



FLASH REPORT

Year ended March 31, 2005

(Results for the Period from April 1, 2004 to March 31, 2005)

Three months ended March 31, 2005

(Results for the Period from January 1, 2005 to March 31, 2005)

Performance Outline (Consolidated)

(1) Year ended March 31, 2005, 2004 and Year ending March 31, 2006 (Forecast)

				(Billions of yen)	
	Year ended March 31, 2005 (Results)	Year ended March 31, 2004 (Results)	Change	Year ending March 31, 2006 (Forecast)	Change
Domestic sales	972.9	914.0	6.4%	1,018.5	4.7%
Overseas sales	841.1	866.1	-2.9%	881.5	4.8%
Net sales	1,814.1	1,780.2	1.9%	1,900.0	4.7%
Gross profit	754.5	765.6	-1.4%	815.0	8.0%
Operating income	135.5	150.0	-9.7%	165.0	21.8%
Income before income taxes	135.3	143.0	-5.4%	161.0	18.9%
Net income	83.1	91.7	-9.4%	97.0	16.7%
Exchange rate (Yen/US\$)	107.58	113.09	-5.51	105.00	-2.58
Exchange rate (Yen/EURO)	135.25	132.65	2.60	130.00	-5.25
Net income per share (yen)	112.64	123.63	-10.99	132.14	19.50
Return on equity (%)	10.0	12.6	-2.6	-	-
Income before income taxes on total assets (%)	7.1	7.7	-0.6	-	-
Income before income taxes on net sales (%)	7.5	8.0	-0.5	8.5	1.0
Total assets	1,953.6	1,852.7	100.8	-	-
Shareholders' equity	862.9	795.1	67.8	-	-
Interest-bearing debt	410.0	432.7	-22.6	-	-
Equity ratio (%)	44.2	42.9	1.3	-	-
Shareholders' equity per share (yen)	1,175.67	1,076.11	99.56	-	-
Cash flows from operating activities	132.7	154.9	-22.1	-	-
Cash flows from investing activities	-96.1	-63.3	-32.8	-	-
Cash flows from financing activities	-56.4	-74.8	18.3	-	-
Cash and cash equivalents at end of period	186.8	203.0	-16.1	-	-
Capital expenditures	84.7	75.5	9.1	114.0	29.2
Depreciation for tangible fixed assets	66.7	67.6	-0.8	67.5	0.7
R&D expenditures	110.4	92.5	17.9	120.0	9.5
Number of employees (Japan) (thousand people)	40.1	38.8	1.3	-	-
Number of employees (Overseas) (thousand people)	35.0	34.4	0.6	-	-

Ricoh Company, Ltd.

* The Company bases the forecast estimates for March 31, 2006 above upon information currently available to management, which involves risks and uncertainties that could cause actual results to differ materially from those projected.

(2) Three months ended March 31, 2005 and 2004

	(Billions of yen)		
	Three months ended March 31, 2005	Three months ended March 31, 2004	Change
Domestic sales	272.4	252.5	7.9%
Overseas sales	221.8	218.7	1.4%
Net sales	494.3	471.2	4.9%
Gross profit	198.5	191.7	3.6%
Operating income	39.0	36.5	6.8%
Income before income taxes	40.6	38.3	5.9%
Net income	25.0	29.8	-15.9%
Exchange rate (Yen/US\$)	104.60	107.31	-2.71
Exchange rate (Yen/EURO)	137.26	134.10	3.16
Net income per share (yen)	34.08	40.31	-6.23
Return on equity (%)	2.9	4.0	-1.1
Income before income taxes on total assets (%)	2.1	2.0	0.1
Income before income taxes on net sales (%)	8.2	8.1	0.1
Capital expenditures	25.9	23.6	2.3
Depreciation for tangible fixed assets	18.7	18.2	0.4
R&D expenditures	30.8	24.0	6.8

(3) Three months ending June 30, 2005 (Forecast) and Three months ended June 30, 2004

	(Billions of yen)		
	Three months ending June 30, 2005 (Forecast)	Three months ended June 30, 2004 (Results)	Change
Domestic sales	248.2	233.3	6.4%
Overseas sales	212.8	203.2	4.7%
Net sales	461.0	436.5	5.6%
Gross profit	198.0	189.1	4.7%
Operating income	41.0	39.3	4.1%
Income before income taxes	40.0	41.3	-3.2%
Net income	25.0	24.8	0.4%
Exchange rate (Yen/US\$)	105.00	109.65	-4.65
Exchange rate (Yen/EURO)	130.00	132.17	-2.17
Capital expenditures	31.5	18.6	12.8
Depreciation for tangible fixed assets	16.0	15.9	0.0
R&D expenditures	30.0	24.3	5.6

(4) Half year ending September 30, 2005 (Forecast) and Half year ended September 30, 2004

	(Billions of yen)		
	Half year ending September 30, 2005 (Forecast)	Half year ended September 30, 2004 (Results)	Change
Domestic sales	499.5	469.1	6.5%
Overseas sales	424.5	406.8	4.3%
Net sales	924.0	876.0	5.5%
Gross profit	396.0	363.8	8.8%
Operating income	79.5	57.7	37.6%
Income before income taxes	77.0	60.0	28.2%
Net income	47.0	35.8	31.2%
Exchange rate (Yen/US\$)	105.00	109.83	-4.83
Exchange rate (Yen/EURO)	130.00	133.31	-3.31
Capital expenditures	58.5	38.2	20.2
Depreciation for tangible fixed assets	32.0	31.0	0.9
R&D expenditures	60.0	53.4	6.5

Ricoh Company, Ltd. and Consolidated Subsidiaries

FLASH REPORT (Consolidated Results for the Year Ended March 31, 2005)

Date of approval for the financial results for the year ended March 31, 2005,
at the Board of Directors' meeting: April 27, 2005

1. Results for the period from April 1, 2004 to March 31, 2005

(1) Operating Results	(Millions of yen)	
	Year ended March 31, 2005	Year ended March 31, 2004
Net sales	1,814,108	1,780,245
<i>(% change from the previous fiscal year)</i>	<i>1.9</i>	<i>2.4</i>
Operating income	135,506	150,006
<i>(% change from the previous fiscal year)</i>	<i>-9.7</i>	<i>12.2</i>
Income before income taxes	135,383	143,063
<i>(% change from the previous fiscal year)</i>	<i>-5.4</i>	<i>15.9</i>
Net income	83,143	91,766
<i>(% change from the previous fiscal year)</i>	<i>-9.4</i>	<i>26.6</i>
Net income per share-basic (yen)	112.64	123.63
Net income per share-diluted (yen)	-	-

Notes:

- i. Equity in income of affiliates: ¥3,120 million (¥2,065 million in previous fiscal year)
- ii. No change in accounting method have been made.
- iii. Average number of shares outstanding (consolidated): 738,160,042 shares (742,292,806 shares in previous fiscal year)
- iv. Net income per share is calculated as required by SFAS No. 128.

(2) Financial Position	(Millions of yen)	
	March 31, 2005	March 31, 2004
Total assets	1,953,669	1,852,793
Shareholders' equity	862,998	795,131
Equity ratio (%)	44.2	42.9
Equity per share (yen)	1,175.67	1,076.11

Note: Number of shares outstanding as of March 31, 2005: 734,045,879 shares (738,894,891 shares as of March 31, 2004)

(3) Cash Flows	(Millions of yen)	
	Year ended March 31, 2005	Year ended March 31, 2004
Cash flows from operating activities	132,780	154,911
Cash flows from investing activities	-96,198	-63,383
Cash flows from financing activities	-56,439	-74,835
Cash and cash equivalents at end of period	186,857	203,039

(4) Items relating to the scale of consolidation and the application of the equity method:
Number of consolidated subsidiaries: 285; nonconsolidated subsidiaries: 40; affiliated companies: 22

(5) Changes relating to the scale of consolidation and the application of the equity method:
Consolidated subsidiaries: 15 additions; 51 removals
Companies accounted for by the equity method: 6 additions; 4 removals

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, 2005 to March 31, 2006	(Millions of yen)	
	Half year ending September 30, 2005	Year ending March 31, 2006
Net sales	924,000	1,900,000
Operating income	79,500	165,000
Income before income taxes	77,000	161,000
Net income	47,000	97,000

Note: Net income per share (Consolidated) 132.14 yen

In accordance with Japanese regulations, Ricoh has issued forecast for its financial results for the fiscal year ending March 31, 2006. 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 325 subsidiaries and 22 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 support and service 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., Ricoh Keiki Co., Ltd., and Ricoh Printing Systems, 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. (affiliated company)

Sales and Service

Japan ...Ricoh Tohoku Co., Ltd., Ricoh Sales Co., Ltd., Ricoh Chubu Co., Ltd., Ricoh Kansai Co., Ltd., Ricoh Chugoku Co., Ltd., Ricoh Kyushu Co., Ltd., and 33 other sales companies nationwide, 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

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

Sales

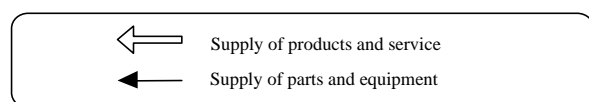
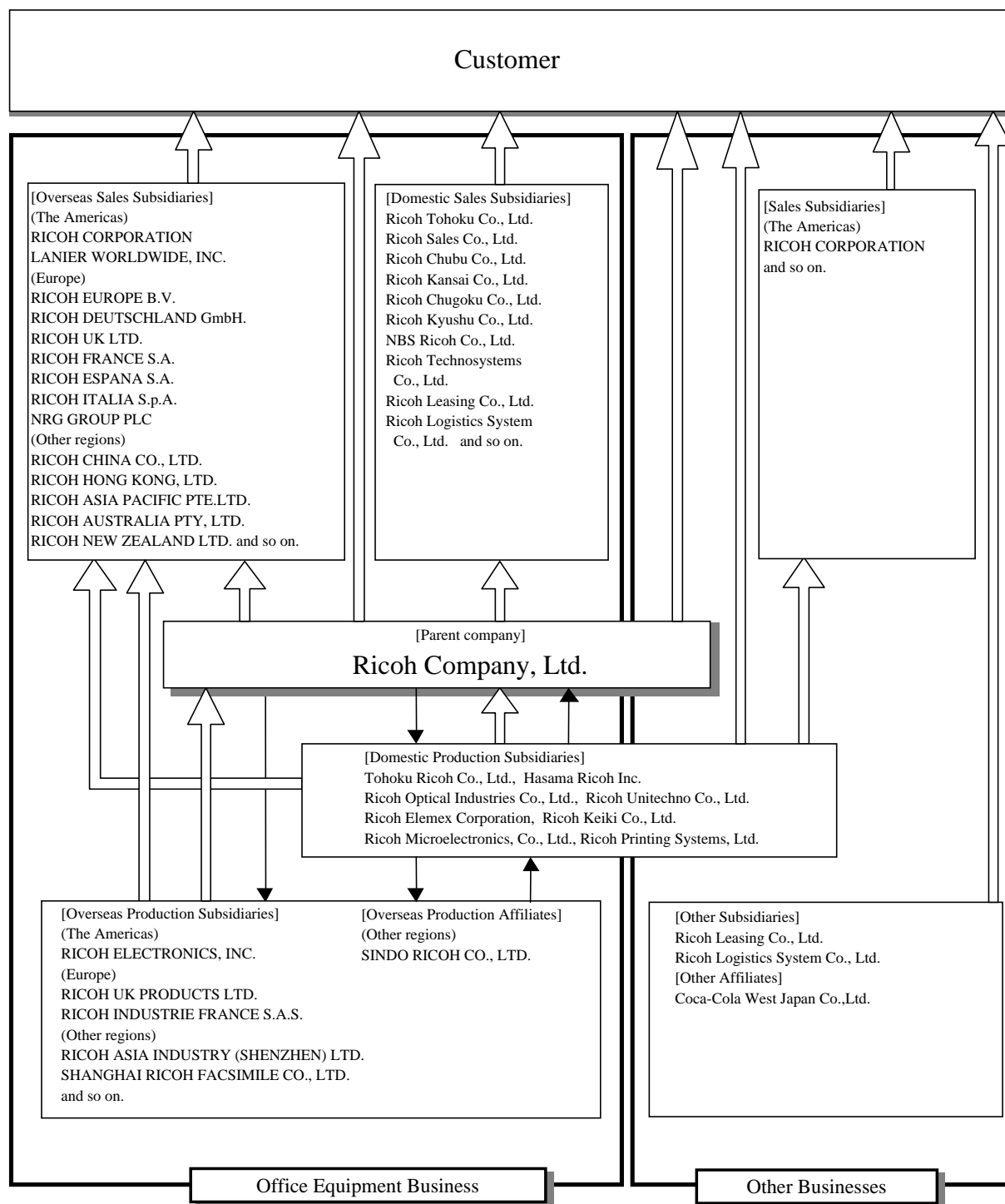
Ricoh Corporation

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

Ricoh Elemex Corporation: Tokyo Stock Exchange, Nagoya Stock Exchange

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 levels of reliability and to create new value in order to contribute both to productivity improvement and also to 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.

(2) Mid- to Long-term Business Strategies

In terms of office equipment business – our core competence – we in the Ricoh Group have made every possible effort since the inception of our 13th medium-term management plan to move beyond the manufacture and retail of equipment such as copiers and printers so that we may overhaul our operational structure, thus enabling us to support our customers in their efforts to improve or enhance productivity through our offering.

As these customers continue to experience heightened demand for operation improvement and reform, further expansion of digital networking will be accompanied by changes in the nature of critical customer information in terms of increased digitization, coloring, and volume.

As a result of these factors, it is expected that efficient and effective I/O (i.e., Input/Output), storage, and searching of TDV (i.e., total document volume), which includes printed material in addition to photocopies, will become a pressing issue for said customers.

Our 14th medium-term management plan from April 2002 to March 2005 thus focused on the realization of 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 expand our lineup of compact color machines at prices comparable to those of monochrome models, thus satisfying our customers' requirements for color capability without being limited simply to the replacement of monochrome copiers.

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.

The progress made with this basic strategy during the 14th medium-term management plan period and the term under review is described below

To encourage customers to make the transition to color models, we have launched a series of multifunction color models and color laser printers to augment our product line. The term under review was no exception, as we introduced the imagio Neo C600 series, a multifunction color model that boasts high-speed color copy and print performance of 45 sheets per minute, and the imagio Neo C455 series, a multifunction color model that offers even better image quality, thanks to the color PXP toner that employs Ricoh's unique polymerized technology.

These measures have boosted the Ricoh Group's market share in such principal color copier markets as Japan, the United States of America, and Europe.

In the same token, the IPSiO G series, a Gel-Jet printer that we introduced last year to target the demand to replace other manufacturers' monochrome laser printers and ink jet printers in the low-end business printer market, has been widely acclaimed as a business printer that provides high-speed output, high-quality page printing, and low running cost.

As a result of our effort to expand sales of high-speed models, our high-speed digital multifunction models have won wide acclaim in both domestic and overseas markets, thus solidifying our positions in those markets. We have also provided since last year a high-speed digital multifunction model that satisfies customers' contemporary needs for security and environmental protection. During the term under review, too, we launched the imagio Neo 753/603 series, a high-speed digital multipurpose model that is equipped with the world's first unauthorized copy guard feature and achieves the highest energy efficiency in its class with QSU, Ricoh's unique energy conservation technology.

As for Printing Solutions, we have offered the optimal solutions for minimizing total expenses by combining copier and printer functions, and developed a global support and service network. As a result, we have steadily increased business with customers who have operations around the world. During the term under review, we launched @Remote, a remote management service that constantly monitors the condition and use of output equipment via the Internet. This service reduces the operation and management burden of the IT environment in the office, and helps reduce TCO (total cost of ownership) and improve operation efficiency. The service is provided as a facet of Ricoh's total support service around the world.

As the acquisition of stock in Hitachi Printing Solutions, Ltd., was completed on October 1, 2004, the company has become a member of the Ricoh Group as Ricoh Printing Systems, Ltd. We expect the synergy between the high-speed, reliable technology and system technology developed by the company and the various printer and copier technologies pioneered by the Ricoh Group to help us strengthen a broad spectrum of the product line, from core operating system to office applications, and further expand the printing business.

(3) Basic Approach and Policies for Corporate Governance

The Ricoh Group is committed to corporate governance by ensuring the transparency of management and improving competitiveness based on the spirit of corporate ethics and compliance.

i. Status of corporate governance

We employ a statutory auditor system. Combined with a more effective board of directors and an executive officer system, the auditor system reinforces the supervision of management and supports managerial activities.

The board of directors is composed of fourteen directors, of which one is an outside director. The board of directors makes important decisions concerning the supervision of management and management of the group.

Under the executive officer system, the executive function is delegated to each division to clarify roles. As a sub-organization to the board of directors, an all-company executive committee is composed of the Chief Executive Officer and other executive officers who meet certain qualifications. This committee takes such business actions as supervising the divisions and preparing the optimal strategy for the entire group, within the scope of authority delegated by the board of directors.

Five internal auditors, including two outside auditors, perform strict audits by attending the board of directors meetings and management meetings, receiving reports on business from the directors, reviewing important resolution documents, and investigating the status of operations and assets.

Corporate Audit Office, which is the Ricoh Group's internal auditing unit, performs fair and objective examination and evaluation of how each division is executing its business based on rational criteria, and provides advice and recommendations for improvement.

As for external auditing, in light of the call for greater independence of auditing corporations, we have established regulations concerning the policies and procedures for prior approval for auditing and non-auditing duties, and have implemented the board of auditors' prior approval system for details and contract amounts of auditing contracts.

Furthermore, to further reinforce the internal control of the Ricoh Group, we have formed Internal Management & Control Office. To maintain the status of the Ricoh Group as a global company with high corporate values, the section cooperates with other units and principal group companies to revamp internal control mechanisms across the group, provide education, and improve business processes to comply with relevant laws, regulations, and standards, to improve the effectiveness and efficiency of operations, and to maintain the integrity of financial reports.

We have established Ricoh Group corporate social responsibility (CSR) charter and Ricoh Group codes of conduct to ensure that every employee in the group understands and abides by the laws of each country, international rules, and the spirit of these rules, and acts in good common sense with responsibility.

For corporate disclosure, we have established internal rules that set forth the process from the collection to preparation, reporting, and disclosure of information. The disclosure committee was formed to manage the process, and to ensure the accuracy, timeliness, and completeness of the disclosure.

ii. Outline of personal relationships, capital relationships, transactions, and other interests between the company, company's outside directors, and outside auditors

There exists no special interest between the one outside director, two outside auditors, and the company.

iii. Progress in improving the company's corporate governance during the most recent one-year period

The Ricoh Group issued the Social Responsibility Management Report, which informs the public on our policies, organization, corporate activity principles, and status of corporate social responsibility. Combined with the business management report and annual report that we have published, it completes our ability to disclose information as a sustainability report that covers all three aspects (environment, economy, and society) of the Ricoh Group's operations.

As a facet of reinforcing the board of directors' ability to supervise management, we have decided to form a nomination and compensation committee, a permanent committee unique to the Ricoh Group, within the board of directors during fiscal year 2006. The nomination and compensation committee will be led by outside directors, and will propose and decide on appointment and discharge systems and compensation system for directors and executive officers. The new committee will be anticipated to give a boost to the board of directors' ability to supervise the all-company executive committee.

(4) Challenges

As customer needs have become increasingly diverse, they would be no longer satisfied with merely purchasing products or services. The competition has also become increasingly severe in the replacement of monochrome models with color models and providing business solutions. Although such major changes in the market environment may seem like a formidable obstacle, the Ricoh Group sees them as an ideal opportunity for expanding the earnings foundation. This is because we have sufficient ability and strength to meet such changes. By defining target areas, further adding to the abilities and strengths, and striving to create new values for customers, we will provide products and services that satisfy customer needs ahead of the competition, and achieve growth and development.

Based on this concept, under the 15th medium-term management plan, which has been in effect since April 2005, we designated printing, emerging markets, and industrial area as the three target areas for growth. In order for the Ricoh Group to achieve growth and development with a focus on these growth areas, it is essential that we boost our corporate competitiveness by creating new values for customers and improving managerial efficiency.

To create new values for customers, we will reinforce our CS (customer satisfaction) management, through which we will aggressively cultivate new values, with an emphasis on the three customer values (simplify creativity, user-friendly, and earth-friendly). In essence, we will support customers' creativity activities, create an environment for creativity, further improve the user-friendliness of products and services so customers can take full advantage of the benefits, and provide products and services that help customers to protect the global environment. We will also continue to refine our technology to materialize the new values as products and services.

Our effort will also continue in improving the efficiency of management to enhance our profitability. Structural reform will streamline operational processes and improve the earnings from each project. Furthermore, we will more carefully select projects and concentrate resources to the selected projects to improve managerial efficiency.

The profit generated from such activities will be aggressively allocated to investments in growth areas and technologies to further increase profits and raise corporate value.

(5) Dividend Policy

Ricoh endeavors to ensure that policies are regularly updated to take the dividend payout ratio into consideration in the payment of dividends, while at the same time increasing retained earnings for the enhancement of corporate structure and the new business generation. Furthermore, 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.

(6) Concept and Policy of Reducing the Trading Unit

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.

Performance

*Overview

In fiscal year 2005 (extending from April 1, 2004 to March 31, 2005), the Ricoh Group recorded consolidated net sales of ¥1,814.1 billion, or up 1.9% from the previous fiscal year. This marks the eleventh consecutive fiscal year of year-on-year revenue growth. During the term under review, the average exchange rates of the yen against the U.S. dollar and the euro were ¥107.58 (up ¥5.51) and ¥135.25 (down ¥2.60), respectively. Excluding the effects of these foreign exchange rate fluctuations, consolidated net sales increased 2.4% from the previous fiscal year.

In terms of domestic market, sales increased for printing systems such as MFPs (multifunction printers) and laser printers. Ricoh Printing Systems, Ltd., our newly acquired printer company, contributed to the sales increase. Our solutions business such as customer support and service also delivered favorable performance. As a result, overall sales of office equipment increased 5.0% from the previous corresponding period. While other businesses suffered from sluggish demand for semiconductors and lower demand period for measuring equipment, such businesses as optical equipment and leasing maintained strength. Consequently, overall domestic sales increased 6.4% to ¥972.9 billion. Domestic sales accounted for 53.6% of consolidated net sales, or up 2.3 percentage point.

In terms of overseas, sales decreased in the Americas due to the yen's appreciation against the U.S. dollar. In Europe, on the other hand, sales kept strong gains. In other areas, sales decreased as we sold consolidated subsidiaries in optical-related analog businesses. By product category, sales proceeds from our core products (color PPCs and printing systems) increased to compensate for part of the sales declines in standalone analog equipment and optical discs. Due to the aforementioned sale of businesses and the relative yen's appreciation, overseas sales decreased 2.9% from the previous corresponding period to ¥841.1 billion. Excluding the effects of foreign exchange rate fluctuations, overseas sales increased 1.9%. Overseas sales accounted for 46.4% of consolidated net sales, or down 2.3 percentage points.

Gross profit decreased 1.4% from the previous corresponding period to ¥754.5 billion. Although sales increased in such high-margin, high value added products as MFPs and laser printers and the ongoing cost-cutting efforts contributed to gross profit, the sales promotion of color models in the first half of the term under review, downsizing of the optical disc business, the aforementioned sale of businesses, and the yen's appreciation had a negative effect on gross profit.

In terms of selling, general and administrative expenses, R&D expenses was ¥110.4 billion, up 19.4% from the previous corresponding period. The strategic expenses in product and marketing activities for a "growth strategy" under the 15th medium-term management plan from next fiscal year and IT investment for developing core operating systems increased. Consequently, selling, general and administrative expenses increased 0.6% to ¥619.0 billion.

As a result of these activities, operating income decreased 9.7% from the previous corresponding period to ¥135.5 billion.

In terms of other (income) expenses, interest and dividend income increased. On the other hand, the company reduced interest-bearing liabilities and interest costs by effective management of financing between group companies. Furthermore, although the company recorded a loss from foreign exchange in the previous fiscal year, it enjoyed a gain from foreign exchange during the term under review. As a result, income before income taxes decreased 5.4% to ¥135.3 billion.

The effective tax rate decreased as a result of greater tax deductions for research and development and IT investment and improved overall profitability of consolidated subsidiaries. The effect of improved profitability of consolidated companies is reflected in the minority interests in earnings. In the previous corresponding period, the cumulative effect (¥7.3 billion gain) of change in accounting for marketable securities transferred to a pension trust was reflected in the income statement in connection with gain recognition for additional contribution to the employee pension trust.

As a result of these activities, net income decreased 9.4% from the previous corresponding period to ¥83.1 billion.

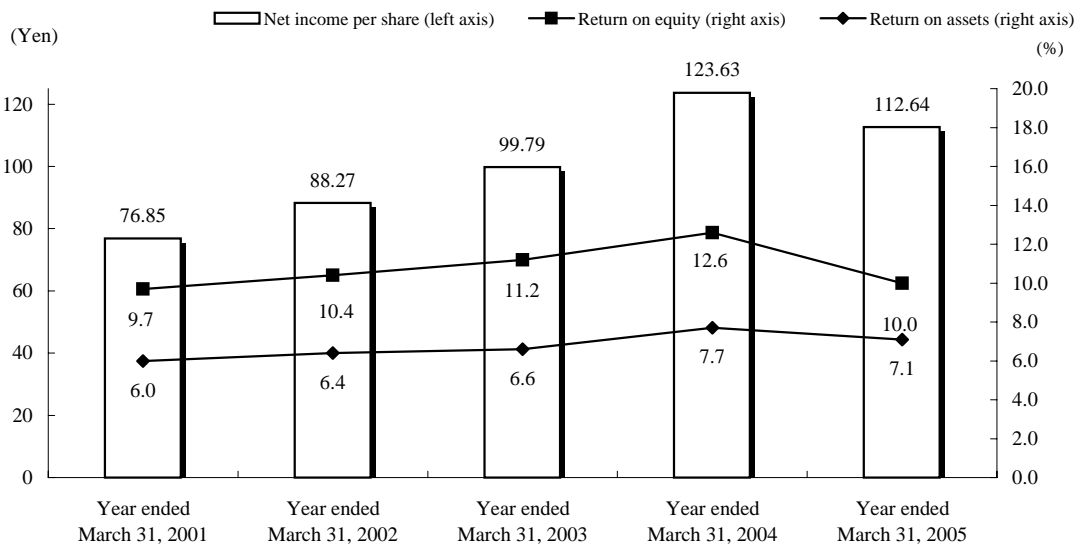
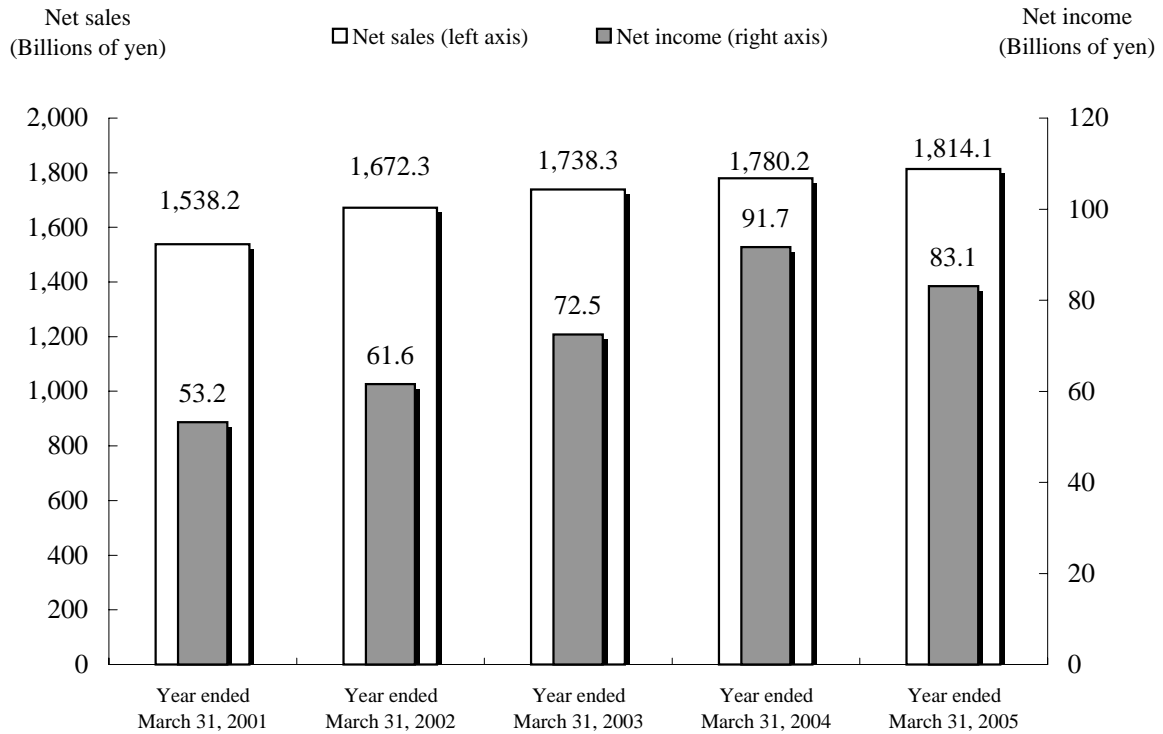
With regard to the state of business segment, Office Equipment benefited from the increase in sales for printing systems and the effort to reduce costs such as those associated with SCM (supply chain management) activities. On the other hand, advance investment for the future business improvement and the downsizing of the optical disc business caused a decrease in net income of Office Equipment from the previous corresponding period. In other businesses, the strength of leasing compensated for the decline in performance of measuring equipment in the sluggish period and semiconductor suffering from a lack of demand. Due to the aforementioned sale of businesses, however, both sales and operating income took a setback compared to the previous corresponding period.

With regard to the state of geographic segment, greater sales of the core strategic products mentioned above and high operating ratios in production resulted in higher operating income in Europe and Other. Operating income decreased in Japan and the United States, where strategic investments were made for future activities.

In terms of capital, ending balance of total assets increased ¥100.8 billion to ¥1,953.6 billion as a result of the consolidation of Ricoh Printing Systems, Ltd. and an increase in operating assets from the sales growth. Interest-bearing liabilities have been reduced by reinforcing regional cash management in Japan, the Americas, and Europe. The ending balance of stockholders' equity increased ¥67.8 billion to ¥862.9 billion. Equity ratio went increased 1.3 percentage points from the end of the previous corresponding period to 44.2%.

Year-end cash dividend are proposed ¥10.00 per share, and when combined with the interim dividend of ¥10.00, total dividend for the current fiscal year 2005 will be ¥20.00.

Consolidated performance



*Consolidated Sales by Product Line

Office Equipment (up 2.2% to ¥1,591.8 billion)

Seeing further advancements in digital networks and increasing volume of information that is processed electronically and in color, customers more than ever desire to improve and reform their operations. In an effort to help these customers manage TDV (total document volume) more efficiently and effectively, the Ricoh Group has continued to offer solutions to optimize total printing costs of customers. As a strategy to help the customers, we have advanced the compatibility of standalone analog equipment to digitalization, networking, color technology, and higher output speed. As a result, sales, particularly those of such printing systems as MFPs and laser printers, have soared. Continuing sales gains were also seen in solutions business, including customer support and service. Severe market competition, decrease sales of optical discs, and the yen's appreciation against the U.S. dollar proved to be a challenge for the Ricoh Group. Nevertheless, the development and expansion of strategies for our core products proved effective, and sales increased in both domestic and overseas markets. Accordingly, sales of Office Equipment increased 2.2% from the previous corresponding period to ¥1,591.8 billion.

Imaging Solutions (down 11.0% to ¥715.0 billion)

In terms of Digital Imaging Systems, the company strengthened its lineup from standard models to high-speed digital models. The company offered a series of new color PPC products that increased its sales particularly overseas. Due to the demand shift to printing systems, however, sales of digital imaging as a whole decreased 7.8% from the previous corresponding period.

In terms of Other Imaging Systems, a transition is being advanced from analog to digital or MFPs models. Sales of other imaging systems, as a result, decreased 20.9%.

The performance of Imaging Solutions reflects the Ricoh Group's strategy as overall sales decreased 11.0% from the previous corresponding period to ¥715.0 billion. Sales of this category accounted for 39.4%, down 5.7 percentage points, of net consolidated sales.

Network Input/Output Systems (up 20.2% to ¥670.8 billion)

In terms of Printing Systems, the company offered new products that present higher speed, networking, and color technology to increase sales of printing equipment that matches to customer needs. Such domestic MFPs models as imagio Neo 752/602 series and color MFPs models as imagio C245 and imagio NEO C385 and such overseas MFPs models as Aficio 2035/2045 series and color MFPs models as Aficio 2232C/2238C series have won wide acclaim from customers. Laser printers, both monochrome and color models, have increased sales both in Japan and overseas. Ricoh Printing Systems, Ltd., a new subsidiary of the Ricoh Group, has contributed to the sales growth. The company have also seen continuing increase in sales of the Gel-Jet printer, a low-priced color printer for office use. As a result, sales of Printing Systems as a whole increase 28.7% from the previous corresponding period.

As for Other I/O Systems, the company streamlined the optical disc business by reorganizing key modules such as in-house developed drives and part units, other than media. As a result, sales of Other I/O Systems declined 68.4% from the previous corresponding period.

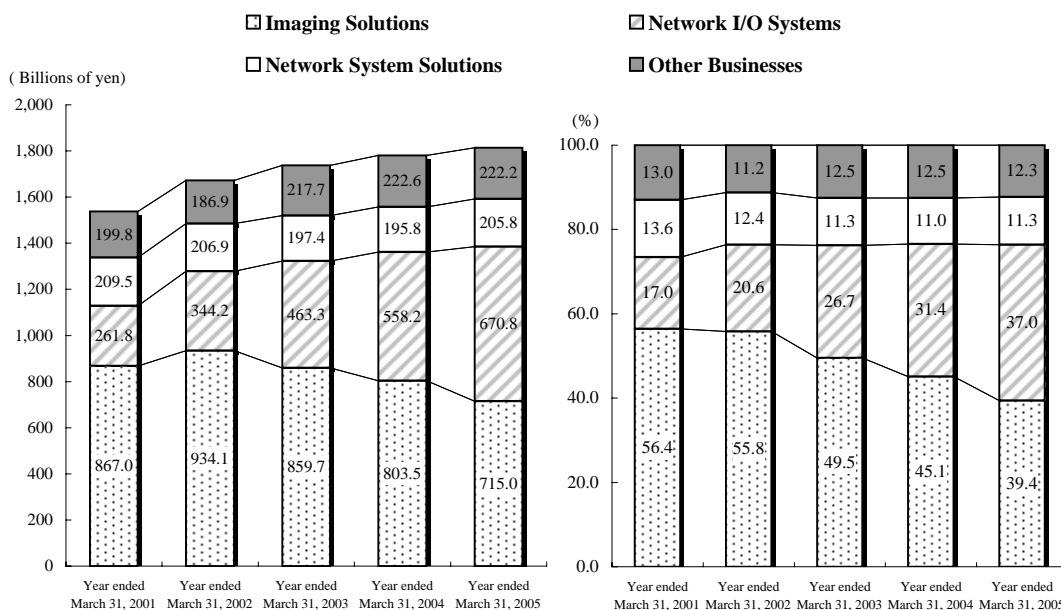
As a key target of these strategies, sales of Network I/O Systems, as a whole, increased 20.2% from the previous corresponding period to ¥670.8 billion. Sales of this category accounted for 37.0%, up 5.6 percentage points, of net consolidated sales.

Network System Solutions (up 5.1% to ¥205.8 billion)

Sales have continued to increase, both in Japan and overseas, for solutions business, including support and service, as customers have embraced proposals to optimize their total printing costs. The demand for PC servers has begun to recover in Japan. As a result, sales of this category increased 5.1% from the previous fiscal year to ¥205.8 billion.

Other Businesses (down 0.1% to ¥222.2 billion)

In Japan, while the performance of measuring equipment in the sluggish period and semiconductor suffering from a lack of demand declined, optical equipment and leasing continued to prosper. Overseas, sales decreased as a result of selling subsidiaries in optical-related businesses. As a result, sales of this category decreased 0.1% from the previous corresponding period to ¥222.2 billion.



* Consolidated Sales by Geographic Area

Japan (up 6.4% to ¥972.9 billion)

While the Japanese economy has been encouraged by signs of recovery in the stock market, capital investment, and corporate performance, high raw material and crude oil prices are a cause for concern. In addition, the domestic market remains under severe competition. Against such a backdrop, Office Equipment has promoted product and sales strategies that meet customer needs. As a result, sales of Printing Systems such as MFPs and laser printers, and solutions business, including support and service, have posted solid sales gains. The sales increase has compensated for the sales decrease in analog equipment, where the company is advancing the transition to MFPs and color models. In Other Businesses, while sales of measuring equipment and semiconductors decreased due to sluggish demand, such businesses as leasing have maintained momentum. As a result, domestic sales increased 6.4% from the previous corresponding period to ¥972.9 billion. Domestic sales accounted for 53.6%, up 2.3 percentage points, of net consolidated sales.

The Americas (down 0.2% to ¥325.5 billion)

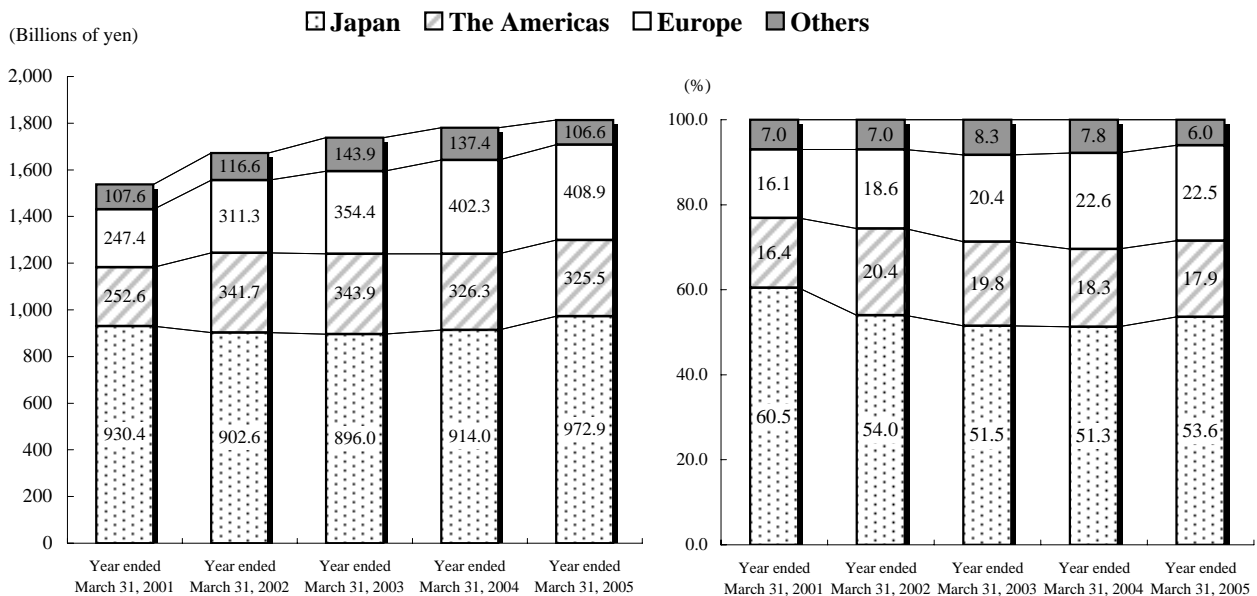
The economies of the Americas remained robust. Amidst the severe competition, we focused on increasing color PPC sales and on printing systems that cater to the customer needs for networking, color technology, and higher output speed through our revamped and reinforced sales network. We also made an effort to boost sales to major accounts. Due to the appreciation of the yen against the U.S. dollar, however, sales in the Americas as a whole fell 0.2% from the previous corresponding period to ¥325.5 billion. Excluding the effect of the yen's appreciation against the U.S. dollar, sales in the Americas as a whole increased 4.8%.

Europe (up 1.6% to ¥408.9 billion)

The European economy has become relatively stable. Sales of color PPC and printing systems have increased, and the Ricoh Group has maintained its market share lead in photocopiers market. Although sales of optical discs, from which are focusing to media business, decreased, due partly to the yen's depreciation against the euro, sales in Europe as a whole increased 1.6% from the previous corresponding period to ¥408.9 billion.

Other (down 22.4% to ¥106.6 billion)

The demand shift to color and MFPs in office equipment has picked up momentum in China, Asia and other areas. As a result, sales of color PPC and printing systems have increased from the previous corresponding period. Due to the downsizing of the optical disc business, the sluggish demand for semiconductors and the aforementioned sale of optical-related analog consolidated subsidiaries, however, sales in Other area decreased. Sales of the others decreased 22.4% to ¥106.6 billion.



*Segment Information

Business Segment

Office Equipment

In category of Imaging Solutions and Printing Systems, the Ricoh Group has continued to enhance its product lines, including color models, standard models to high-speed digital models, by offering a series of new products that caters to customer needs. As a result, sales of MFPs and laser printers, in particular, made substantial gains. Meanwhile, solutions business, including support and service, has steadily increased its sales as customers have embraced solutions to optimize their total printing costs. While severe market competition, decreasing optical disc sales, and the yen's appreciation against the U.S. dollar have dampened business, the success of strategies for core products has increased its sales both in Japan and overseas. As a result, sales of office equipments as a whole increased 2.2% from the previous corresponding period to ¥1,591.8 billion.

Operating expenses have been brought under control by increasing sales of Printing Systems and promoting such cost-cutting activities as SCM (supply chain management). On the other hand, the company spent strategic advance expenses for the future with products and marketing activities, IT investments to core operating systems and for the downsizing of the optical disc business. Combined with the yen's appreciation, operating income decreased 6.2% from the previous corresponding period to ¥191.7 billion.

Capital investment was allocated primarily to reinforcing production lines for new products and to research and development.

As for total assets, operating assets increased as a result of consolidating Ricoh Printing Systems, Ltd., a new printer company that the company purchased in October 2004, and increase of operating assets due to sales growth.

Other Businesses

In Japan, measuring equipment struggles with lower period and semiconductor suffered from sluggish demand. On the other hand, such businesses as optical equipment and leasing performed favorably. Overseas, sales decreased as a result of selling optical-related analog businesses in the previous fiscal year. As a result, sales of other businesses decreased 0.1% from the previous corresponding period to ¥224.7 billion. Operating profit was accounted for ¥0.5 billion.

	(Billions of yen)		
	Year ended March 31, 2005	Year ended March 31, 2004	Change (%)
Office Equipment:			
Net sales	1,591.8	1,557.6	2.2
Operating income	191.7	204.3	-6.2
<i>Operating income on sales(%)</i>	<i>12.0</i>	<i>13.1</i>	<i>-1.1</i>
Identifiable assets	1,391.4	1,220.7	14.0
Capital expenditures	72.9	65.3	11.6
Depreciation	57.0	57.9	-1.6
Other Businesses:			
Net sales	224.7	225.0	-0.1
Operating income	0.5	4.6	-88.4
<i>Operating income on sales(%)</i>	<i>0.2</i>	<i>2.1</i>	<i>-1.8</i>
Identifiable assets	164.3	182.5	-10.0
Capital expenditures	9.6	8.7	11.1
Depreciation	6.5	7.7	-16.3

Geographic Segment

Japan

Amidst the severe competition in the office equipment market, Printing Systems and solutions business have deployed aggressive sales strategies and, as a result, has increased sales in Japan and increased exports to overseas markets. As a result, sales of the Japan segment increased 5.6% from the previous corresponding period to ¥1,386.7 billion. The effect of the increased sales was amplified by the transition to high value added products and the implementation of such cost cutting measures as SCM (supply chain management). On the other hand, the company increased research and development expenses for the future and spent strategic expenses on aggressive sales activities for the domestic market. Furthermore, the sales decrease of optical discs and the sluggish demand for measuring equipment and semiconductors have decreased operating income by 9.5% from the previous corresponding period to ¥88.0 billion.

The Americas

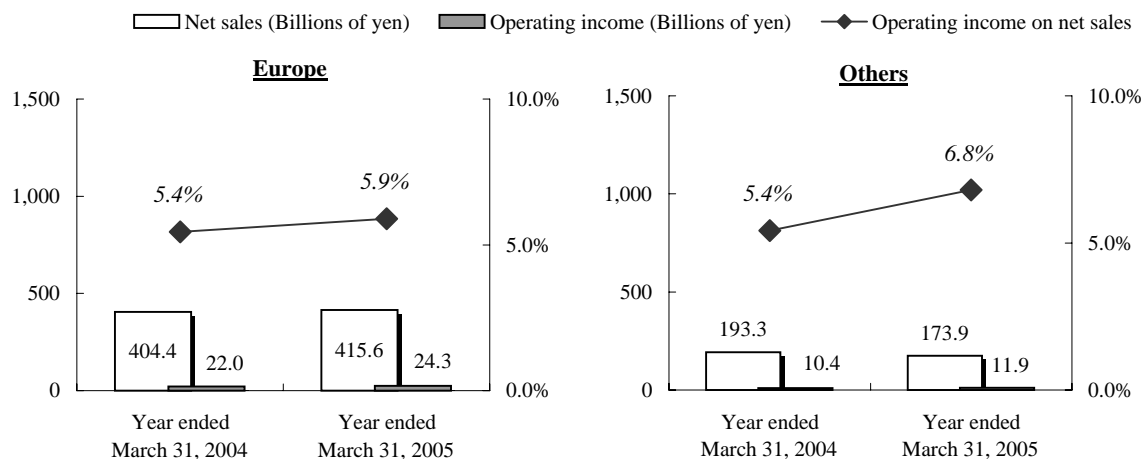
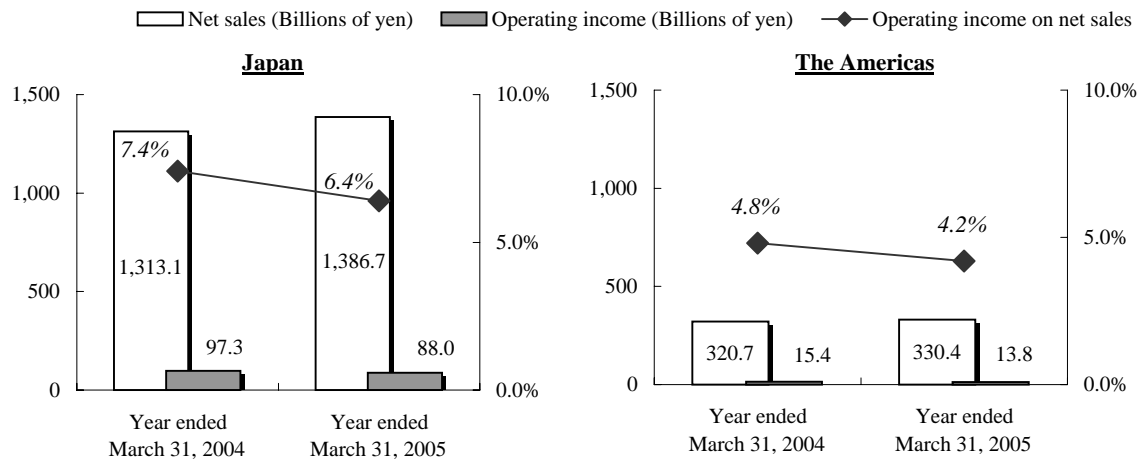
Amidst the severe competition in both direct and indirect sales channels, the company increased sales of Printing Systems through the sales channels that we have improved and reinforced over the years, and deployed a strategy of stepping up sales to major accounts. The effort has been rewarded with greater sales of color PPC, MFPs and laser printers. Sales in the Americas segment increased 3.0% from the previous corresponding period to ¥330.4 billion. Operating income decreased 10.7% to ¥13.8 billion as a result of intensifying competition, IT investment for core operating system development, and the yen's appreciation.

Europe

Every country and company in Europe saw sales rise, particularly for printing systems. The Ricoh group continues to hold the top share in the photocopier market in Europe. On the other hand, sales of optical discs have decreased. As a result, sales in the Europe segment increased 2.8% from the previous corresponding period to ¥415.6 billion. Operating income increased 10.6% to ¥24.3 billion due to increased sales, bringing production to appropriate locations closer to consumers, and the yen's depreciation against the euro.

Other

The accelerated demand shift of office equipment to MFPs and color technology in China, the rest of Asia, and Oceania has boosted sales of office equipments. The sale of the optical-related analog consolidated subsidiaries has, however, greatly reduced sales. As a result, sales in the Other segment decreased 10.0% to ¥173.9 billion. As a result of maintaining high operating ratio in production to accommodate the need for increased supply around the world, operating income increased 13.7% to ¥11.9 billion.



*Financial Position

(1) Assets, Liabilities, and Shareholders' Equity at Year-End	(Billions of yen)		
	March 31, 2005	March 31, 2004	Change
Total Assets	1,953.6	1,852.7	100.8
Shareholders' Equity	862.9	795.1	67.8
Equity Ratio	44.2%	42.9%	1.3%

Total assets have increased considerably due primarily to an increase in operating assets due to sales growth and the consolidation of Ricoh Printing Systems, Ltd., which was acquired in October 2004.

In Assets, part of the ¥15.6 billion decrease in cash and time deposits from the end of the previous period (balance of ¥188.3 billion) and the ¥44.9 billion decrease in marketable securities was appropriated to the aforementioned acquisition. Trade receivables increased, primarily in Japan, ¥44.2 billion to ¥620.5 billion and inventories increased ¥21.9 billion to ¥167.3 billion. Fixed assets increased ¥8.6 billion to ¥247.4 billion, while finance receivables increased ¥32.0 billion to ¥391.9 billion, due to increase of sales. Other investments increased ¥56.3 billion to ¥284.5 billion as a result of recognizing goodwill and intangible fixed assets accompanying the aforementioned acquisition. Consequently, total assets increased ¥100.8 billion to ¥1,953.6 billion.

As for Liabilities, domestic and overseas trade payables increased ¥38.8 billion to ¥336.4 billion. Interest-bearing debt decreased ¥22.6 billion to ¥410.0 billion as a result of effective utilization of financial resource in the Ricoh Group. In addition, other current liabilities decreased ¥7.0 billion to ¥151.4 billion as a result of reducing bonuses and transfer to tax reserve. Retirement benefit obligations increased ¥9.1 billion to ¥92.6 billion. As a result, total liabilities decreased ¥30.7 billion to ¥1,039.5 billion.

In Shareholders' Equity, there was no major change in common stock or additional paid-in capital. Retained earnings increased ¥69.1 billion to ¥584.5 billion. Accumulated other comprehensive income increased ¥8.3 billion and treasury stock decreased ¥9.5 billion. As a result, total shareholders' equity increased by ¥67.8 billion to ¥862.9 billion.

(2) Cash Flows	(Billions of yen)		
	Year ended March 31, 2005	Year ended March 31, 2004	Change
Cash flows from operating activities	132.7	154.9	-22.1
Cash flows from investing activities	-96.1	-63.3	-32.8
Cash flows from financing activities	-56.4	-74.8	18.3
Cash and Cash Equivalents at end of period	186.8	203.0	-16.1

Although net income and retirement benefit obligations increased, increase of trade receivables, inventories and lease receivable result in net cash provided by operating activities decreasing ¥22.1 billion from the previous corresponding period to ¥132.7 billion

Outgoing cash flow for investment activities increased ¥32.8 billion from the end of the previous corresponding period to ¥96.1 billion due to ongoing capital investment to reinforce production lines for new products and the purchase of a printer company.

As a result of these activities, the free cash flow, which is the total of the cash flows from operating activities and investment activities, decreased ¥55.0 billion from the previous corresponding period to ¥36.5 billion of positive cash flow.

Outgoing cash flow was incurred for reducing interest-bearing liabilities by encouraging financing between group companies, ¥14.7 billion for payment of dividends, and ¥10.6 billion for acquisition of treasury stock. As a result, the outgoing cash flow amounted to ¥56.4 billion.

As a result of the above, the ending balance of cash and cash equivalents decrease ¥16.1 billion from the end of the previous corresponding period to ¥186.8 billion.

(3) Cash Flow Indices	Year ended	Year ended	Year ended	Year ended	Year ended
	March 31, 2001	March 31, 2002	March 31, 2003	March 31, 2004	March 31, 2005
Shareholders' equity / Total assets	32.7%	34.5%	34.9%	42.9%	44.2%
Market capitalization / Total assets	92.2%	95.6%	73.0%	85.3%	69.1%
Interest bearing debt / Operating cash flow	5.2	5.3	2.6	2.8	3.1
Operating cash flow / Interest expense	13.2	12.8	27.1	29.3	28.3

Notes:

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

*Forecast for the entire fiscal year

Economic projections and Ricoh Group's strategies for fiscal year 2006

Although upturn is projected for Japanese stock market, capital investment, and corporate performance in fiscal year 2006 (extending from April 1, 2005 to March 31, 2006), a full-fledged economic recovery is expected to take more time. Overseas, while economies are expected to remain stable in the meanwhile, the futures of the European and American economies and political and economic uncertainties in such emerging areas as BRICs are a cause for concern.

Against such a backdrop, the Ricoh Group has identified "Realization of TDV, thereby broadening our revenue and earning framework" (increase volume and improve value added per page) as the primary strategy under the 14th medium-term management plan. As key strategies, we have set "Replacing monochrome products with color models" "Increased sales of high-speed models" and "Provision of printing solutions" Actions that the company has already taken include the expansion of market share by continuously introducing new products, including multifunction color models and color laser printers, and the expansion of transactions with major accounts by providing a global customer service and support system as a facet of printing solutions. The company intends to reinforce the printer business with further contribution of Ricoh Printing Systems, Ltd. the newly acquired printer company, and continue to reinforce the printer business.

As customers needs have become increasingly diverse, they would be no longer satisfied with merely purchasing products or services. The competition has also become increasingly severe in the replacement of monochrome models with color models and in providing business solutions. Although such major changes in the market environment may seem like a formidable obstacle, the Ricoh Group sees them as an ideal opportunity for expanding the earnings foundation. This is because the group has sufficient ability and strength to meet such changes. By exercising the ability to adapt to changing conditions, defining target areas, further adding to the abilities and strengths, and striving to create new values for customers, we will provide products and services that satisfy customer needs ahead of the competition.

Based on this awareness, under the 15th medium-term management plan, that starts from fiscal year 2006, we designated printing, emerging markets, and industrial area as the three target areas for growth. In order for the Ricoh Group to achieve growth and development with a focus on these growth areas, it is essential that we boost our corporate competitiveness by creating new values for customers and improving managerial efficiency. Our effort will also continue in improving the management efficiency to enhance our profitability. Structural reform will streamline operational processes and improve the earnings from each project. Furthermore, we will more carefully select projects and concentrate resources to the selected projects to improve managerial efficiency.

The profit generated from such activities will be aggressively allocated to investments in growth areas and technologies to further increase profits and raise corporate value.

Our performance forecast for fiscal 2006 is as follows:

Exchange Rate Assumptions for the full year ended March 31, 2006

US\$ 1 = ¥105.00 (¥107.58 in previous fiscal year)

EURO 1 = ¥130.00 (¥135.25 in previous fiscal year)

(Billions of yen)

	Year ending March 31, 2006 (Forecast)	Year ended March 31, 2005 (Results)	Change
Domestic sales	1,018.5	972.9	4.7%
Overseas sales	881.5	841.1	4.8%
Net sales	1,900.0	1,814.1	4.7%
Gross profit	815.0	754.5	8.0%
Operating income	165.0	135.5	21.8%
Income before income taxes	161.0	135.3	18.9%
Net income	97.0	83.1	16.7%

* Ricoh bases the forecast estimates for the year ending March 31, 2006 above upon information currently available to management, which involves risks and uncertainties that could cause actual results to differ materially from those projected.

Consolidated Performance

1. Consolidated Statements of Income

(Three months ended March 31, 2005 and 2004)

(Millions of yen)

	Three months ended March 31, 2005	Three months ended March 31, 2004	Change	%
Net sales	494,306	471,252	23,054	4.9
Cost of sales	295,712	279,512	16,200	5.8
<i>Percentage of net sales (%)</i>	59.8	59.3		
Gross Profit	198,594	191,740	6,854	3.6
<i>Percentage of net sales (%)</i>	40.2	40.7		
Selling, general and administrative expenses	159,555	155,203	4,352	2.8
<i>Percentage of net sales (%)</i>	32.3	32.9		
Operating income	39,039	36,537	2,502	6.8
<i>Percentage of net sales (%)</i>	7.9	7.8		
Other (income) expense				
Interest and dividend income	809	178	631	354.5
<i>Percentage of net sales (%)</i>	0.2	0.0		
Interest expense	1,092	1,090	2	0.2
<i>Percentage of net sales (%)</i>	0.2	0.2		
Other, net	-1,902	-2,756	854	-31.0
<i>Percentage of net sales (%)</i>	-0.3	-0.5		
Income before income taxes, equity income and minority interests	40,658	38,381	2,277	5.9
<i>Percentage of net sales (%)</i>	8.2	8.1		
Provision for income taxes	14,355	14,744	-389	-2.6
<i>Percentage of net sales (%)</i>	2.9	3.1		
Minority interests in earnings of subsidiaries	1,358	1,334	24	1.8
<i>Percentage of net sales (%)</i>	0.2	0.2		
Equity in earnings of affiliates	154	161	-7	-4.3
<i>Percentage of net sales (%)</i>	0.0	0.0		
Income before cumulative effect of accounting changes	25,099	22,464	2,635	11.7
<i>Percentage of net sales (%)</i>	5.1	4.8		
Cumulative effect of accounting change, net of tax	-	7,373	-7,373	-
<i>Percentage of net sales (%)</i>	-	1.5		
Net income	25,099	29,837	-4,738	-15.9
<i>Percentage of net sales (%)</i>	5.1	6.3		
Reference : Exchange rate				
US\$ 1	¥104.60	¥107.31		
EURO 1	¥137.26	¥134.10		

(Year ended March 31, 2005 and 2004)

(Millions of yen)

	Year ended March 31, 2005	Year ended March 31, 2004	Change	%
Net sales	1,814,108	1,780,245	33,863	1.9
Cost of sales	1,059,531	1,014,619	44,912	4.4
<i>Percentage of net sales (%)</i>	58.4	57.0		
Gross Profit	754,577	765,626	-11,049	-1.4
<i>Percentage of net sales (%)</i>	41.6	43.0		
Selling, general and administrative expenses	619,071	615,620	3,451	0.6
<i>Percentage of net sales (%)</i>	34.1	34.6		
Operating income	135,506	150,006	-14,500	-9.7
<i>Percentage of net sales (%)</i>	7.5	8.4		
Other (income) expense				
Interest and dividend income	2,240	1,925	315	16.4
<i>Percentage of net sales (%)</i>	0.1	0.1		
Interest expense	4,684	5,290	-606	-11.5
<i>Percentage of net sales (%)</i>	0.3	0.3		
Other, net	-2,321	3,578	-5,899	-
<i>Percentage of net sales (%)</i>	-0.2	0.2		
Income before income taxes, equity income and minority interests	135,383	143,063	-7,680	-5.4
<i>Percentage of net sales (%)</i>	7.5	8.0		
Provision for income taxes	50,634	56,641	-6,007	-10.6
<i>Percentage of net sales (%)</i>	2.8	3.2		
Minority interests in earnings of subsidiaries	4,726	4,094	632	15.4
<i>Percentage of net sales (%)</i>	0.3	0.2		
Equity in earnings of affiliates	3,120	2,065	1,055	51.1
<i>Percentage of net sales (%)</i>	0.2	0.1		
Income before cumulative effect of accounting changes	83,143	84,393	-1,250	-1.5
<i>Percentage of net sales (%)</i>	4.6	4.7		
Cumulative effect of accounting change, net of tax	-	7,373	-7,373	-
<i>Percentage of net sales (%)</i>	-	0.5		
Net income	83,143	91,766	-8,623	-9.4
<i>Percentage of net sales (%)</i>	4.6	5.2		
Reference : Exchange rate				
US\$ 1	¥107.58	¥113.09		
EURO 1	¥135.25	¥132.65		

2-1. Consolidated Sales by Product Category

(Three months ended March 31, 2005 and 2004)

(Millions of yen)

	Three months ended March 31, 2005	Three months ended March 31, 2004	Change	%
<Office Equipment>				
Imaging Solutions:				
Digital Imaging Systems	142,583	153,230	-10,647	-6.9
<i>Percentage of net sales (%)</i>	28.8	32.5		
Other Imaging Systems	37,592	46,217	-8,625	-18.7
<i>Percentage of net sales (%)</i>	7.7	9.8		
Total Imaging Solutions	180,175	199,447	-19,272	-9.7
<i>Percentage of net sales (%)</i>	36.5	42.3		
Network Input/Output Systems:				
Printing Systems	184,704	151,191	33,513	22.2
<i>Percentage of net sales (%)</i>	37.4	32.1		
Other Input/Output Systems	4,486	5,928	-1,442	-24.3
<i>Percentage of net sales (%)</i>	0.9	1.2		
Total Network Input/Output Systems	189,190	157,119	32,071	20.4
<i>Percentage of net sales (%)</i>	38.3	33.3		
Network System Solutions	63,326	56,967	6,359	11.2
<i>Percentage of net sales (%)</i>	12.7	12.2		
Office Equipment Total	432,691	413,533	19,158	4.6
<i>Percentage of net sales (%)</i>	87.5	87.8		
< Other Businesses >				
Other Businesses	61,615	57,719	3,896	6.7
<i>Percentage of net sales (%)</i>	12.5	12.2		
Grand Total	494,306	471,252	23,054	4.9
<i>Percentage of net sales (%)</i>	100.0	100.0		
Reference : Exchange rate				
US\$ 1	¥104.60	¥107.31		
EURO 1	¥137.26	¥134.10		

(Year ended March 31, 2005 and 2004)

(Millions of yen)

	Year ended March 31, 2005	Year ended March 31, 2004	Change	%
<Office Equipment>				
Imaging Solutions:				
Digital Imaging Systems	559,023	606,270	-47,247	-7.8
<i>Percentage of net sales (%)</i>	30.8	34.1		
Other Imaging Systems	156,074	197,304	-41,230	-20.9
<i>Percentage of net sales (%)</i>	8.6	11.0		
Total Imaging Solutions	715,097	803,574	-88,477	-11.0
<i>Percentage of net sales (%)</i>	39.4	45.1		
Network Input/Output Systems:				
Printing Systems	655,328	509,212	146,116	28.7
<i>Percentage of net sales (%)</i>	36.1	28.6		
Other Input/Output Systems	15,508	49,025	-33,517	-68.4
<i>Percentage of net sales (%)</i>	0.9	2.8		
Total Network Input/Output Systems	670,836	558,237	112,599	20.2
<i>Percentage of net sales (%)</i>	37.0	31.4		
Network System Solutions	205,895	195,822	10,073	5.1
<i>Percentage of net sales (%)</i>	11.3	11.0		
Office Equipment Total	1,591,828	1,557,633	34,195	2.2
<i>Percentage of net sales (%)</i>	87.7	87.5		
< Other Businesses >				
Other Businesses	222,280	222,612	-332	-0.1
<i>Percentage of net sales (%)</i>	12.3	12.5		
Grand Total	1,814,108	1,780,245	33,863	1.9
<i>Percentage of net sales (%)</i>	100.0	100.0		
Reference : Exchange rate				
US\$ 1	¥107.58	¥113.09		
EURO 1	¥135.25	¥132.65		

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 March 31, 2005 and 2004)

(Millions of yen)

	Three months ended March 31, 2005	Three months ended March 31, 2004	Change	%
<Domestic>	272,478	252,516	19,962	7.9
<i>Percentage of net sales (%)</i>	55.1	53.6		
<Overseas>	221,828	218,736	3,092	1.4
<i>Percentage of net sales (%)</i>	44.9	46.4		
The Americas	86,021	82,783	3,238	3.9
<i>Percentage of net sales (%)</i>	17.4	17.6		
Europe	108,309	106,019	2,290	2.2
<i>Percentage of net sales (%)</i>	21.9	22.5		
Other	27,498	29,934	-2,436	-8.1
<i>Percentage of net sales (%)</i>	5.6	6.3		
Grand Total	494,306	471,252	23,054	4.9
<i>Percentage of net sales (%)</i>	100.0	100.0		
Reference : Exchange rate				
US\$ 1	¥104.60	¥107.31		
EURO 1	¥137.26	¥134.10		

(Year ended March 31, 2005 and 2004)

(Millions of yen)

	Year ended March 31, 2005	Year ended March 31, 2004	Change	%
<Domestic>	972,975	914,060	58,915	6.4
<i>Percentage of net sales (%)</i>	53.6	51.3		
<Overseas>	841,133	866,185	-25,052	-2.9
<i>Percentage of net sales (%)</i>	46.4	48.7		
The Americas	325,597	326,380	-783	-0.2
<i>Percentage of net sales (%)</i>	17.9	18.3		
Europe	408,906	402,392	6,514	1.6
<i>Percentage of net sales (%)</i>	22.5	22.6		
Other	106,630	137,413	-30,783	-22.4
<i>Percentage of net sales (%)</i>	6.0	7.8		
Grand Total	1,814,108	1,780,245	33,863	1.9
<i>Percentage of net sales (%)</i>	100.0	100.0		
Reference : Exchange rate				
US\$ 1	¥107.58	¥113.09		
EURO 1	¥135.25	¥132.65		

3. Consolidated Balance Sheets

(March 31, 2005 and 2004)

Assets	(Millions of yen)		
	March 31, 2005	March 31, 2004	Change
Current Assets			
Cash and time deposits	188,311	204,001	-15,690
Trade receivables	620,568	576,366	44,202
Marketable securities	138	45,124	-44,986
Inventories	167,365	145,369	21,996
Other current assets	53,365	55,079	-1,714
Total Current Assets	1,029,747	1,025,939	3,808
Fixed Assets			
Tangible fixed assets	247,410	238,712	8,698
Finance receivable	391,947	359,925	32,022
Other Investments	284,565	228,217	56,348
Total Fixed Assets	923,922	826,854	97,068
Total Assets	1,953,669	1,852,793	100,876

Note:

Contents of cash and time deposits:

Cash and cash equivalents	186,857	203,039
Time deposits	1,454	962

Liabilities and Shareholders' Investment	(Millions of yen)		
	March 31, 2005	March 31, 2004	Change
Current Liabilities			
Trade payables	336,499	297,672	38,827
Short-term borrowings	183,518	151,162	32,356
Other current liabilities	151,497	158,594	-7,097
Total Current Liabilities	671,514	607,428	64,086
Fixed Liabilities			
Long-term indebtedness	226,567	281,570	-55,003
Accrued pension and severance costs	92,672	83,492	9,180
Other fixed liabilities	48,767	36,295	12,472
Total Fixed Liabilities	368,006	401,357	-33,351
Total Liabilities	1,039,520	1,008,785	30,735
Minority Interest	51,151	48,877	2,274
Shareholders' Investment			
Common stock	135,364	135,364	-
Additional paid-in capital	186,551	186,599	-48
Retained earnings	584,515	515,372	69,143
Accumulated other comprehensive income (loss)	-21,963	-30,272	8,309
Treasury stock	-21,469	-11,932	-9,537
Total Shareholders' Investment	862,998	795,131	67,867
Total Liabilities and Shareholders' Investment	1,953,669	1,852,793	100,876

Note: Other comprehensive income;

Net unrealized holding gains on available-for-sale securities	4,791	4,026	765
Pension liability adjustments	-14,652	-14,863	211
Net unrealized gains (losses) on derivative instruments	117	-24	141
Cumulative translation adjustments	-12,219	-19,411	7,192

Reference: Exchange rate	March 31, 2005	March 31, 2004
US\$ 1	¥107.39	¥105.69
EURO 1	¥138.87	¥128.88

4. Retained Earnings

(Year ended March 31, 2005 and 2004)

	(Millions of yen)	
	Year ended March 31, 2005	Year ended March 31, 2004
Retained earnings (beginning balance)	515,372	434,748
Adjustment for change of fiscal period on consolidated subsidiaries	777	-
Net income	83,143	91,766
Cash dividends	14,777	11,142
Retained earnings (ending balance)	584,515	515,372

5. Consolidated Statements of Cash Flows

(Year ended March 31, 2005 and 2004)

(Millions of yen)

	Year ended March 31, 2005	Year ended March 31, 2004
I. Cash Flows from Operating Activities:		
1. Net income	83,143	91,766
2. Adjustments to reconcile net income to net cash provided by operating activities—		
Depreciation and amortization	78,201	76,968
Equity in earnings of affiliates, net of dividends received	-1,966	-1,001
Deferred income taxes	11,353	3,338
Loss on disposal and sales of tangible fixed assets	4,056	2,035
Cumulative effect of accounting change	-	-7,373
Changes in assets and liabilities—		
Increase in trade receivables	-26,429	-11,367
Increase in inventories	-12,885	-4,317
Increase in finance receivables	-30,294	-32,650
Increase in trade payables	27,276	21,316
Decrease in accrued income taxes and accrued expenses and other	-13,719	-5,913
Retirement benefit obligation, net	4,307	-609
Other, net	9,737	22,718
Net cash provided by operating activities	132,780	154,911
II. Cash Flows from Investing Activities:		
1. Proceeds from sales of property, plant and equipment	721	190
2. Expenditures for tangible fixed assets	-84,076	-75,432
3. Payments for purchases of available-for-sale securities	-79,431	-35,518
4. Proceeds from sales of available-for-sale securities	118,120	45,464
5. (Increase) decrease in time deposits	-511	9,915
6. Acquisition of new subsidiaries, net of cash acquired	-43,214	-
7. Other, net	-7,807	-8,002
Net cash used in investing activities	-96,198	-63,383
III. Cash Flows from Financing Activities:		
1. Proceeds from long-term indebtedness	72,206	13,349
2. Repayment of long-term indebtedness	-60,613	-31,509
3. Decrease in short-term borrowings, net	-38,052	-10,728
4. Proceeds from issuance of long-term debt securities	18,000	1,000
5. Repayment of long-term debt securities	-22,000	-23,910
6. Dividends paid	-14,793	-11,136
7. Payment for purchase of treasury stock	-10,624	-11,411
8. Other, net	-563	-490
Net cash used in financing activities	-56,439	-74,835
IV. Effect of Exchange Rate Changes on Cash and Cash Equivalents	1,200	-2,897
V. Net Increase (Decrease) in Cash and Cash Equivalents	-18,657	13,796
VI. Cash and Cash Equivalents at Beginning of Year	203,039	189,243
VII. Adjustment for Change of Fiscal Period on Consolidated Subsidiaries	2,475	-
VIII. Cash and Cash Equivalents at End of Period	186,857	203,039

6. Segment Information

(1) Industry Segment Information

(Three months ended March 31, 2005 and 2004)

(Millions of yen)

	Three months ended March 31, 2005	Three months ended March 31, 2004	Change	%
Office Equipment:				
Net sales:				
Unaffiliated customers	432,691	413,533	19,158	4.6
Intersegment	-	-	-	-
Total	432,691	413,533	19,158	4.6
Operating expenses	377,706	361,866	15,840	4.4
Operating income	54,985	51,667	3,318	6.4
<i>Operating income on office equipment sales(%)</i>	<i>12.7</i>	<i>12.5</i>		
Other Businesses:				
Net sales:				
Unaffiliated customers	61,615	57,719	3,896	6.7
Intersegment	644	722	-78	-10.8
Total	62,259	58,441	3,818	6.5
Operating expenses	63,075	57,752	5,323	9.2
Operating income	-816	689	-1,505	-
<i>Operating income on sales in other businesses (%)</i>	<i>-1.3</i>	<i>1.2</i>		
Corporate and Eliminations:				
Net sales:				
Intersegment	-644	-722	78	-
Total	-644	-722	78	-
Operating expenses:				
Intersegment	-615	-730	115	-
Corporate	15,101	15,827	-726	-
Total	14,486	15,097	-611	-
Operating income	-15,130	-15,819	689	-
Consolidated:				
Net sales:				
Unaffiliated customers	494,306	471,252	23,054	4.9
Intersegment	-	-	-	-
Total	494,306	471,252	23,054	4.9
Operating expenses	455,267	434,715	20,552	4.7
Operating income	39,039	36,537	2,502	6.8
<i>Operating income on consolidated net sales(%)</i>	<i>7.9</i>	<i>7.8</i>		

Identifiable assets: (Millions of yen)

	March 31, 2005	March 31, 2004	Change	%
Office Equipment	1,391,483	1,220,747	170,736	14.0
Other Businesses	164,337	182,532	-18,195	-10.0
Elimination	-10,174	-8,047	-2,127	26.4
Corporate assets	408,023	457,561	-49,538	-10.8
Total	1,953,669	1,852,793	100,876	5.4

Capital expenditures: (Millions of yen)

	Three months ended March 31, 2005	Three months ended March 31, 2004	Change	%
Office Equipment	22,330	20,423	1,907	9.3
Other Businesses	2,894	2,444	450	18.4
Corporate	740	752	-12	-1.6
Total	25,964	23,619	2,345	9.9

Depreciation: (Millions of yen)

	Three months ended March 31, 2005	Three months ended March 31, 2004	Change	%
Office Equipment	15,082	14,497	585	4.0
Other Businesses	2,640	2,250	390	17.3
Corporate	1,050	535	515	96.3
Total	18,772	17,282	1,490	8.6

(Year ended March 31, 2005 and 2004)

(Millions of yen)

	Year ended March 31, 2005	Year ended March 31, 2004	Change	%
Office Equipment:				
Net sales:				
Unaffiliated customers	1,591,828	1,557,633	34,195	2.2
Intersegment	-	-	-	-
Total	1,591,828	1,557,633	34,195	2.2
Operating expenses	1,400,121	1,353,304	46,817	3.5
Operating income	191,707	204,329	-12,622	-6.2
<i>Operating income on office equipment sales(%)</i>	<i>12.0</i>	<i>13.1</i>		
Other Businesses:				
Net sales:				
Unaffiliated customers	222,280	222,612	-332	-0.1
Intersegment	2,506	2,462	44	1.8
Total	224,786	225,074	-288	-0.1
Operating expenses	224,241	220,391	3,850	1.7
Operating income	545	4,683	-4,138	-88.4
<i>Operating income on sales in other businesses (%)</i>	<i>0.2</i>	<i>2.1</i>		
Corporate and Eliminations:				
Net sales:				
Intersegment	-2,506	-2,462	-44	-
Total	-2,506	-2,462	-44	-
Operating expenses:				
Intersegment	-2,475	-2,494	19	-
Corporate	56,715	59,038	-2,323	-
Total	54,240	56,544	-2,304	-
Operating income	-56,746	-59,006	2,260	-
Consolidated:				
Net sales:				
Unaffiliated customers	1,814,108	1,780,245	33,863	1.9
Intersegment	-	-	-	-
Total	1,814,108	1,780,245	33,863	1.9
Operating expenses	1,678,602	1,630,239	48,363	3.0
Operating income	135,506	150,006	-14,500	-9.7
<i>Operating income on consolidated net sales(%)</i>	<i>7.5</i>	<i>8.4</i>		

Identifiable assets: (Millions of yen)

	March 31, 2005	March 31, 2004	Change	%
Office Equipment	1,391,483	1,220,747	170,736	14.0
Other Businesses	164,337	182,532	-18,195	-10.0
Elimination	-10,174	-8,047	-2,127	26.4
Corporate assets	408,023	457,561	-49,538	-10.8
Total	1,953,669	1,852,793	100,876	5.4

Capital expenditures: (Millions of yen)

	Year ended March 31, 2005	Year ended March 31, 2004	Change	%
Office Equipment	72,923	65,366	7,557	11.6
Other Businesses	9,675	8,712	963	11.1
Corporate	2,103	1,429	674	47.2
Total	84,701	75,507	9,194	12.2

Depreciation: (Millions of yen)

	Year ended March 31, 2005	Year ended March 31, 2004	Change	%
Office Equipment	57,020	57,956	-936	-1.6
Other Businesses	6,504	7,774	-1,270	-16.3
Corporate	3,272	1,954	1,318	67.5
Total	66,796	67,684	-888	-1.3

(2) Geographic Segment Information
(Three months ended March 31, 2005 and 2004)

(Millions of yen)

	Three months ended March 31, 2005	Three months ended March 31, 2004	Change	%
Japan:				
Net sales:				
External customers	277,023	258,807	18,216	7.0
Intersegment	97,677	83,638	14,039	16.8
Total	374,700	342,445	32,255	9.4
Operating expenses	355,371	322,424	32,947	10.2
Operating income	19,329	20,021	-692	-3.5
<i>Operating income on sales in Japan(%)</i>	5.2	5.8		
The Americas:				
Net sales:				
External customers	85,645	81,216	4,429	5.5
Intersegment	1,345	1,385	-40	-2.9
Total	86,990	82,601	4,389	5.3
Operating expenses	80,940	74,417	6,523	8.8
Operating income	6,050	8,184	-2,134	-26.1
<i>Operating income on sales in the Americas(%)</i>	7.0	9.9		
Europe:				
Net sales:				
External customers	110,307	105,222	5,085	4.8
Intersegment	774	963	-189	-19.6
Total	111,081	106,185	4,896	4.6
Operating expenses	102,883	99,566	3,317	3.3
Operating income	8,198	6,619	1,579	23.9
<i>Operating income on sales in Europe(%)</i>	7.4	6.2		
Other:				
Net sales:				
External customers	21,331	26,007	-4,676	-18.0
Intersegment	24,328	21,921	2,407	11.0
Total	45,659	47,928	-2,269	-4.7
Operating expenses	42,329	44,645	-2,316	-5.2
Operating income	3,330	3,283	47	1.4
<i>Operating income on sales in other(%)</i>	7.3	6.8		
Corporate and Eliminations:				
Net sales:				
Intersegment	-124,124	-107,907	-16,217	-
Total	-124,124	-107,907	-16,217	-
Operating expenses:	-126,256	-106,337	-19,919	-
Operating income	2,132	-1,570	3,702	-
Consolidated:				
Net sales:				
External customers	494,306	471,252	23,054	4.9
Intersegment	-	-	-	-
Total	494,306	471,252	23,054	4.9
Operating expenses	455,267	434,715	20,552	4.7
Operating income	39,039	36,537	2,502	6.8
<i>Operating income on consolidated net sales(%)</i>	7.9	7.8		
Identifiable assets:				
	March 31, 2005	March 31, 2004	Change	%
Japan	1,187,190	1,071,297	115,893	10.8
The Americas	206,979	188,644	18,335	9.7
Europe	228,568	188,184	40,384	21.5
Other	66,319	63,701	2,618	4.1
Elimination	-143,410	-116,594	-26,816	23.0
Corporate assets	408,023	457,561	-49,538	-10.8
Total	1,953,669	1,852,793	100,876	5.4

(Year ended March 31, 2005 and 2004)

(Millions of yen)

	Year ended March 31, 2005	Year ended March 31, 2004	Change	%
Japan:				
Net sales:				
External customers	994,499	962,127	32,372	3.4
Intersegment	392,216	351,070	41,146	11.7
Total	1,386,715	1,313,197	73,518	5.6
Operating expenses	1,298,640	1,215,875	82,765	6.8
Operating income	88,075	97,322	-9,247	-9.5
<i>Operating income on sales in Japan(%)</i>	6.4	7.4		
The Americas:				
Net sales:				
External customers	322,975	315,504	7,471	2.4
Intersegment	7,486	5,249	2,237	42.6
Total	330,461	320,753	9,708	3.0
Operating expenses	316,651	305,284	11,367	3.7
Operating income	13,810	15,469	-1,659	-10.7
<i>Operating income on sales in the Americas(%)</i>	4.2	4.8		
Europe:				
Net sales:				
External customers	412,333	400,646	11,687	2.9
Intersegment	3,310	3,770	-460	-12.2
Total	415,643	404,416	11,227	2.8
Operating expenses	391,271	382,383	8,888	2.3
Operating income	24,372	22,033	2,339	10.6
<i>Operating income on sales in Europe(%)</i>	5.9	5.4		
Other:				
Net sales:				
External customers	84,301	101,968	-17,667	-17.3
Intersegment	89,647	91,373	-1,726	-1.9
Total	173,948	193,341	-19,393	-10.0
Operating expenses	162,042	182,870	-20,828	-11.4
Operating income	11,906	10,471	1,435	13.7
<i>Operating income on sales in other(%)</i>	6.8	5.4		
Corporate and Eliminations:				
Net sales:				
Intersegment	-492,659	-451,462	-41,197	-
Total	-492,659	-451,462	-41,197	-
Operating expenses:	-490,002	-456,173	-33,829	-
Operating income	-2,657	4,711	-7,368	-
Consolidated:				
Net sales:				
External customers	1,814,108	1,780,245	33,863	1.9
Intersegment	-	-	-	-
Total	1,814,108	1,780,245	33,863	1.9
Operating expenses	1,678,602	1,630,239	48,363	3.0
Operating income	135,506	150,006	-14,500	-9.7
<i>Operating income on consolidated net sales(%)</i>	7.5	8.4		

Identifiable assets:

(Millions of yen)

	March 31, 2005	March 31, 2004	Change	%
Japan	1,187,190	1,071,297	115,893	10.8
The Americas	206,979	188,644	18,335	9.7
Europe	228,568	188,184	40,384	21.5
Other	66,319	63,701	2,618	4.1
Elimination	-143,410	-116,594	-26,816	23.0
Corporate assets	408,023	457,561	-49,538	-10.8
Total	1,953,669	1,852,793	100,876	5.4

7. Significant Accounting Policies (Consolidated)

1. Change relating to the scale of consolidation and the application of the equity method from April 1, 2004 to March 31, 2005.

Consolidated subsidiaries:

15 additions including Ricoh Printing Systems, Ltd. and Shanghai Ricoh Digital Equipment Co., Ltd.
51 removals including Hanimex Australasia Pty Ltd.

Companies accounted for by the equity method:

6 additions including Triangle Spirit Corporation
4 removals including Shanghai Ricoh Digital Equipment Co., Ltd.

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.

Certain overseas subsidiaries of the company changed their fiscal year end from December 31 to March 31, at the beginning of fiscal 2005. As a result, retained earnings increased by ¥777 million and other comprehensive income (loss) decreased by ¥1,665 million.

(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.

In March 2000, the Company contributed certain marketable equity securities, not including those of its subsidiaries and affiliated companies, to its employee retirement benefit trust (the "Trust") fully administered and controlled by an independent bank trustee, with no cash proceeds thereon (the "2000 Transfer"). The 2000 Transfer of the available-for-sale securities was accounted for as a sale in accordance with SFAS No.125, "Accounting for Transfer and Servicing of Financial Assets and Extinguishments of Liabilities" and accordingly the recorded pension liability was reduced by the fair market value amount of the transferred securities. The fair value of these securities at the time of transfer was ¥20,760 million. The net unrealized gains on these available-for-sale securities amounting to ¥13,095 million and was initially included in "Accumulated other comprehensive income (loss)" on the consolidated balance sheets with the expectation of being reflected in realized gains in the statements of income upon the future sale of the transferred securities by the trustee.

In March 2004, the Company contributed certain additional marketable equity securities, not including those of its subsidiaries and affiliated companies to the Trust, with no cash proceeds thereon (the "2004 Transfer"). The fair value and net unrealized gains on these available-for-sale securities at the time of transfer was ¥3,648 million and ¥2,691 million, respectively.

In connection with the 2004 Transfer, the Company has changed its accounting policy with respect to the recognition of unrealized gains and losses as realized in the statements of income on transfers of such marketable equity securities. The Company has concluded that it is preferable to recognize in the statements of income unrealized gains or losses associated with marketable equity securities transferred to the Trust when the Company has effectively given up the economic rewards of ownership, that is, when the assets are no longer considered corporate assets and when the Trust has the irrevocable and unrestricted right to realize those benefits as and when it chooses. This generally occurs at the time the assets are transferred to the Trust and not upon future sale of the assets by the trustee provided.

Accordingly, the Company has recognized realized gains in the consolidated statement of income on the transfer of marketable equity securities to the Trust for fiscal 2004 of ¥2,691 million. In addition, the Company has recognized in its fiscal 2004 consolidated statement of income a cumulative effect of accounting change, net of tax, of ¥7,373 million associated with the 2000 Transfer.

(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) Pension and Retirement Allowances Plans

The measurement of pension costs and liabilities is determined in accordance with SFAS No.87, "Employers' Accounting for Pensions." Under SFAS 87, changes in the amount of either the projected benefit obligation or plan assets resulting from actual results different from that assumed and from changes in assumptions can result in gains and losses not yet recognized in the consolidated financial statements. Amortization of an unrecognized net gain or loss is included as a component of the net periodic benefit plan cost for a year if, as of the beginning of the year, that unrecognized net gain or loss exceeds 10 percent of the greater of (1) the projected benefit obligation or (2) the fair value of that plan's assets. In such case, the amount of amortization recognized is the resulting excess divided by the average remaining service period of active employees expected to receive benefits under the plan. The expected long-term rate of return on plan assets used for pension accounting is determined based on the historical long-term rate of return on plan assets. The discount rate is determined based on the rates of return of high-quality fixed-income investments currently available and expected to be available during the period to maturity of the pension benefits.

Pursuant to the newly enacted Defined Payment Corporate Pension Act, Ricoh received an approval of exemption from the Minister of Health, Labor and Welfare, effective January 1, 2003, from the obligation for benefits related to future employee service with respect to the substitutional portion of its EPF. Ricoh received government approval of exemption from the obligation for benefits related to past employee service in January 2004 with respect to the substitutional portion of its domestic contributory plan. The transfer to the government was completed on March 16, 2004.

Ricoh accounted for the transfer in accordance with Emerging Issues Task Force Issue No. 03-2 "Accounting for the Transfer to the Japanese Government of the Substitutional Portion of Employee Pension Fund Liabilities ("EITF 03-2)". As specified in EITF 03-2, the entire separation process is to be accounted for at the time of completion of the transfer to the government of the substitutional portion of the benefit obligation and related plan assets as a settlement in accordance with Statement of Financial Accounting Standards No. 88 "Employers' Accounting for Settlements and Curtailments of Defined Benefit Pension Plans and for Termination Benefits". As a result of the transfer, Ricoh recognized net settlement gain of ¥ 8,315 million for the year ended March 31, 2004 and is presented net in operating expense.

(7) 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 accounting principles generally accepted in the United States of America. Actual results could differ from those estimates.

(8) Reclassification to Prior Years' Consolidated Financial Statements

The accompanying consolidated balance sheet for the year ended March 31, 2004, reflects the reclassification of finance receivables expected to be collected within one year from the balance sheet date, or the current portion, previously included in investments and other assets to current assets to conform with the presentation used for the year ended March 31, 2005. The effect of this reclassification was to increase total current assets by ¥154,122 million from ¥871,817 million to ¥1,025,939 million at March 31, 2004.

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 March 31, 2005 and March 31, 2004 are as follows:

(Millions of yen)

March 31, 2005				
	Cost	Gross unrealized holding gains	Gross unrealized holding losses	Fair value
Current:				
Corporate debt securities	137	-	-	137
Other	1	-	-	1
	138	-	-	138
Noncurrent:				
Equity securities	7,479	9,021	49	16,451
Corporate debt securities	6,000	45	-	6,045
Other	1,229	480	-	1,709
Nonmarketable securities (at cost)	6,949	-	-	6,949
	21,657	9,546	49	31,154

(Millions of yen)

March 31, 2004				
	Cost	Gross unrealized holding gains	Gross unrealized holding losses	Fair value
Current:				
Corporate debt securities	45,139	6	22	45,123
Other	1	-	-	1
	45,140	6	22	45,124
Noncurrent:				
Equity securities	5,053	8,080	33	13,100
Other	1,174	492	-	1,666
Nonmarketable securities (at cost)	7,105	-	-	7,105
	13,332	8,572	33	21,871

(2) Derivatives

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 March 31, 2005, and March 31, 2004 are as follows:

(Millions of yen)

March 31, 2005		
	Carrying amount	Estimated Fair value
Interest rate swap agreements, net	1,683	1,683
Foreign currency contracts-net credit	181	181
Currency options-net credit	-813	-813
Total	1,051	1,051

(Millions of yen)

March 31, 2004		
	Carrying amount	Estimated Fair value
Interest rate swap agreements, net	2,266	2,266
Foreign currency contracts-net credit	1,876	1,876
Currency options	-145	-145
Total	3,997	3,997

(3) Transactions of Ricoh with affiliates

(Millions of yen)

	March 31, 2005	March 31, 2004
Account balances:		
Receivables	3,416	3,530
Payables	2,964	2,217
(Millions of yen)		
	Year ended March 31, 2005	Year ended March 31, 2004
Transactions:		
Sales	19,365	19,534
Purchases	27,286	18,714
Dividend income	1,154	1,064

Ricoh Company, Ltd.

FLASH REPORT (Non-consolidated Results for the Year ended March 31, 2005)

*Date of approval for the financial results for the year ended March 31, 2005,

at the Board of Directors' meeting: April 27, 2005

*Date of shareholders' annual meeting: Jun 28, 2005

1. Results for the Period from April 1, 2004 to March 31, 2005 (Non-consolidated)

(1) Operating Results

	(Millions of yen)	
	Year ended March 31, 2005	Year ended March 31, 2004
Net sales	897,217	876,366
<i>(% Change from the previous fiscal year)</i>	2.4	2.5
Operating income	56,861	62,161
<i>(% Change from the previous fiscal year)</i>	-8.5	-13.5
Ordinary income	62,733	62,513
<i>(% Change from the previous fiscal year)</i>	0.4	-9.3
Net income	41,983	58,595
<i>(% Change from the previous fiscal year)</i>	-28.4	36.6
Net income per share-basic (yen)	56.64	79.18
Net income per share-diluted (yen)	-	-
Return on equity (%)	6.4	9.5
Ordinary income on total assets (%)	6.6	6.7
Ordinary income on net sales (%)	7.0	7.1

Notes: i Average number of shares outstanding:

Year ended March 31, 2005 738,514,615 shares Year ended March 31, 2004 742,292,806 shares

ii No change in accounting and reporting policies

(2) Dividend Information

	Year ended March 31, 2005	Year ended March 31, 2004
Cash dividends, applicable to the year (yen)	20.00	18.00
Half year (yen)	10.00	8.00
Year-end (yen)	10.00	10.00
Total annual dividends (millions of yen)	14,735	13,332
Payout Ratio (%)	35.1	22.8
Dividends on shareholders' equity (%)	2.2	2.1

(3) Financial Position

	(Millions of yen)	
	March 31, 2005	March 31, 2004
Total assets	949,547	937,310
Shareholders' equity	659,975	642,415
Equity ratio (%)	69.5	68.5
Equity per share (yen)	897.96	869.19

Notes: i Number of shares issued:

As of March 31, 2005 734,795,844 shares As of March 31, 2004 738,894,891 shares

ii Number of Treasury stocks:

As of March 31, 2005 10,116,234 shares As of March 31, 2004 6,017,187 shares

(4) Forecast of operating results from April 1, 2005 to March 31, 2006 (Non-consolidated)

	Half year ended September 30, 2005	Year ended March 31, 2006
Net sales (Millions of yen)	455,300	940,000
Ordinary income (Millions of yen)	31,000	67,000
Net income (Millions of yen)	21,000	44,800
Cash dividends, applicable to the year (yen)	-	22.00
Half year (yen)	11.00	-
Year-end (yen)	-	11.00

Note: Net income per share ¥ 60.97

In accordance with Japanese regulations, Ricoh has issued forecast for its financial results for the half year ending September 30, 2005 and year ending March 31, 2006. 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 years ended March 31, 2005 and 2004.

			(Millions of yen)	
	Year ended March 31, 2005	Year ended March 31, 2004	Change(%)	
Net sales	897,217	876,366	20,851	(2.4)
Cost of sales	619,968	600,991	18,977	(3.2)
<i>Percentage of net sales (%)</i>	<i>69.1</i>	<i>68.6</i>		
Gross profit	277,249	275,375	1,874	(0.7)
<i>Percentage of net sales (%)</i>	<i>30.9</i>	<i>31.4</i>		
Selling, general and administrative expenses	220,387	213,213	7,174	(3.4)
<i>Percentage of net sales (%)</i>	<i>24.6</i>	<i>24.3</i>		
Selling expenses	47,656	61,475	-13,819	
General and administrative expenses	172,731	151,737	20,994	
Operating income	56,861	62,161	-5,300	(-8.5)
<i>Percentage of net sales (%)</i>	<i>6.3</i>	<i>7.1</i>		
Non-operating income	11,824	9,765	2,059	(21.1)
<i>Percentage of net sales (%)</i>	<i>1.3</i>	<i>1.1</i>		
Interest	2,324	2,408	-84	
Interest on securities	113	143	-30	
Dividends	4,187	3,579	608	
Exchange gain	1,731	-	1,731	
Miscellaneous income	3,467	3,633	-166	
Non-operating expenses	5,952	9,414	-3,462	(-36.8)
<i>Percentage of net sales (%)</i>	<i>0.7</i>	<i>1.1</i>		
Interest	5	4	1	
Interest on bonds	1,469	1,471	-2	
Exchange loss	-	5,361	-5,361	
Loss on disposition of fixed assets	3,445	1,367	2,078	
Miscellaneous expenses	1,032	1,209	-177	
Ordinary income	62,733	62,513	220	(0.4)
<i>Percentage of net sales (%)</i>	<i>7.0</i>	<i>7.1</i>		
Extraordinary income	-	30,219	-30,219	
<i>Percentage of net sales (%)</i>	<i>-</i>	<i>3.4</i>		
Gain on exemption from the obligation for benefits related to substitutional portion of Employees' Pension Fund	-	26,949	-26,949	
Gain on transfer of securities to an employee retirement benefit trust	-	2,691	-2,691	
Gain on sales of shares of a subsidiary	-	572	-572	
Gain on settlement of qualified pension plan	-	6	-6	
Income before income taxes	62,733	92,732	-29,999	(-32.4)
<i>Percentage of net sales (%)</i>	<i>7.0</i>	<i>10.6</i>		
Provision for income taxes	11,500	21,100	-9,600	(-45.5)
<i>Percentage of net sales (%)</i>	<i>1.3</i>	<i>2.4</i>		
Corporate and other tax adjustments	9,250	13,037	-3,787	(-29.0)
<i>Percentage of net sales (%)</i>	<i>1.0</i>	<i>1.5</i>		
Net income	41,983	58,595	-16,612	(28.4)
<i>Percentage of net sales (%)</i>	<i>4.7</i>	<i>6.7</i>		
Retained earnings at beginning of year	9,630	5,736	3,894	
Reversal of reserve for social contribution	88	89	-1	
Loss on disposal of Treasury stock	1,922	-	1,922	
Interim dividends	7,387	5,943	1,444	
Retained earnings at end of year	42,392	58,478	-16,086	

Reference:

Exchange rate

	Year ended March 31, 2005	Year ended March 31, 2004
US\$ 1	107.64	113.19
EURO 1	135.29	133.01

(2) Balance Sheets (Non-consolidated)

March 31, 2005 and 2004

Assets	(Millions of yen)		
	March 31, 2005	March 31, 2004	Change
Current Assets	485,067	543,987	-58,920
Cash on hand and in banks	10,148	14,687	-4,539
Notes receivable-trade	7,983	7,345	638
Accounts receivable-trade	213,503	209,588	3,915
Marketable securities	128,186	211,045	-82,859
Finished goods	29,336	24,043	5,293
Raw materials	3,665	2,934	731
Work-in-process	6,348	6,286	62
Supplies	6,924	6,448	476
Advances	-	69	-69
Prepaid expenses	3,037	1,075	1,962
Deferred tax assets	11,706	17,415	-5,709
Accounts receivable-other	29,510	14,551	14,959
Short-term loans receivable	33,753	27,213	6,540
Other current assets	2,455	3,248	-793
Allowance for doubtful accounts	-1,492	-1,965	473
Fixed Assets	464,480	393,323	71,157
Tangible Fixed Assets	108,949	110,528	-1,579
Buildings	40,423	41,503	-1,080
Structures	1,783	1,752	31
Machinery and equipment	18,422	18,619	-197
Vehicles	12	15	-3
Tools	17,521	19,044	-1,523
Land	25,980	26,023	-43
Construction in progress	4,806	3,570	1,236
Intangible Fixed Assets	30,945	26,893	4,052
Patent rights	442	557	-115
Leased property rights	8,479	8,479	-
Software	21,741	17,597	4,144
Other intangible fixed assets	282	258	24
Investments and Other Assets	324,584	255,901	68,683
Investment securities	28,058	19,116	8,942
Affiliates' securities	184,437	138,681	45,756
Investment in affiliates	28,440	19,055	9,385
Long-term loans receivable	24	30	-6
Long-term loans to affiliates	70,145	61,639	8,506
Bankruptcy and rehabilitation debts	18	31	-13
Deferred tax assets	7,073	10,913	-3,840
Lease deposit	6,515	5,930	585
Other investments	2,564	3,327	-763
Allowance for doubtful accounts	-2,693	-2,824	131
Total Assets	949,547	937,310	12,237

Reference:

Exchange rate

	March 31,2005	March 31,2004
US\$ 1	107.39	105.69
EURO 1	138.87	128.88

March 31, 2005 and 2004

Liabilities (Millions of yen)

	March 31, 2005	March 31, 2004	Change
Current Liabilities	225,887	187,125	38,762
Notes payable-trade	6,033	4,156	1,877
Accounts payable-trade	109,598	99,181	10,417
Bonds maturing within one year	40,000	-	40,000
Accounts payable-other	13,650	13,674	-24
Accrued expenses	34,872	43,805	-8,933
Accrued corporate tax	3,061	6,146	-3,085
Advances by customers	378	170	208
Deposits payable	3,517	4,242	-725
Accrued bonuses	11,855	13,873	-2,018
Warranty reserve	389	330	59
Derivative liabilities, at fair value	1,066	-	1,066
Other current liabilities	1,465	1,545	-80
Fixed Liabilities	63,683	107,769	-44,086
Bonds	60,000	100,000	-40,000
Long-term Accounts payable-other	2,810	6,445	-3,635
Retirement benefit obligation	352	341	11
Reserve for directors' retirement allowances	519	982	-463
Total Liabilities	289,571	294,895	-5,324

Shareholders' Equity (Millions of yen)

	March 31, 2005	March 31, 2004	Change
Common Stock	135,364	135,364	-
Additional paid-in-capital	179,522	179,522	-0
Legal capital reserve	179,522	179,522	-
Other additional paid-in-capital	-	0	-0
Retained earnings	360,404	335,298	25,106
Legal reserve	14,955	14,955	-
Voluntary reserves	303,057	261,864	41,193
Reserve for deferral of capital gain on property	574	600	-26
Reserve for special depreciation	802	499	303
Reserve for warranty on computer programs	218	304	-86
Reserve for social contribution	112	110	2
General reserve	301,350	260,350	41,000
Unappropriated retained earnings	42,392	58,478	-16,086
Net unrealized holding gains on securities	4,598	4,161	437
Treasury stock	-19,914	-11,932	-7,982
Total Shareholders' Equity	659,975	642,415	17,560
Total Liabilities and Shareholders' Equity	949,547	937,310	12,237

Reference:

Exchange rate

	March 31, 2005	March 31, 2004
US\$ 1	107.39	105.69
EURO 1	138.87	128.88

(3) Proposed Appropriation of Retained Earnings

	(Millions of yen)		
	Year ended March 31, 2005	Year ended March 31, 2004	Change
Unappropriated retained earnings at end of year	42,392	58,478	-16,086
Reversal of reserve for deferral of capital gain on property	24	25	-1
Reversal of reserve for special depreciation	186	198	-12
Reversal of reserve for warranty on computer programs	50	85	-35
Total	42,653	58,788	-16,135

To be appropriated as follows:

	(Millions of yen)		
	Year ended March 31, 2005	Year ended March 31, 2004	Change
Cash dividends	7,347	7,388	-41
Dividends per share (yen)	10.00	10.00	
Director bonuses	155	178	-23
Reserve for special depreciation	657	500	157
Reserve for social contribution	88	89	-1
General reserve	25,000	41,000	-16,000
Retained earnings brought forward to the next year	9,404	9,630	-226

Notes:

On December 1, 2004, the Company made interim cash dividends of ¥10.00 per share totaling ¥7,387,855,900.

Significant Accounting Policies (Non-consolidated)

1. Accounting policy for assets

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

(2) Securities

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

ii Other securities:

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

(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. (15 years)

(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. Others

Consumption taxes

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

**Change of presentation for financial statement
(Balance Sheets)**

"Amendment of Securities and Exchange Law(97th law, enacted on June 9,2004)", requires companies to treat investment in limited partnership for investment operation and other similar partnership as investment in securities. In accordance with the amendment,Ricoh changed its balance sheet disclosure of investments in partnership for investment operation, which meet the condition of securities under securities and exchange law, from "Other investments" to "Investment securities", both component of "Investment and Other Asetts".

The amount of such investment is 3,076 million yen in "Investment securities" and 2,002 million yen in "Other investments" as of March 31,2005 and 2004, respectively.

Notes to Non-consolidated Financial Statements

(Balance Sheets)

	(Millions of yen)	
	March 31, 2005	March 31, 2004
1. Accumulated depreciation on tangible fixed assets	335,627	327,967
2. Trade notes receivable discounted with banks	46	27
3. Guarantee obligations	168	512

(Lease Transaction)

Ricoh left note for lease transaction out because the Company discloses financial statements on the electronic disclosure system, regulated in paragraph 30-6 of the Securities and Exchange Law No. 27.

(Securities)

Fair values of subsidiaries and affiliates

1. Year ended March 31, 2004

(Millions of yen)	Balance Sheets	Fair value	Difference
Securities of consolidated companies	7,206	47,865	40,659
Securities of affiliated companies	6,935	55,648	48,712
Total	14,142	103,514	89,371

2. Year ended March 31, 2005

(Millions of yen)	Balance Sheets	Fair value	Difference
Securities of consolidated companies	7,253	50,996	43,743
Securities of affiliated companies	6,935	55,447	48,512
Total	14,189	106,444	92,255

(Tax Effect Accounting)

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

	(Millions of yen)	
	March 31, 2005	March 31, 2004
Deferred tax assets:		
Retirement benefit obligation	9,846	9,337
Accrued bonuses	4,802	5,618
Loss on valuation of securities	3,138	4,676
Depreciation and amortization	1,343	1,652
Accrued enterprise tax	1,094	728
Inventory revaluation	1,085	3,745
Other	8,691	13,232
Total deferred tax assets	29,999	38,988
Deferred tax liabilities:		
Retirement benefit trust establishment	-6,745	-6,743
Net unrealized holding gains on securities	-3,132	-2,832
Reserve for special depreciation	-854	-545
Reserve for deferral of capital gain on property	-375	-391
Reserve for warranty on computer programs	-114	-149
Total deferred tax liabilities	-11,220	-10,660
	March 31, 2005	March 31, 2004
Net deferred tax assets	18,779	28,328
Included in current assets	11,706	17,415
Included in investment and other assets	7,073	10,913

2. Difference in normal effective statutory tax rate and effective tax rate after applying tax effective accounting

Normal effective statutory tax rate (Reconciliation)	40.5 %
Permanently non-deductible expenses	0.3
Permanently non-taxable income	-0.9
Tax credit for foreign taxes	-0.4
Tax credit for research and development expenses	-5.5
Other	-0.9
Effective tax rate	33.1 %

-APPENDIX- (Year ended March 31, 2005)

1. Consolidated Quarterly Performance Outline

	(Billions of yen)							
	1Q	Change(%)	2Q	Change(%)	3Q	Change(%)	4Q	Change(%)
Net sales	436.5	-0.2	439.4	-2.5	443.7	5.4	494.3	4.9
Gross profit	189.1	-1.9	174.7	-10.6	192.1	3.4	198.5	3.6
Operating income	39.3	2.3	18.3	-52.6	38.7	6.9	39.0	6.8
Income before income taxes	41.3	10.7	18.7	-45.0	34.6	4.2	40.6	5.9
Net income	24.8	11.4	10.9	-45.1	22.2	13.0	25.0	-15.9
Net income per share (yen)	33.69	-	14.79	-	30.08	-	34.08	-
Total assets	1,855.7	-	1,877.4	-	1,899.8	-	1,953.6	-
Shareholders' equity	812.9	-	830.2	-	841.9	-	862.9	-
Shareholders' equity per share (yen)	1,100.24	-	1,123.84	-	1,139.87	-	1,175.67	-
Cash flows from operating activities	42.2	-	15.7	-	16.3	-	58.4	-
Cash flows from investing activities	-10.8	-	-23.0	-	-56.6	-	-5.6	-
Cash flows from financing activities	-21.2	-	4.3	-	-6.0	-	-33.4	-
Cash and cash equivalents at end of period	215.4	-	214.7	-	168.1	-	186.8	-

(2) Capital expenditures and Depreciation

	(Billions of yen)			
	1Q	2Q	3Q	4Q
Capital expenditures	18.6	19.5	20.5	25.9
Depreciation for tangible fixed assets	15.9	15.0	16.9	18.7

(3) R&D Expenditures

	(Billions of yen)			
	1Q	2Q	3Q	4Q
R&D expenditures	24.3	29.0	26.1	30.8
R&D expenditures / Total Sales (%)	5.6	6.6	5.9	6.2

(4) Interest income (expenses) net

	(Billions of yen)			
	1Q	2Q	3Q	4Q
Interest income (expenses) net	-0.6	-0.6	-0.9	-0.2

(5) Exchange Rate

	1Q	2Q	3Q	4Q
Exchange rate (Yen/US\$)	109.65	110.01	106.01	104.60
Exchange rate (Yen/EURO)	132.17	134.44	137.16	137.26

2. Consolidated Sales by Product Category

(Three months ended March 31, 2005 and 2004)

(Millions of yen)

	Three months ended March 31, 2005	Three months ended March 31, 2004	Change	%	Change excluding exchange impact	%
<Office Equipment>						
Imaging Solutions:						
Digital Imaging Systems	142,583	153,230	-10,647	-6.9	-10,618	-6.9
<i>Percentage of net sales (%)</i>	28.8	32.5				
Domestic	60,962	69,041	-8,079	-11.7	-8,079	-11.7
Overseas	81,621	84,189	-2,568	-3.1	-2,539	-3.0
Other Imaging Systems	37,592	46,217	-8,625	-18.7	-8,933	-19.3
<i>Percentage of net sales (%)</i>	7.7	9.8				
Domestic	12,989	16,974	-3,985	-23.5	-3,985	-23.5
Overseas	24,603	29,243	-4,640	-15.9	-4,948	-16.9
Total Imaging Solutions	180,175	199,447	-19,272	-9.7	-19,551	-9.8
<i>Percentage of net sales (%)</i>	36.5	42.3				
Domestic	73,951	86,015	-12,064	-14.0	-12,064	-14.0
Overseas	106,224	113,432	-7,208	-6.4	-7,487	-6.6
Network Input/Output Systems:						
Printing Systems	184,704	151,191	33,513	22.2	32,786	21.7
<i>Percentage of net sales (%)</i>	37.4	32.1				
Domestic	81,243	64,255	16,988	26.4	16,988	26.4
Overseas	103,461	86,936	16,525	19.0	15,798	18.2
Other Input/Output Systems	4,486	5,928	-1,442	-24.3	-1,450	-24.5
<i>Percentage of net sales (%)</i>	0.9	1.2				
Domestic	1,326	1,186	140	11.8	140	11.8
Overseas	3,160	4,742	-1,582	-33.4	-1,590	-33.5
Total Network Input/Output Systems	189,190	157,119	32,071	20.4	31,336	19.9
<i>Percentage of net sales (%)</i>	38.3	33.3				
Domestic	82,569	65,441	17,128	26.2	17,128	26.2
Overseas	106,621	91,678	14,943	16.3	14,208	15.5
Network System Solutions						
<i>Percentage of net sales (%)</i>	63,326	56,967	6,359	11.2	6,335	11.1
Domestic	12.7	12.2				
Domestic	61,131	55,502	5,629	10.1	5,629	10.1
Overseas	2,195	1,465	730	49.8	706	48.2
Office Equipment Total						
<i>Percentage of net sales (%)</i>	432,691	413,533	19,158	4.6	18,120	4.4
Domestic	87.5	87.8				
Domestic	217,651	206,958	10,693	5.2	10,693	5.2
Overseas	215,040	206,575	8,465	4.1	7,427	3.6
The Americas	85,853	82,663	3,190	3.9	5,629	6.8
Europe	106,523	104,981	1,542	1.5	-2,141	-2.0
Other	22,664	18,931	3,733	19.7	3,939	20.8
< Other Businesses >						
Other Businesses	61,615	57,719	3,896	6.7	3,947	6.8
<i>Percentage of net sales (%)</i>	12.5	12.2				
Domestic	54,827	45,558	9,269	20.3	9,269	20.3
Overseas	6,788	12,161	-5,373	-44.2	-5,322	-43.8
The Americas	168	120	48	40.0	51	42.5
Europe	1,786	1,038	748	72.1	715	68.9
Other	4,834	11,003	-6,169	-56.1	-6,088	-55.3
Grand Total						
<i>Percentage of net sales (%)</i>	494,306	471,252	23,054	4.9	22,067	4.7
Domestic	100.0	100.0				
Domestic	272,478	252,516	19,962	7.9	19,962	7.9
<i>Percentage of net sales (%)</i>	55.1	53.6				
Overseas	221,828	218,736	3,092	1.4	2,105	1.0
<i>Percentage of net sales (%)</i>	44.9	46.4				
The Americas	86,021	82,783	3,238	3.9	5,680	6.9
<i>Percentage of net sales (%)</i>	17.4	17.6				
Europe	108,309	106,019	2,290	2.2	-1,426	-1.3
<i>Percentage of net sales (%)</i>	21.9	22.5				
Other	27,498	29,934	-2,436	-8.1	-2,149	-7.2
<i>Percentage of net sales (%)</i>	5.6	6.3				
Reference: Exchange rate						
US\$ 1	¥104.60	¥107.31	¥-2.71			
EURO 1	¥137.26	¥134.10	¥3.16			

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

(Year ended March 31, 2005 and 2004)

(Millions of yen)

	Year ended March 31, 2005	Year ended March 31, 2004	Change	%	Change excluding exchange impact	%
<Office Equipment>						
Imaging Solutions:						
Digital Imaging Systems	559,023	606,270	-47,247	-7.8	-42,084	-6.9
<i>Percentage of net sales (%)</i>	30.8	34.1				
Domestic	231,526	253,830	-22,304	-8.8	-22,304	-8.8
Overseas	327,497	352,440	-24,943	-7.1	-19,780	-5.6
Other Imaging Systems	156,074	197,304	-41,230	-20.9	-40,527	-20.5
<i>Percentage of net sales (%)</i>	8.6	11.0				
Domestic	59,371	70,762	-11,391	-16.1	-11,391	-16.1
Overseas	96,703	126,542	-29,839	-23.6	-29,136	-23.0
Total Imaging Solutions	715,097	803,574	-88,477	-11.0	-82,611	-10.3
<i>Percentage of net sales (%)</i>	39.4	45.1				
Domestic	290,897	324,592	-33,695	-10.4	-33,695	-10.4
Overseas	424,200	478,982	-54,782	-11.4	-48,916	-10.2
Network Input/Output Systems:						
Printing Systems	655,328	509,212	146,116	28.7	148,366	29.1
<i>Percentage of net sales (%)</i>	36.1	28.6				
Domestic	283,141	218,165	64,976	29.8	64,976	29.8
Overseas	372,187	291,047	81,140	27.9	83,390	28.7
Other Input/Output Systems	15,508	49,025	-33,517	-68.4	-33,550	-68.4
<i>Percentage of net sales (%)</i>	0.9	2.8				
Domestic	3,247	4,981	-1,734	-34.8	-1,734	-34.8
Overseas	12,261	44,044	-31,783	-72.2	-31,816	-72.2
Total Network Input/Output Systems	670,836	558,237	112,599	20.2	114,816	20.6
<i>Percentage of net sales (%)</i>	37.0	31.4				
Domestic	286,388	223,146	63,242	28.3	63,242	28.3
Overseas	384,448	335,091	49,357	14.7	51,574	15.4
Network System Solutions	205,895	195,822	10,073	5.1	10,078	5.1
<i>Percentage of net sales (%)</i>	11.3	11.0				
Domestic	199,070	191,302	7,768	4.1	7,768	4.1
Overseas	6,825	4,520	2,305	51.0	2,310	51.1
Office Equipment Total	1,591,828	1,557,633	34,195	2.2	42,283	2.7
<i>Percentage of net sales (%)</i>	87.7	87.5				
Domestic	776,355	739,040	37,315	5.0	37,315	5.0
Overseas	815,473	818,593	-3,120	-0.4	4,968	0.6
The Americas	324,853	325,106	-253	-0.1	16,251	5.0
Europe	403,574	398,109	5,465	1.4	-4,674	-1.2
Other	87,046	95,378	-8,332	-8.7	-6,609	-6.9
< Other Businesses >						
Other Businesses	222,280	222,612	-332	-0.1	99	0.0
<i>Percentage of net sales (%)</i>	12.3	12.5				
Domestic	196,620	175,020	21,600	12.3	21,600	12.3
Overseas	25,660	47,592	-21,932	-46.1	-21,501	-45.2
The Americas	744	1,274	-530	-41.6	-494	-38.8
Europe	5,332	4,283	1,049	24.5	958	22.4
Other	19,584	42,035	-22,451	-53.4	-21,965	-52.3
Grand Total	1,814,108	1,780,245	33,863	1.9	42,382	2.4
<i>Percentage of net sales (%)</i>	100.0	100.0				
Domestic	972,975	914,060	58,915	6.4	58,915	6.4
<i>Percentage of net sales (%)</i>	53.6	51.3				
Overseas	841,133	866,185	-25,052	-2.9	-16,533	-1.9
<i>Percentage of net sales (%)</i>	46.4	48.7				
The Americas	325,597	326,380	-783	-0.2	15,757	4.8
<i>Percentage of net sales (%)</i>	17.9	18.3				
Europe	408,906	402,392	6,514	1.6	-3,716	-0.9
<i>Percentage of net sales (%)</i>	22.5	22.6				
Other	106,630	137,413	-30,783	-22.4	-28,574	-20.8
<i>Percentage of net sales (%)</i>	6.0	7.8				
Reference: Exchange rate						
US\$ 1	¥107.58	¥113.09	¥-5.51			
EURO 1	¥135.25	¥132.65	¥2.60			

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

3. Forecast of Consolidated Sales by Product Category

(Billions of yen)

	Year ended Mar.31,'05	Year ending March 31, 2006				Half year ending September 30, 2005			
		Forecast	Change %	Forecast(*)	Change %	Forecast	Change %	Forecast(*)	Change %
<Office Equipment>									
Imaging Solutions:									
Digital Imaging Systems	559.0	500.9	-10.4	509.7	-8.8	246.6	-10.5	251.2	-8.8
Domestic	231.5	208.4	-10.0	208.4	-10.0	102.5	-10.0	102.5	-10.0
Overseas	327.4	292.5	-10.7	301.3	-8.0	144.1	-10.8	148.7	-8.0
Other Imaging Systems	156.0	122.7	-21.4	124.9	-20.0	63.6	-21.6	64.8	-20.1
Domestic	59.3	47.5	-20.0	47.5	-20.0	24.7	-20.1	24.7	-20.1
Overseas	96.7	75.2	-22.2	77.4	-20.0	38.9	-22.5	40.1	-20.1
Total Imaging Solutions	715.0	623.6	-12.8	634.6	-11.3	310.2	-13.0	316.0	-11.4
Domestic	290.8	255.9	-12.0	255.9	-12.0	127.2	-12.2	127.2	-12.2
Overseas	424.2	367.7	-13.3	378.7	-10.7	183.0	-13.6	188.8	-10.8
Network Input/Output Systems:									
Printing Systems	655.3	828.5	26.4	842.6	28.6	395.7	31.3	402.8	33.7
Domestic	283.1	361.3	27.6	361.3	27.6	174.9	36.7	174.9	36.7
Overseas	372.1	467.2	25.5	481.3	29.3	220.8	27.4	227.9	31.5
Other Input/Output Systems	15.5	11.2	-27.8	11.2	-27.8	5.3	-41.0	5.3	-41.0
Domestic	3.2	3.0	-7.6	3.0	-7.6	1.4	-6.0	1.4	-6.0
Overseas	12.2	8.2	-33.1	8.2	-33.1	3.9	-47.9	3.9	-47.9
Total Network Input/Output Systems	670.8	839.7	25.2	853.8	27.3	401.0	29.2	408.1	31.5
Domestic	286.3	364.3	27.2	364.3	27.2	176.3	36.2	176.3	36.2
Overseas	384.4	475.4	23.7	489.5	27.3	224.7	24.2	231.8	28.2
Network System Solutions	205.8	215.8	4.8	216.2	5.0	103.7	4.7	103.9	4.9
Domestic	199.0	206.0	3.5	206.0	3.5	99.5	3.5	99.5	3.5
Overseas	6.8	9.8	43.6	10.2	49.5	4.2	43.7	4.4	50.5
Office Equipment Total	1,591.8	1,679.1	5.5	1,704.6	7.1	814.9	6.4	828.0	8.1
Domestic	776.3	826.2	6.4	826.2	6.4	403.0	8.8	403.0	8.8
Overseas	815.4	852.9	4.6	878.4	7.7	411.9	4.1	425.0	7.4
The Americas	324.8	345.2	6.3	353.3	8.8	166.4	3.4	174.1	8.2
Europe	403.5	407.9	1.1	424.5	5.2	195.2	2.1	200.1	4.7
Other	87.0	99.8	14.7	100.6	15.6	50.3	15.9	50.8	17.0
< Other Businesses >									
Other Businesses	222.2	220.9	-0.6	221.4	-0.4	109.1	-0.9	109.3	-0.7
Domestic	196.6	192.3	-2.2	192.3	-2.2	96.5	-2.3	96.5	-2.3
Overseas	25.6	28.6	11.5	29.1	13.4	12.6	11.7	12.8	13.5
The Americas	0.7	2.1	182.3	2.1	182.3	1.0	159.1	1.0	159.1
Europe	5.3	5.7	6.9	5.9	10.7	2.0	11.2	2.0	11.2
Other	19.5	20.8	6.2	21.1	7.7	9.6	5.6	9.8	7.8
Grand Total	1,814.1	1,900.0	4.7	1,926.0	6.2	924.0	5.5	937.3	7.0
Domestic	972.9	1,018.5	4.7	1,018.4	4.7	499.5	6.5	499.5	6.5
Overseas	841.1	881.5	4.8	907.5	7.9	424.5	4.3	437.8	7.6
The Americas	325.5	347.3	6.7	355.4	9.2	167.4	3.8	175.1	8.5
Europe	408.9	413.6	1.1	430.4	5.3	197.2	2.2	202.1	4.7
Other	106.6	120.6	13.1	121.7	14.1	59.9	14.1	60.6	15.4

* Excluding foreign exchange impact

Reference:	Year ended Mar. 31, '05	Year ending Mar. 31, '06	Half year ending Sept. 30, '05
Exchange rate	(Results)	(Forecast)	(Forecast)
US\$ 1	¥107.58	¥105.00	¥105.00
EURO 1	¥135.25	¥130.00	¥130.00

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, measuring equipments and semiconductors

4. Forecast of Consolidated Sales by New Product Category

(Billions of yen)

	Year ended Mar.31,'05	Year ending March 31, 2006				Half year ending September 30, 2005			
		Forecast	Change %	Forecast(*)	Change %	Forecast	Change %	Forecast(*)	Change %
<Office Solution Business>									
Imaging Solution Business	1,332.2	1,406.8	5.6	1,431.2	7.4	683.8	7.0	696.2	8.9
Domestic	564.1	606.3	7.5	606.3	7.5	296.7	10.8	296.7	10.8
Overseas	768.1	800.5	4.2	824.9	7.4	387.1	4.3	399.5	7.6
Network system Solution Business	199.1	209.1	5.0	209.4	5.2	100.0	4.6	100.2	4.8
Domestic	192.3	199.2	3.6	199.2	3.6	95.8	3.4	95.8	3.4
Overseas	6.8	9.9	45.1	10.2	49.5	4.2	43.7	4.4	50.5
Office Solution Business Total	1,531.4	1,615.9	5.5	1,640.6	7.1	783.8	6.7	796.4	8.4
Domestic	756.4	805.5	6.5	805.5	6.5	392.5	8.9	392.5	8.9
Overseas	774.9	810.4	4.6	835.1	7.8	391.3	4.6	403.9	7.9
The Americas	312.1	331.3	6.1	339.1	8.6	159.4	3.7	166.9	8.6
Europe	385.6	391.2	1.4	407.3	5.6	187.1	3.1	191.7	5.6
Other	77.0	87.9	14.0	88.7	15.1	44.8	14.9	45.3	16.1
<Industry Business>									
Industry Business	119.4	117.7	-1.4	118.5	-0.8	59.7	1.6	60.2	2.5
Domestic	80.8	72.5	-10.3	72.5	-10.3	37.4	-5.8	37.4	-5.8
Overseas	38.5	45.2	17.2	46.0	19.2	22.3	17.0	22.8	19.6
The Americas	10.1	13.6	34.5	13.9	37.5	6.9	34.9	7.1	38.8
Europe	15.3	14.8	-3.5	15.3	-0.2	6.9	-4.4	7.2	-0.2
Other	13.1	16.8	28.0	16.8	28.0	8.5	26.4	8.5	26.4
<Other Business>									
Other Business	163.2	166.4	1.9	166.9	2.2	80.5	-2.5	80.7	-2.3
Domestic	135.6	140.5	3.6	140.5	3.6	69.6	0.8	69.6	0.8
Overseas	27.5	25.9	-6.1	26.4	-4.3	10.9	-19.6	11.1	-18.2
The Americas	3.2	2.4	-27.2	2.4	-27.2	1.1	-55.8	1.1	-55.8
Europe	7.8	7.6	-3.5	7.8	-1.0	3.2	-25.5	3.2	-25.5
Other	16.4	15.9	-3.2	16.2	-1.3	6.6	-2.6	6.8	0.3
Grand Total	1,814.1	1,900.0	4.7	1,926.0	6.2	924.0	5.5	937.3	7.0
Domestic	972.9	1,018.5	4.7	1,018.5	4.7	499.5	6.5	499.5	6.5
Overseas	841.1	881.5	4.8	907.5	7.9	424.5	4.3	437.8	7.6
The Americas	325.5	347.3	6.7	355.4	9.2	167.4	3.8	175.1	8.5
Europe	408.9	413.6	1.1	430.4	5.3	197.2	2.2	202.1	4.7
Other	106.6	120.6	13.1	121.7	14.1	59.9	14.1	60.6	15.4

* Excluding foreign exchange impact

Reference:	Year ended Mar. 31, '05	Year ending Mar. 31, '06	Half year ending Sept. 30, '05
Exchange rate	(Results)	(Forecast)	(Forecast)
US\$ 1	¥107.58	¥105.00	¥105.00
EURO 1	¥135.25	¥130.00	¥130.00

Each category includes the following product line:

Imaging Solution Business	Digital PPCs, color PPCs, digital duplicators, facsimile machines, analog PPCs, diazo copiers, scanners, MFPs(multifunctional printers), laser printers and software
Network system Solution Business	Personal computers, PC servers, network systems and network related software
Industry Business	Thermal media, optical equipments, semiconductors, electronic component and measuring equipments
Other Business	Optical discs and digital camera