17.3
Total	327,841	312,996	14,845	4.7
Operating expenses	304,898	301,485	3,413	1.1
Operating income	22,943	11,511	11,432	99.3
<i>Operating income on sales in Japan(%)</i>	7.0	3.7		
The Americas:				
Net sales:				
External customers	84,431	82,734	1,697	2.1
Intersegment	1,410	1,278	132	10.3
Total	85,841	84,012	1,829	2.2
Operating expenses	80,451	77,845	2,606	3.3
Operating income	5,390	6,167	-777	-12.6
<i>Operating income on sales in the Americas(%)</i>	6.3	7.3		
Europe:				
Net sales:				
External customers	97,797	82,046	15,751	19.2
Intersegment	715	535	180	33.6
Total	98,512	82,581	15,931	19.3
Operating expenses	94,490	78,871	15,619	19.8
Operating income	4,022	3,710	312	8.4
<i>Operating income on sales in Europe(%)</i>	4.1	4.5		
Other:				
Net sales:				
External customers	27,825	25,160	2,665	10.6
Intersegment	24,110	19,254	4,856	25.2
Total	51,935	44,414	7,521	16.9
Operating expenses	49,722	42,112	7,610	18.1
Operating income	2,213	2,302	-89	-3.9
<i>Operating income on sales in other(%)</i>	4.3	5.2		
Corporate and Eliminations:				
Net sales:				
Intersegment	-113,492	-95,453	-18,039	-
Total	-113,492	-95,453	-18,039	-
Operating expenses:	-117,695	-97,164	-20,531	-
Operating income	4,203	1,711	2,492	-
Consolidated:				
Net sales:				
External customers	450,637	428,550	22,087	5.2
Intersegment	-	-	-	-
Total	450,637	428,550	22,087	5.2
Operating expenses	411,866	403,149	8,717	2.2
Operating income	38,771	25,401	13,370	52.6
<i>Operating income on consolidated net sales(%)</i>	8.6	5.9		

Identifiable assets:

(Millions of yen)

	September 30, 2003	September 30, 2002	Change	%
Japan	1,061,188	1,047,667	13,521	1.3
The Americas	192,700	204,813	-12,113	-5.9
Europe	186,650	165,816	20,834	12.6
Other	69,154	59,483	9,671	16.3
Elimination	-136,278	-130,859	-5,419	4.1
Corporate assets	538,748	479,465	59,283	12.4
Total	1,912,162	1,826,385	85,777	4.7

(Half year ended September 30, 2003, 2002 and year ended March 31, 2003)

(Millions of yen)

	Half year ended September 30, 2003	Half year ended September 30, 2002	Change	%	Year ended March 31, 2003
Japan:					
Net sales:					
External customers	478,922	478,814	108	0.0	954,310
Intersegment	184,331	152,398	31,933	21.0	320,596
Total	663,253	631,212	32,041	5.1	1,274,906
Operating expenses	606,466	593,978	12,488	2.1	1,188,760
Operating income	56,787	37,234	19,553	52.5	86,146
<i>Operating income on sales in Japan(%)</i>	8.6	5.9			6.8
The Americas:					
Net sales:					
External customers	161,965	164,940	-2,975	-1.8	333,935
Intersegment	2,992	2,537	455	17.9	5,620
Total	164,957	167,477	-2,520	-1.5	339,555
Operating expenses	157,274	159,936	-2,662	-1.7	325,228
Operating income	7,683	7,541	142	1.9	14,327
<i>Operating income on sales in the Americas(%)</i>	4.7	4.5			4.2
Europe:					
Net sales:					
External customers	196,560	165,668	30,892	18.6	352,943
Intersegment	1,771	1,432	339	23.7	3,019
Total	198,331	167,100	31,231	18.7	355,962
Operating expenses	188,819	160,097	28,722	17.9	337,693
Operating income	9,512	7,003	2,509	35.8	18,269
<i>Operating income on sales in Europe(%)</i>	4.8	4.2			5.1
Other:					
Net sales:					
External customers	50,643	47,399	3,244	6.8	97,170
Intersegment	49,225	34,830	14,395	41.3	72,664
Total	99,868	82,229	17,639	21.5	169,834
Operating expenses	95,302	77,669	17,633	22.7	159,864
Operating income	4,566	4,560	6	0.1	9,970
<i>Operating income on sales in other(%)</i>	4.6	5.5			5.9
Corporate and Eliminations:					
Net sales:					
Intersegment	-238,319	-191,197	-47,122	-	-401,899
Total	-238,319	-191,197	-47,122	-	-401,899
Operating expenses:	-237,026	-196,187	-40,839	-	-406,841
Operating income	-1,293	4,990	-6,283	-	4,942
Consolidated:					
Net sales:					
External customers	888,090	856,821	31,269	3.6	1,738,358
Intersegment	-	-	-	-	-
Total	888,090	856,821	31,269	3.6	1,738,358
Operating expenses	810,835	795,493	15,342	1.9	1,604,704
Operating income	77,255	61,328	15,927	26.0	133,654
<i>Operating income on consolidated net sales(%)</i>	8.7	7.2			7.7

Identifiable assets:

(Millions of yen)

	September 30, 2003	September 30, 2002	Change	%	March 31, 2003
Japan	1,061,188	1,047,667	13,521	1.3	1,064,857
The Americas	192,700	204,813	-12,113	-5.9	201,359
Europe	186,650	165,816	20,834	12.6	174,541
Other	69,154	59,483	9,671	16.3	70,458
Elimination	-136,278	-130,859	-5,419	4.1	-143,121
Corporate assets	538,748	479,465	59,283	12.4	516,828
Total	1,912,162	1,826,385	85,777	4.7	1,884,922

7. Significant Accounting Policies (Consolidated)

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

Consolidated subsidiaries:

No addition

Removal : Office Research Institute Co., Ltd.

Companies accounted for by the equity method: No change

2. Consolidated Accounting Policies (Summary)

(1) Principles of Consolidation

The consolidated financial statements include the accounts of Ricoh and its consolidated subsidiaries. Investments in 20% to 50% owned companies when the company has the ability to exercise significant influence are accounted for on the equity basis. All significant inter-company balances and transactions have been eliminated in consolidation.

(2) Securities

In conformity with SFAS No.115, securities are mainly classified as available-for-sale securities. Available-for-sale securities 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 is computed based on the average cost of each security held at the time of sale.

(3) Inventories

Inventories are mainly 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 and Other Intangible Assets

In conformity with SFAS No.142, Goodwill and intangible asset determined to have an indefinite useful life are not amortized. SFAS No. 142 requires annual impairment testing thereof.

(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, including impairment losses of long-lived assets and the disclosures of fair value of financial instruments and contingent assets and liabilities, to prepare these financial statements in conformity with generally accepted accounting principles. Actual results could differ from those estimates.

8. Notes to Consolidated Financial Statements

(1) Fair Value of Marketable Securities

The securities and the respective cost, gross unrealized holding gains, gross unrealized holding losses and fair value as of September 30, 2003 and March 31, 2003 are as follows:

(Millions of yen)

September 30, 2003				
	Cost	Gross unrealized holding gains	Gross unrealized holding losses	Fair value
Current:				
Corporate debt securities	121	4	-	125
Other	11	-	-	11
	132	4	-	136
Noncurrent:				
Equity securities	6,088	8,146	126	14,108
Corporate debt securities	45,013	2	83	44,932
Other	1,261	266	12	1,515
Nonmarketable securities (at cost)	7,171	-	-	7,171
	59,533	8,414	221	67,726

(Millions of yen)

March 31, 2003				
	Cost	Gross unrealized holding gains	Gross unrealized holding losses	Fair value
Current:				
Corporate debt securities	107	-	-	107
Other	-	-	-	-
	107	-	-	107
Noncurrent:				
Equity securities	6,328	5,148	519	10,957
Corporate debt securities	45,020	5	195	44,830
Other	9,459	10	654	8,815
Nonmarketable securities (at cost)	7,371	-	-	7,371
	68,178	5,163	1,368	71,973

(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 their assets and liabilities. The outstanding agreements, carrying amount and estimated fair value of derivative financial instruments as of September 30, 2003, and March 31, 2003 are as follows:

(Millions of yen)

September 30, 2003		
	Carrying amount	Estimated Fair value
Interest rate swap agreements, net	2,543	2,543
Foreign currency contracts-net credit	1,136	1,136
Currency options-net credit	1,147	1,147
Total	4,826	4,826

(Millions of yen)

March 31, 2003		
	Carrying amount	Estimated Fair value
Interest rate swap agreements, net	3,985	3,985
Foreign currency contracts-net credit	-594	-594
Currency options	-466	-466
Total	2,925	2,925

(3) Transactions of Ricoh with affiliates

(Millions of yen)

	September 30, 2003	March 31, 2003
Account balances:		
Receivables	5,768	6,434
Payables	2,524	1,604
Transactions:		
Sales	11,196	26,510
Purchases	6,485	19,808
Dividend income	742	1,236

Ricoh Company, Ltd.

INTERIM REPORT (Non-consolidated. Half year ended September 30, 2003)

*Date of approval for the financial results for the half year ended September 30, 2003

at the Board of Directors' meeting: October 29, 2003

*Start of cash dividends payment: December 1, 2003

1. Results for the Period from April 1 to September 30, 2003 (Non-consolidated)

(1) Operating Results

	(Millions of yen)		
	Half year ended September 30, 2003	Half year ended September 30, 2002	Year ended March 31, 2003
Net sales	444,103	417,734	855,024
<i>(% change from the previous corresponding period)</i>	<i>6.3</i>	<i>-1.6</i>	
Operating income	41,988	32,518	71,856
<i>(% change from the previous corresponding period)</i>	<i>29.1</i>	<i>-0.2</i>	
Ordinary income	40,350	33,736	68,898
<i>(% change from the previous corresponding period)</i>	<i>19.6</i>	<i>4.2</i>	
Interim (net) income	25,773	21,383	42,880
<i>(% change from the previous corresponding period)</i>	<i>20.5</i>	<i>13.2</i>	
Net income per share (yen)	34.63	29.41	58.76

Notes: i Average number of shares outstanding:

Half year ended September 30, 2003	744,261,032 shares
Half year ended September 30, 2002	727,020,387 shares
Year ended March 31, 2003	726,659,698 shares

ii No change in accounting method has been made.

(2) Dividend Information

	(Yen)		
	Half year ended September 30, 2003	Half year ended September 30, 2002	Year ended March 31, 2003
Cash dividends, applicable to the half year	8.00	7.00	-
Cash dividends, applicable to the year		-	14.00

(3) Financial Position

	(Millions of yen)		
	September 30, 2003	September 30, 2002	March 31, 2003
Total assets	948,502	913,289	933,341
Shareholders' equity	623,320	568,280	596,694
Equity ratio (%)	65.7	62.2	63.9
Equity per share (yen)	839.03	781.77	803.26

Notes: Number of shares issued:

Half year ended September 30, 2003	742,906,263 shares
Half year ended September 30, 2002	726,919,110 shares
Year ended March 31, 2003	742,608,635 shares

Number of Treasury stocks:

Half year ended September 30, 2003	2,005,815 shares
Half year ended September 30, 2002	405,422 shares
Year ended March 31, 2003	2,303,443 shares

(4) Forecast of operating results from April 1, 2003 to March 31, 2004 (Non-consolidated)

	(Millions of yen)	
Net sales	884,000	
Ordinary income	76,000	
Net income	61,000	
Cash dividends, applicable to the year (yen)	16.00	

Note: Net income per share ¥ 82.11

In accordance with Japanese regulations, Ricoh has issued forecast for its financial results for the fiscal year ending March 2004. 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.

9. Non-consolidated Performance

(1) Statement of Income (Non-consolidated)

(For the half years ended September 30, 2003, 2002 and year ended March 31, 2003)

(Millions of yen)

	Half year ended September 30, 2003	Half year ended September 30, 2002	Change	%	Year ended March 31, 2003
Net sales	444,103	417,734	26,369	6.3	855,024
Cost of sales	295,961	287,319	8,642	3.0	584,539
<i>Percentage of net sales (%)</i>	66.6	68.8			68.4
Gross profit	148,142	130,414	17,728	13.6	270,485
<i>Percentage of net sales (%)</i>	33.4	31.2			31.6
Selling, general and administrative expenses	106,154	97,896	8,258	8.4	198,628
<i>Percentage of net sales (%)</i>	23.9	23.4			23.2
Operating income	41,988	32,518	9,470	29.1	71,856
<i>Percentage of net sales (%)</i>	9.5	7.8			8.4
Non-operating income	5,157	6,646	-1,489	-22.4	11,361
<i>Percentage of net sales (%)</i>	1.1	1.6			1.3
Non-operating expenses	6,795	5,428	1,367	25.2	14,319
<i>Percentage of net sales (%)</i>	1.5	1.3			1.6
Ordinary income	40,350	33,736	6,614	19.6	68,898
<i>Percentage of net sales (%)</i>	9.1	8.1			8.1
Income before income taxes	40,350	33,736	6,614	19.6	68,898
<i>Percentage of net sales (%)</i>	9.1	8.1			8.1
Provision for income taxes	14,300	17,100	-2,800	-16.4	33,880
<i>Percentage of net sales (%)</i>	3.2	4.1			4.0
Corporate and other tax adjustments	277	-4,747	5,024	-105.8	-7,862
<i>Percentage of net sales (%)</i>	0.1	-1.1			-0.9
Interim (net) income	25,773	21,383	4,390	20.5	42,880
<i>Percentage of net sales (%)</i>	5.8	5.1			5.0
Retained earnings at beginning of year	5,736	5,703	33		5,703
Reversal of reserve for social contribution	56	36	20		81
Retirement of Treasury Stocks	-	-	-		13,328
Interim dividends	-	-	-		5,088
Retained earnings at end of half year (year)	31,566	27,122	4,444		30,248

Reference:

Exchange rate

	Half year ended September 30, '03	Half year ended September 30, '02	Year ended March 31, '03
US\$ 1	118.16	122.67	121.83
EURO 1	133.60	116.92	121.21

Notes:

(Millions of yen)

	Half year ended September 30, 2003	Half year ended September 30, 2002	Year ended March 31, '03
1. Material components of other income:			
Interest income	1,365	1,591	3,078
Dividend income	1,828	2,468	3,800
Foreign currency exchange gains	-	798	256
2. Material components of other expenses			
Interest on bonds	733	786	1,523
Foreign currency exchange losses	3,580	-	-
Loss on disposal of fixed assets	702	499	1,273
Losses on securities holdings	395	444	1,162
3. Depreciation			
Tangible fixed assets	8,647	8,879	19,458
Intangible fixed assets	1,807	1,249	2,762

(2) Balance Sheets (Non-consolidated)

(September 30, 2003 and March 31, 2003)

Assets	(Millions of yen)		
	September 30, 2003	March 31, 2003	Change
Current Assets	522,404	498,155	24,249
Cash on hand and in banks	12,871	8,951	3,920
Notes receivable-trade	7,954	6,287	1,667
Accounts receivable-trade	210,799	170,349	40,450
Marketable securities	161,859	132,096	29,763
Inventories	41,984	35,361	6,623
Accounts receivable-other	44,041	119,481	-75,440
Other current assets	45,054	26,675	18,379
Allowance for doubtful accounts	-2,160	-1,049	-1,111
Fixed Assets	426,098	435,186	-9,088
Tangible Fixed Assets	107,001	107,183	-182
Buildings	40,854	41,408	-554
Machinery and equipment	19,117	18,914	203
Land	24,478	24,478	-
Other fixed assets	22,551	22,382	169
Intangible Fixed Assets	23,744	21,346	2,398
Investments and Other Assets	295,351	306,655	-11,304
Investment securities	205,250	202,766	2,484
Long-term loans receivable	41,625	55,482	-13,857
Other investments	51,416	51,184	232
Allowance for doubtful accounts	-2,941	-2,777	-164
Total Assets	948,502	933,341	15,161

Reference:

Exchange rate

	September 30, 2003	March 31, 2003
US\$ 1	111.25	120.20
EURO 1	129.19	129.83

Notes:

	(Millions of yen)	
	September 30, 2003	March 31, 2003
1. Accumulated depreciation on tangible fixed assets	320,829	319,167
2. Trade notes receivable discounted with banks	41	47
3. Guarantee obligations	856	1,115

(September 30, 2003 and March 31, 2003)

Liabilities	(Millions of yen)		
	September 30, 2003	March 31, 2003	Change
Current Liabilities	182,728	201,259	-18,531
Notes payable-trade	4,224	6,822	-2,598
Accounts payable-trade	95,154	100,348	-5,194
Accrued expenses	7,553	7,791	-238
Accounts payable-other	42,786	44,789	-2,003
Accrued corporate tax	13,719	19,375	-5,656
Accrued bonus	13,994	15,838	-1,844
Warranty reserve	231	202	29
Other current liabilities	5,064	6,090	-1,025
Fixed Liabilities	142,452	135,387	7,065
Bonds	100,000	100,000	-
Retirement benefit obligation	41,522	34,507	7,015
Reserve for directors' retirement allowances	930	879	51
Total Liabilities	325,181	336,646	-11,465

Shareholders' Equity	(Millions of yen)		
	September 30, 2003	March 31, 2003	Change
Common Stock	135,364	135,364	-
Additional paid-in-capital	179,522	176,131	3,391
Capital reserve	179,522	176,131	3,391
Other additional paid-in-capital	0	-	0
Retained earnings	308,419	288,027	20,392
Legal reserve	14,955	14,955	-
Voluntary reserves	261,898	242,824	19,074
Unappropriated retained earnings	31,566	30,248	1,318
Net unrealized holding gains on securities	4,186	1,556	2,630
Treasury stock	-4,173	-4,386	213
Total Shareholders' Equity	623,320	596,694	26,626
Total Liabilities and Shareholders' Equity	948,502	933,341	15,161

Reference:

Exchange rate		
	September 30, 2003	March 31, 2003
US\$ 1	111.25	120.20
EURO 1	129.19	129.83

Significant Accounting Policies (Non-consolidated)

1. Accounting policy for assets

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

(2) Securities

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

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 valued at 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.

The range of the estimated useful life regarding principal tangible fixed assets are follows.

Buildings: 2 ~ 50 years

Machinery and equipment: 2 ~ 12 years

(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 a 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 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) Warranty reserve

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

(4) Reserve for Retirement Benefit Obligations

To cover projected employee benefits, the Company records the estimated obligations at the end of current fiscal year based on projected year-end benefit obligations and plan assets. The company uses straight-line depreciation for actuarial gains or losses and for prior service costs over averaged remaining employment term. (15years)

(Additional information)

On January 1, 2003, the Company obtained an approval for the exemption from the future benefit obligation of the Japanese government of the substitute portion in accordance with new law concerning the defined benefit plan.

Substitutional portion (minimum actuarial liability) as of September 30, 2003 is estimated at ¥ 54,697 million. If the transitional provisions as prescribed in paragraph 44-2 of the JICPA Accounting Committee Report No.13 "Practical Guideline for Accounting of Retirement (Interim report)" were applied, estimated gain on transfer of substitutional portion would be ¥ 19,587 million.

(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

There is no Hedging Instrument or Hedging Target at the end of current fiscal year.

(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 first half of the year is included in "Other current assets", after offsetting suspense payments and receipt of consumption taxes and etc.

7. Provision for income taxes

Ricoh calculates "Provision for income taxes" and "Corporate and other tax adjustments" based on projected reserve and reserve reversal for deferral of capital on property and for special depreciation in this year.

(Securities)

Fair values of subsidiaries and affiliates

1. Year ended March 31, 2003

(Millions of yen)

	Balance Sheets	Fair value	Difference
Securities of consolidated companies	6,966	26,552	19,586
Securities of affiliated companies	6,935	43,295	36,359
Total	13,901	69,848	55,946

2. Half year ended September 30, 2002

(Millions of yen)

	Balance Sheets	Fair value	Difference
Securities of consolidated companies	9,259	35,046	25,787
Securities of affiliated companies	6,935	48,372	41,437
Total	16,194	83,419	67,224

3. Half year ended September 30, 2003

(Millions of yen)

	Balance Sheets	Fair value	Difference
Securities of consolidated companies	7,206	31,814	24,607
Securities of affiliated companies	6,935	46,514	39,578
Total	14,142	78,328	64,186

-APPENDIX- (Half year ended September 30, 2003)

1. Consolidated Sales by Product Category

(Three months ended September 30, 2003 and 2002)

(Millions of yen)

	Three months ended September 30, 2003	Three months ended September 30, 2002	Change	%	Change excluding exchange impact	%
<Office Equipment>						
Imaging Solutions:						
Digital Imaging Systems	150,161	153,096	-2,935	-1.9	-6,966	-4.6
<i>Percentage of net sales (%)</i>	<i>33.3</i>	<i>35.7</i>				
Domestic	58,879	64,916	-6,037	-9.3	-6,037	-9.3
Overseas	91,282	88,180	3,102	3.5	-929	-1.1
Other Imaging Systems	52,165	57,345	-5,180	-9.0	-7,271	-12.7
<i>Percentage of net sales (%)</i>	<i>11.6</i>	<i>13.4</i>				
Domestic	17,215	18,555	-1,340	-7.2	-1,340	-7.2
Overseas	34,950	38,790	-3,840	-9.9	-5,931	-15.3
Total Imaging Solutions	202,326	210,441	-8,115	-3.9	-14,237	-6.8
<i>Percentage of net sales (%)</i>	<i>44.9</i>	<i>49.1</i>				
Domestic	76,094	83,471	-7,377	-8.8	-7,377	-8.8
Overseas	126,232	126,970	-738	-0.6	-6,860	-5.4
Network Input/Output Systems:						
Printing Systems	117,351	94,755	22,596	23.8	18,724	19.8
<i>Percentage of net sales (%)</i>	<i>26.0</i>	<i>22.1</i>				
Domestic	47,893	41,908	5,985	14.3	5,985	14.3
Overseas	69,458	52,847	16,611	31.4	12,739	24.1
Other Input/Output Systems	18,304	13,672	4,632	33.9	4,110	30.1
<i>Percentage of net sales (%)</i>	<i>4.1</i>	<i>3.2</i>				
Domestic	1,101	2,495	-1,394	-55.9	-1,394	-55.9
Overseas	17,203	11,177	6,026	53.9	5,504	49.2
Total Network Input/Output Systems	135,655	108,427	27,228	25.1	22,834	21.1
<i>Percentage of net sales (%)</i>	<i>30.1</i>	<i>25.3</i>				
Domestic	48,994	44,403	4,591	10.3	4,591	10.3
Overseas	86,661	64,024	22,637	35.4	18,243	28.5
Network System Solutions	53,795	53,122	673	1.3	605	1.1
<i>Percentage of net sales (%)</i>	<i>11.9</i>	<i>12.4</i>				
Domestic	52,593	52,469	124	0.2	124	0.2
Overseas	1,202	653	549	84.1	481	73.7
Office Equipment Total	391,776	371,990	19,786	5.3	9,202	2.5
<i>Percentage of net sales (%)</i>	<i>86.9</i>	<i>86.8</i>				
Domestic	177,681	180,343	-2,662	-1.5	-2,662	-1.5
Overseas	214,095	191,647	22,448	11.7	11,864	6.2
The Americas	87,892	86,032	1,860	2.2	3,193	3.7
Europe	97,087	81,823	15,264	18.7	4,309	5.3
Other	29,116	23,792	5,324	22.4	4,362	18.3
< Other Businesses >						
Other Businesses	58,861	56,560	2,301	4.1	1,606	2.8
<i>Percentage of net sales (%)</i>	<i>13.1</i>	<i>13.2</i>				
Domestic	46,620	44,388	2,232	5.0	2,232	5.0
Overseas	12,241	12,172	69	0.6	-626	-5.1
The Americas	281	230	51	22.2	45	19.6
Europe	1,245	1,086	159	14.6	32	2.9
Other	10,715	10,856	-141	-1.3	-703	-6.5
Grand Total	450,637	428,550	22,087	5.2	10,808	2.5
<i>Percentage of net sales (%)</i>	<i>100.0</i>	<i>100.0</i>				
Domestic	224,301	224,731	-430	-0.2	-430	-0.2
<i>Percentage of net sales (%)</i>	<i>49.8</i>	<i>52.4</i>				
Overseas	226,336	203,819	22,517	11.0	11,238	5.5
<i>Percentage of net sales (%)</i>	<i>50.2</i>	<i>47.6</i>				
The Americas	88,173	86,262	1,911	2.2	3,238	3.8
<i>Percentage of net sales (%)</i>	<i>19.6</i>	<i>20.1</i>				
Europe	98,332	82,909	15,423	18.6	4,341	5.2
<i>Percentage of net sales (%)</i>	<i>21.8</i>	<i>19.4</i>				
Other	39,831	34,648	5,183	15.0	3,659	10.6
<i>Percentage of net sales (%)</i>	<i>8.8</i>	<i>8.1</i>				

Reference: Exchange rate

US\$ 1	¥117.61	¥119.19	¥-1.58
EURO 1	¥132.27	¥117.34	¥14.93

Each category includes the following product line:

Digital Imaging Systems	Digital PPCs, color PPCs, digital duplicators and facsimile machines
Other Imaging Systems	Analog PPCs, diazo copiers, and thermal paper
Printing Systems	MFPs(multifunctional printers), laser printers and software
Other Input/Output Systems	Optical discs and system scanners
Network System Solutions	Personal computers, PC servers, network systems and network related software
Other Businesses	Optical equipments, metering equipments and semiconductors

(Half year ended September 30, 2003, 2002 and year ended March 31, 2003)

(Millions of yen)

	Half year ended September 30, 2003	Half year ended September 30, 2002	Change	%	Change excluding exchange impact	%	Year ended March 31, 2003
<Office Equipment>							
Imaging Solutions:							
Digital Imaging Systems	309,158	309,385	-227	-0.1	-5,860	-1.9	626,967
<i>Percentage of net sales (%)</i>	34.8	36.1					36.1
Domestic	124,773	135,866	-11,093	-8.2	-11,093	-8.2	265,654
Overseas	184,385	173,519	10,866	6.3	5,233	3.0	361,313
Other Imaging Systems	105,936	120,977	-15,041	-12.4	-18,264	-15.1	232,746
<i>Percentage of net sales (%)</i>	11.9	14.1					13.4
Domestic	36,497	40,961	-4,464	-10.9	-4,464	-10.9	80,520
Overseas	69,439	80,016	-10,577	-13.2	-13,800	-17.2	152,226
Total Imaging Solutions	415,094	430,362	-15,268	-3.5	-24,124	-5.6	859,713
<i>Percentage of net sales (%)</i>	46.7	50.2					49.5
Domestic	161,270	176,827	-15,557	-8.8	-15,557	-8.8	346,174
Overseas	253,824	253,535	289	0.1	-8,567	-3.4	513,539
Network Input/Output Systems:							
Printing Systems	233,457	189,408	44,049	23.3	37,899	20.0	408,830
<i>Percentage of net sales (%)</i>	26.3	22.1					23.5
Domestic	100,351	82,016	18,335	22.4	18,335	22.4	177,510
Overseas	133,106	107,392	25,714	23.9	19,564	18.2	231,320
Other Input/Output Systems	29,725	29,535	190	0.6	-449	-1.5	54,549
<i>Percentage of net sales (%)</i>	3.3	3.5					3.2
Domestic	2,743	5,958	-3,215	-54.0	-3,215	-54.0	10,100
Overseas	26,982	23,577	3,405	14.4	2,766	11.7	44,449
Total Network Input/Output Systems	263,182	218,943	44,239	20.2	37,450	17.1	463,379
<i>Percentage of net sales (%)</i>	29.6	25.6					26.7
Domestic	103,094	87,974	15,120	17.2	15,120	17.2	187,610
Overseas	160,088	130,969	29,119	22.2	22,330	17.0	275,769
Network System Solutions	97,232	100,052	-2,820	-2.8	-2,900	-2.9	197,482
<i>Percentage of net sales (%)</i>	11.0	11.7					11.3
Domestic	95,260	98,754	-3,494	-3.5	-3,494	-3.5	194,873
Overseas	1,972	1,298	674	51.9	594	45.8	2,609
Office Equipment Total	775,508	749,357	26,151	3.5	10,426	1.4	1,520,574
<i>Percentage of net sales (%)</i>	87.3	87.5					87.5
Domestic	359,624	363,555	-3,931	-1.1	-3,931	-1.1	728,657
Overseas	415,884	385,802	30,082	7.8	14,357	3.7	791,917
The Americas	166,800	169,927	-3,127	-1.8	3,721	2.2	342,568
Europe	194,700	164,431	30,269	18.4	8,600	5.2	349,577
Other	54,384	51,444	2,940	5.7	2,036	4.0	99,772
< Other Businesses >							
Other Businesses	112,582	107,464	5,118	4.8	4,144	3.9	217,784
<i>Percentage of net sales (%)</i>	12.7	12.5					12.5
Domestic	89,012	86,020	2,992	3.5	2,992	3.5	167,365
Overseas	23,570	21,444	2,126	9.9	1,152	5.4	50,419
The Americas	864	506	358	70.8	393	77.7	1,372
Europe	2,251	1,738	513	29.5	274	15.8	4,900
Other	20,455	19,200	1,255	6.5	485	2.5	44,147
Grand Total	888,090	856,821	31,269	3.6	14,570	1.7	1,738,358
<i>Percentage of net sales (%)</i>	100.0	100.0					100.0
Domestic	448,636	449,575	-939	-0.2	-939	-0.2	896,022
<i>Percentage of net sales (%)</i>	50.5	52.5					51.5
Overseas	439,454	407,246	32,208	7.9	15,509	3.8	842,336
<i>Percentage of net sales (%)</i>	49.5	47.5					48.5
The Americas	167,664	170,433	-2,769	-1.6	4,114	2.4	343,940
<i>Percentage of net sales (%)</i>	18.9	19.9					19.8
Europe	196,951	166,169	30,782	18.5	8,874	5.3	354,477
<i>Percentage of net sales (%)</i>	22.2	19.4					20.4
Other	74,839	70,644	4,195	5.9	2,521	3.6	143,919
<i>Percentage of net sales (%)</i>	8.4	8.2					8.3

Reference: Exchange rate

US\$ 1

¥118.06

¥123.08

¥-5.02

¥121.96

EURO 1

¥133.47

¥116.95

¥16.52

¥121.00

Each category includes the following product line:

Digital Imaging Systems

Digital PPCs, color PPCs, digital duplicators and facsimile machines

Other Imaging Systems

Analog PPCs, diazo copiers, and thermal paper

Printing Systems

MFPs(multifunctional printers), laser printers and software

Other Input/Output Systems

Optical discs and system scanners

Network System Solutions

Personal computers, PC servers, network systems and network related software

Other Businesses

Optical equipments, metering equipments and semiconductors

2. Forecast of Consolidated Performance

(Billions of yen)

	Half year ended		Three months ended		Half year ended		Year ended	
	Sept. 30, 2003	Change	Dec. 31, 2003	Change	Mar. 31, 2004	Change	Mar. 31, 2004	Change
	Results	%	Forecast	%	Forecast	%	Forecast	%
Net sales	888.0	3.6	436.5	3.8	911.9	3.4	1,800.0	3.5
Gross profit	388.1	7.6	189.7	2.6	395.4	2.8	783.6	5.1
Operating income	77.2	26.0	35.7	6.9	74.7	3.3	152.0	13.7
Income before income taxes	71.4	28.3	34.7	15.7	72.5	7.1	144.0	16.6
Net income	42.2	26.1	20.0	12.4	42.7	9.6	85.0	17.2
Net income per share (yen)	56.79	-	26.92	-	57.63	-	114.42	-
Capital expenditure	36.3	-	19.0	-	38.6	-	75.0	-
Depreciation for tangible fixed assets	33.6	-	18.0	-	36.3	-	70.0	-
R&D expenditure	44.2	-	22.0	-	45.7	-	90.0	-
Exchange rate (Yen/US\$)	118.06	-	108.00	-	108.00	-	113.03	-
Exchange rate (Yen/EURO)	133.47	-	128.00	-	128.00	-	130.74	-

3. Forecast of Consolidated Sales by Product Category

(Billions of yen)

	Half year ended March 31, 2004				Year ended March 31, 2004			
	Forecast	Change %	Forecast(*)	Change %	Forecast	Change %	Forecast(*)	Change %
<Office Equipment>								
Imaging Solutions:								
Digital Imaging Systems	299.7	-5.6	305.8	-3.7	608.8	-2.9	609.3	-2.8
Domestic	116.8	-10.0	116.8	-10.0	241.6	-9.1	241.6	-9.1
Overseas	182.9	-2.6	189.0	0.6	367.2	1.7	367.7	1.8
Other Imaging Systems	94.0	-15.8	96.0	-14.1	200.0	-14.1	198.7	-14.6
Domestic	36.0	-9.0	36.0	-9.0	72.5	-10.0	72.5	-10.0
Overseas	58.0	-19.6	60.0	-16.9	127.5	-16.2	126.2	-17.1
Total Imaging Solutions	393.8	-8.3	401.8	-6.4	808.9	-5.9	808.0	-6.0
Domestic	152.8	-9.8	152.8	-9.8	314.1	-9.3	314.1	-9.3
Overseas	240.9	-7.3	249.0	-4.2	494.8	-3.6	493.9	-3.8
Network Input/Output Systems:								
Printing Systems	277.4	26.5	283.3	29.1	510.9	25.0	510.6	24.9
Domestic	118.7	24.4	118.7	24.4	219.1	23.4	219.1	23.4
Overseas	158.7	28.1	164.5	32.8	291.8	26.2	291.5	26.0
Other Input/Output Systems	30.4	21.5	30.7	23.0	60.1	10.2	59.8	9.7
Domestic	2.0	-50.3	2.0	-50.3	4.8	-52.5	4.8	-52.5
Overseas	28.3	35.8	28.7	37.5	55.3	24.5	55.0	23.8
Total Network Input/Output Systems	307.8	25.9	314.0	28.5	571.0	23.2	570.4	23.1
Domestic	120.8	21.2	120.8	21.2	223.9	19.3	223.9	19.3
Overseas	187.0	29.2	193.2	33.5	347.1	25.9	346.5	25.7
Network System Solutions								
Domestic	95.6	-1.8	95.7	-1.7	192.9	-2.3	192.8	-2.3
Overseas	93.7	-2.5	93.7	-2.5	189.0	-3.0	189.0	-3.0
Overseas	1.9	47.6	2.0	52.6	3.9	49.8	3.8	49.2
Office Equipment Total	797.3	3.4	811.6	5.2	1,572.8	3.4	1,571.4	3.3
Domestic	367.3	0.6	367.3	0.6	727.0	-0.2	727.0	-0.2
Overseas	429.9	5.9	444.2	9.4	845.8	6.8	844.4	6.6
The Americas	163.1	-5.5	182.5	5.7	329.9	-3.7	356.1	4.0
Europe	212.2	14.7	207.4	12.0	406.9	16.4	380.4	8.8
Other	54.5	12.8	54.3	12.4	108.9	9.2	107.8	8.1
< Other Businesses >								
Other Businesses	114.5	3.8	114.2	3.6	227.1	4.3	225.8	3.7
Domestic	83.9	3.2	83.9	3.2	173.0	3.4	173.0	3.4
Overseas	30.5	5.5	30.2	4.5	54.1	7.4	52.8	4.8
The Americas	1.0	19.5	1.1	32.8	1.8	38.4	2.0	49.3
Europe	3.3	6.5	3.1	0.9	5.6	14.7	5.2	6.1
Other	26.1	4.9	25.9	3.9	46.6	5.6	45.6	3.3
Grand Total	911.9	3.4	925.9	5.0	1,800.0	3.5	1,797.3	3.4
Domestic	451.3	1.1	451.3	1.1	900.0	0.4	900.0	0.4
Overseas	460.5	5.9	474.5	9.1	900.0	6.8	897.3	6.5
The Americas	164.1	-5.4	183.6	5.9	331.8	-3.5	358.2	4.2
Europe	215.6	14.5	210.5	11.8	412.6	16.4	385.6	8.8
Other	80.7	10.1	80.2	9.5	155.5	8.1	153.4	6.6

* Excluding foreign exchange impact