

# QUARTERLY REPORT

## Third Quarter Ended December 31, 2004

(Results for the Period from October 1, 2004 to December 31, 2004)

### Performance Outline (Consolidated)

(1) Three Months Ended December 31, 2004 and 2003

	(Billions of yen)		
	Three months ended December 31, 2004	Three months ended December 31, 2003	Change
Domestic sales	231.3	212.9	8.6%
Overseas sales	212.4	207.9	2.2%
Net sales	443.7	420.9	5.4%
Gross profit	192.1	185.7	3.4%
Operating income	38.7	36.2	6.9%
Income before income taxes	34.6	33.2	4.2%
Net income	22.2	19.6	13.0%
Exchange rate (Yen/US\$)	106.01	108.92	-2.91
Exchange rate (Yen/EURO)	137.16	129.58	7.58
Net income per share (yen)	30.08	26.53	3.55
Capital expenditures	20.5	15.5	4.9
Depreciation for tangible fixed assets	16.9	15.7	1.2
R&D expenditures	26.1	24.2	1.9

(2) Nine Months Ended December 31, 2004, 2003 and Year Ending March 31, 2005

	(Billions of yen)			(Billions of yen)	
	Nine months ended December 31, 2004 (Results)	Nine months ended December 31, 2003 (Results)	Change	Year ending March 31, 2005 (Forecast)	Change
Domestic sales	700.4	661.5	5.9%	972.9	6.4%
Overseas sales	619.3	647.4	-4.3%	842.1	-2.8%
Net sales	1,319.8	1,308.9	0.8%	1,815.0	2.0%
Gross profit	555.9	573.8	-3.1%	764.0	-0.2%
Operating income	96.4	113.4	-15.0%	147.0	-2.0%
Income before income taxes	94.7	104.6	-9.5%	141.0	-1.4%
Net income	58.0	61.9	-6.3%	85.0	-7.4%
Exchange rate (Yen/US\$)	108.55	115.00	-6.45	107.67	-5.42
Exchange rate (Yen/EURO)	134.60	132.17	2.43	133.45	0.80
Net income per share (yen)	78.56	83.32	-4.76	115.07	-8.56
Total assets	1,899.8	1,922.1	-22.2	-	-
Shareholders' equity	841.9	708.8	133.1	-	-
Interest-bearing debt	446.4	513.1	-66.6	-	-
Equity ratio (%)	44.3	36.9	7.4	-	-
Shareholder's equity per share (yen)	1,139.87	958.20	181.67	-	-
Cash flows from operating activities	74.3	81.6	-7.3	-	-
Cash flows from investing activities	-90.5	-40.4	-50.1	-	-
Cash flows from financing activities	-22.9	9.2	-32.1	-	-
Cash and cash equivalents at end of period	168.1	238.3	-70.2	-	-
Capital expenditures	58.7	51.8	6.8	79.0	0.4
Depreciation for tangible fixed assets	48.0	49.4	-1.3	67.5	-0.1
R&D expenditures	79.6	68.4	11.1	107.0	14.4

### Ricoh Company, Ltd.

\* The Company bases the forecast estimates for the year ending March 31, 2005 above upon information currently available to management, which involves risks and uncertainties that could cause actual results to differ materially from those projected.

## Performance

### \*Overview

Consolidated net sales for the third quarter of fiscal 2005 (the three months period from October 1 to December 31, 2004) increased by 5.4% as compared to the previous corresponding period, to ¥443.7 billion. During this quarter, the average yen exchange rates were at ¥106.01 against the U.S. dollar (up ¥2.91) and ¥137.16 against the euro (down ¥7.58). Net sales would rise 4.8% excluding impacts of such foreign currency exchange fluctuations.

In Japan, Printing Systems such as MFPs (multifunctional printers) and laser printers increased its sales, and also solution business such as support and service continued its sales raised. Moreover, Ricoh Printing Systems, Ltd. which is a newly acquired printing company contributed substantially to our sales.

In the result of taking effective countermeasures against the changes in terms of multifunction, networking and colorizing, net sales was 8.6% up from the previous corresponding period.

As for overseas, product categories such as color PPCs (plain paper copiers), MFPs and laser printers, especially color models, increased its sales in each region. Although sales in the Americas increased by 3.0% (5.9% increase excluding currency exchange impact) and in Europe also increased by 8.2% as compared to the previous corresponding period, sales in other region such as China, Asian and Oceania countries decreased by 18.4% due primarily to sales decline of optical disc business and the sale of certain consolidated subsidiaries in optical related business.

As a result, net sales was 2.2% up from the previous corresponding period. Excluding the impact of the currency exchange fluctuations, it figures net sales would be increased by 0.9%.

Operating income increased by 6.9% as compared to the previous corresponding period, to ¥38.7 billion. It was provided positive effect by increasing of sales on high value-added products such as color PPCs, MFPs and printers that yield a high profit, launching new products and ongoing cost-cutting activities, in spite of expansion of strategic costs such as research and development and establishment of core operating system.

As a result, income before income taxes increased by 4.2% as compared to the previous corresponding period, to ¥34.6 billion, although foreign exchange losses incurred in other expense.

The effective tax rate consequently dropped down due to the amount of tax exemption on research and development expenses which was expanded by the change of the Corporate Tax Law in Japan, and overall profitability improvement has been executed.

As a result, net income increased by 13.0% as compared to the previous corresponding period, to ¥22.2 billion.

\*Conditions by Product Line

Office Equipment (Sales up 6.7% to ¥393.1 billion)

Customer demands have been shifting more to digital, networked and color models from standalone analog products both in Japan and overseas market place. Ricoh enforced a solution proposal to customers for the optimization of their total printing costs in order to assist their efficient management of TDV (Total Document Volume). As a result, sales of color PPCs and Printing Systems such as MFPs and laser printers continued to grow and sales of Network System Solutions such as support and service increased while sales of Imaging Solutions decreased. Sales of optical disc business decreased as per continuous reduction in key module business such as independent developed disc drive and its related component, except media.

Imaging Solutions (Sales down 5.7% to ¥178.3 billion)

Digital Imaging Systems

- Sales of color PPCs increased by new product in response to growth in customer demand.
- Shift from standalone products to MFPs all over the world
- As a result, sales in this category decreased by 2.1%.

Other Imaging Systems

- Sales were down by 17.1% due to the shift from analog products to MFPs and color products.

Network Input/Output Systems (Sales up 24.2% to ¥171.3 billion)

Printing Systems

- Continuous sales growth by introducing new offering products to cope with the shift to networked and color models both in Japan and overseas.

MFPs: Imagio Neo 352 and Imagio Neo 602 in Japan  
Aficio 2035/2045 series and Aficio 2105/2090 series overseas

Color MFPs: Imagio Neo C245 and Imagio Neo C385 in Japan  
Aficio 2232C/2238C series overseas

- Sales volume of printers increased especially color laser printer and color printers for office use utilizing Ricoh's original 'GELJET' technology with strategic low price.
- Ricoh Printing Systems, Ltd. became a subsidiary and contributed to our performances.
- As a result, sales in this category increased by 35.9%.

Other Input/Output Systems

- Optical disc business that advanced to focus on media decreased its sales.

Network System Solutions (Sales up 4.6% to ¥43.5 billion)

- Solution business such as support and service continued to increase due primarily to customer acceptance of our solution proposal to optimize their total printing cost.

Consequently, net sales of Office Equipment segment increased by 6.7% as compared to the previous corresponding period, to ¥393.1 billion. Operating income increased by 9.1% to ¥54.5 billion. It was particularly resulted from sales increase and new products of Printing Systems and continuous cost reduction.

Other Businesses (Sales down 3.2% to ¥50.6 billion)

Net sales of Other Business segment decreased by 3.2% as compared to the previous corresponding period, to ¥50.6 billion, due primarily to the sales of certain consolidated subsidiaries in optical related business and sluggish demand cycle of semiconductor business.

As a result, operating income in this segment decreased to ¥0.1 billion.

\*Cash Flows (Nine months from April 1, 2004 to December 31, 2004)

Net cash provided by operating activities decreased ¥7.3 billion as compared to the previous corresponding period, to ¥74.3 billion. Although the collection of trade receivables progressed, inventories increased in response to sales expansion in overseas markets. Income tax and bonus were paid, and retirement benefit obligation decreased due to the maintenance of the pension plan last fiscal year.

Net cash used in investing activities was ¥90.5 billion due to capital investment in new product lines, product development and the acquisition of new printer company, Ricoh Printing Systems, Ltd.

As a result, free cash flow generated by operating and investing activities, which provided ¥41.2 billion in the previous corresponding period, used ¥16.2 billion.

Net cash used in financing activities amounted to ¥22.9 billion due primarily to cutback interest-bearing debt by means of reinforcement of cash management in each region and payment of dividends.

As a result, cash and cash equivalents at the end of the third quarter decreased ¥34.8 billion as compared to the end of the preceding year, to ¥168.1 billion.

\*Forecast for the entire fiscal year

As for the forecast of business results for the fiscal year ending March 31, 2005, we have revised our sales forecast as announced in October 2004, up to ¥1,815.0 billion with 2.0% growth as compared to the previous fiscal year.

We forecast the sales volume of Office Equipment will increase both in Japan and overseas in consideration of positive effect showed up in regard to the promotion for color models and the reform of non-core businesses, which were conducted during this first half of fiscal year. For the fourth quarter, we predict an exchange rate of ¥105.00 against the US dollar, and of ¥130.00 against the euro, without change.

As for income, we revised downward our forecast to operating income of ¥147.0 billion and income before income taxes of ¥141.0 billion, from ¥151.0 billion and ¥145.5 billion of which we announced in October 2004, respectively. It is due primarily to strategic investment for 15th medium-term plan that will start from next fiscal year.

Forecast net income of ¥85.0 billion has not been revised and same as announced in October 2004.

Our performance forecasts for fiscal 2005 are as follows:

Exchange Rate Assumptions for the full year ending March 31, 2005

US\$ 1 = ¥107.67 (¥113.09 in previous fiscal year)

EURO 1 = ¥133.45 (¥132.65 in previous fiscal year)

	(Billions of yen)		
	Year ending March 31, 2005 (Forecast)	Year ended March 31, 2004 (Results)	Change
Domestic sales	972.9	914.0	6.4%
Overseas sales	842.1	866.1	-2.8%
Net sales	1,815.0	1,780.2	2.0%
Gross profit	764.0	765.6	-0.2%
Operating income	147.0	150.0	-2.0%
Income before income taxes	141.0	143.0	-1.4%
Net income	85.0	91.7	-7.4% *Note

\*Note: As for net income for the year ended March 31, 2004, ¥7.3 billion of net realized gains of the certain marketable securities, which were contributed to the employee retirement benefit trust, were incorporated as cumulative effect of accounting change.

\* Ricoh bases the forecast estimates for the year ending March 31, 2005 above upon information currently available to management, which involves risks and uncertainties that could cause actual results to differ materially from those projected.

# Ricoh Company, Ltd. and Consolidated Subsidiaries

## Financial Highlights for the Third Quarter Ended December 31, 2004 (U.S. GAAP Financial Information)

### 1. Items Relating to Third Quarter Financial Statements

- (1) No change in accounting method has been made.  
 (2) Change relating to the scale of consolidation and the application of the equity method:  
 Consolidated subsidiaries: 12 additions; No change  
 Companies accounted for by the equity method: 2 additions; 1 removal

### 2. Results for the Period from October 1, 2004 to December 31, 2004

#### (1) Operating Results

	(Millions of yen)		
	Three months ended December 31, 2004	Three months ended December 31, 2003	Year ended March 31, 2004
Net sales	443,799	420,903	1,780,245
<i>(% change from the previous corresponding period)</i>	<i>5.4</i>	<i>0.0</i>	<i>2.4</i>
Operating income	38,709	36,214	150,006
<i>(% change from the previous corresponding period)</i>	<i>6.9</i>	<i>8.4</i>	<i>12.2</i>
Income before income taxes	34,661	33,266	143,063
<i>(% change from the previous corresponding period)</i>	<i>4.2</i>	<i>10.9</i>	<i>15.9</i>
Net income	22,223	19,664	91,766
<i>(% change from the previous corresponding period)</i>	<i>13.0</i>	<i>10.5</i>	<i>26.6</i>
Net income per share-basic (yen)	30.08	26.53	123.63
Net income per share-diluted (yen)	-	-	-

Note: Equity in earnings of affiliates: ¥1,532 million (¥932 million in previous corresponding period)

#### (2) Financial Position

	(Millions of yen)		
	December 31, 2004	December 31, 2003	March 31, 2004
Total assets	1,899,898	1,922,150	1,852,793
Shareholders' equity	841,998	708,888	795,131
Equity ratio (%)	44.3	36.9	42.9
Equity per share (yen)	1,139.87	958.20	1,076.11

#### Cash Flow

	(Millions of yen)		
	Nine months ended December 31, 2004	Nine months ended December 31, 2003	Year ended March 31, 2004
Cash flows from operating activities	74,318	81,698	154,911
Cash flows from investing activities	-90,576	-40,400	-63,383
Cash flows from financing activities	-22,949	9,223	-74,835
Cash and cash equivalents at end of period	168,173	238,389	203,039

### 3. Forecast of Operating Results from April 1, 2004 to March 31, 2005

	(Millions of yen)	
Net sales	1,815,000	
Operating income	147,000	
Income before income taxes	141,000	
Net income	85,000	

Note: Net income per share (Consolidated) ¥115.07

In accordance with Japanese regulations, Ricoh has issued forecast for its financial results for the fiscal year ending March 31, 2005. 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.

## Consolidated Performance

### 1. Consolidated Statements of Income

(Three months ended December 31, 2004 and 2003)

(Millions of yen)

	Three months ended December 31, 2004	Three months ended December 31, 2003	Change	%
Net sales	443,799	420,903	22,896	5.4
Cost of sales	251,696	235,124	16,572	7.0
<i>Percentage of net sales (%)</i>	56.7	55.9		
Gross Profit	192,103	185,779	6,324	3.4
<i>Percentage of net sales (%)</i>	43.3	44.1		
Selling, general and administrative expenses	153,394	149,565	3,829	2.6
<i>Percentage of net sales (%)</i>	34.6	35.5		
Operating income	38,709	36,214	2,495	6.9
<i>Percentage of net sales (%)</i>	8.7	8.6		
Other (income) expense				
Interest and dividend income	358	434	-76	-17.5
<i>Percentage of net sales (%)</i>	0.1	0.1		
Interest expense	1,276	1,337	-61	-4.6
<i>Percentage of net sales (%)</i>	0.3	0.3		
Other, net	3,130	2,045	1,085	53.1
<i>Percentage of net sales (%)</i>	0.7	0.5		
Income before income taxes, equity income and minority interests	34,661	33,266	1,395	4.2
<i>Percentage of net sales (%)</i>	7.8	7.9		
Provision for income taxes	12,500	13,473	-973	-7.2
<i>Percentage of net sales (%)</i>	2.8	3.2		
Minority interests in earnings of subsidiaries	1,470	1,061	409	38.5
<i>Percentage of net sales (%)</i>	0.3	0.2		
Equity in earnings of affiliates	1,532	932	600	64.4
<i>Percentage of net sales (%)</i>	0.3	0.2		
Net income	22,223	19,664	2,559	13.0
<i>Percentage of net sales (%)</i>	5.0	4.7		
Reference : Exchange rate				
US\$ 1	¥106.01	¥108.92		
EURO 1	¥137.16	¥129.58		

(Nine months ended December 31, 2004 and 2003 and Year ended March 31, 2004)

(Millions of yen)

	Nine months ended December 31, 2004	Nine months ended December 31, 2003	Change	%	Year ended March 31, 2004
Net sales	1,319,802	1,308,993	10,809	0.8	1,780,245
Cost of sales	763,819	735,107	28,712	3.9	1,014,619
<i>Percentage of net sales (%)</i>	57.9	56.2			57.0
Gross Profit	555,983	573,886	-17,903	-3.1	765,626
<i>Percentage of net sales (%)</i>	42.1	43.8			43.0
Selling, general and administrative expenses	459,516	460,417	-901	-0.2	615,620
<i>Percentage of net sales (%)</i>	34.8	35.1			34.6
Operating income	96,467	113,469	-17,002	-15.0	150,006
<i>Percentage of net sales (%)</i>	7.3	8.7			8.4
Other (income) expense					
Interest and dividend income	1,431	1,747	-316	-18.1	1,925
<i>Percentage of net sales (%)</i>	0.1	0.1			0.1
Interest expense	3,592	4,200	-608	-14.5	5,290
<i>Percentage of net sales (%)</i>	0.3	0.3			0.3
Other, net	-419	6,334	-6,753	-	3,578
<i>Percentage of net sales (%)</i>	-0.1	0.5			0.2
Income before income taxes, equity income and minority interests	94,725	104,682	-9,957	-9.5	143,063
<i>Percentage of net sales (%)</i>	7.2	8.0			8.0
Provision for income taxes	36,279	41,897	-5,618	-13.4	56,641
<i>Percentage of net sales (%)</i>	2.7	3.2			3.2
Minority interests in earnings of subsidiaries	3,368	2,760	608	22.0	4,094
<i>Percentage of net sales (%)</i>	0.3	0.2			0.2
Equity in earnings of affiliates	2,966	1,904	1,062	55.8	2,065
<i>Percentage of net sales (%)</i>	0.2	0.1			0.1
Income before cumulative effect of accounting changes	58,044	61,929	-3,885	-6.3	84,393
<i>Percentage of net sales (%)</i>	4.4	4.7			4.7
Cumulative effect of accounting change, net of tax	-	-	-	-	7,373
<i>Percentage of net sales (%)</i>	-	-			0.5
Net income	58,044	61,929	-3,885	-6.3	91,766
<i>Percentage of net sales (%)</i>	4.4	4.7			5.2
Reference : Exchange rate					
US\$ 1	¥108.55	¥115.00			¥113.09
EURO 1	¥134.60	¥132.17			¥132.65

## 2-1. Consolidated Sales by Product Category

(Three months ended December 31, 2004 and 2003)

(Millions of yen)

	Three months ended December 31, 2004	Three months ended December 31, 2003	Change	%
<Office Equipment>				
Imaging Solutions:				
Digital Imaging Systems	140,909	143,882	-2,973	-2.1
<i>Percentage of net sales (%)</i>	<i>31.8</i>	<i>34.2</i>		
Other Imaging Systems	37,408	45,151	-7,743	-17.1
<i>Percentage of net sales (%)</i>	<i>8.4</i>	<i>10.7</i>		
Total Imaging Solutions	178,317	189,033	-10,716	-5.7
<i>Percentage of net sales (%)</i>	<i>40.2</i>	<i>44.9</i>		
Network Input/Output Systems:				
Printing Systems	169,281	124,564	44,717	35.9
<i>Percentage of net sales (%)</i>	<i>38.1</i>	<i>29.6</i>		
Other Input/Output Systems	2,043	13,372	-11,329	-84.7
<i>Percentage of net sales (%)</i>	<i>0.5</i>	<i>3.2</i>		
Total Network Input/Output Systems	171,324	137,936	33,388	24.2
<i>Percentage of net sales (%)</i>	<i>38.6</i>	<i>32.8</i>		
Network System Solutions	43,531	41,623	1,908	4.6
<i>Percentage of net sales (%)</i>	<i>9.8</i>	<i>9.9</i>		
Office Equipment Total	393,172	368,592	24,580	6.7
<i>Percentage of net sales (%)</i>	<i>88.6</i>	<i>87.6</i>		
< Other Businesses >				
Other Businesses	50,627	52,311	-1,684	-3.2
<i>Percentage of net sales (%)</i>	<i>11.4</i>	<i>12.4</i>		
Grand Total	443,799	420,903	22,896	5.4
<i>Percentage of net sales (%)</i>	<i>100.0</i>	<i>100.0</i>		
Reference : Exchange rate				
US\$ 1	¥106.01	¥108.92		
EURO 1	¥137.16	¥129.58		

(Nine months ended December 31, 2004 and 2003 and Year ended March 31, 2004)

(Millions of yen)

	Nine months ended December 31, 2004	Nine months ended December 31, 2003	Change	%	Year ended March 31, 2004
<Office Equipment>					
Imaging Solutions:					
Digital Imaging Systems	416,440	453,040	-36,600	-8.1	606,270
<i>Percentage of net sales (%)</i>	<i>31.6</i>	<i>34.6</i>			<i>34.1</i>
Other Imaging Systems	118,482	151,087	-32,605	-21.6	197,304
<i>Percentage of net sales (%)</i>	<i>8.9</i>	<i>11.6</i>			<i>11.0</i>
Total Imaging Solutions	534,922	604,127	-69,205	-11.5	803,574
<i>Percentage of net sales (%)</i>	<i>40.5</i>	<i>46.2</i>			<i>45.1</i>
Network Input/Output Systems:					
Printing Systems	470,624	358,021	112,603	31.5	509,212
<i>Percentage of net sales (%)</i>	<i>35.7</i>	<i>27.4</i>			<i>28.6</i>
Other Input/Output Systems	11,022	43,097	-32,075	-74.4	49,025
<i>Percentage of net sales (%)</i>	<i>0.8</i>	<i>3.2</i>			<i>2.8</i>
Total Network Input/Output Systems	481,646	401,118	80,528	20.1	558,237
<i>Percentage of net sales (%)</i>	<i>36.5</i>	<i>30.6</i>			<i>31.4</i>
Network System Solutions	142,569	138,855	3,714	2.7	195,822
<i>Percentage of net sales (%)</i>	<i>10.8</i>	<i>10.6</i>			<i>11.0</i>
Office Equipment Total	1,159,137	1,144,100	15,037	1.3	1,557,633
<i>Percentage of net sales (%)</i>	<i>87.8</i>	<i>87.4</i>			<i>87.5</i>
< Other Businesses >					
Other Businesses	160,665	164,893	-4,228	-2.6	222,612
<i>Percentage of net sales (%)</i>	<i>12.2</i>	<i>12.6</i>			<i>12.5</i>
Grand Total	1,319,802	1,308,993	10,809	0.8	1,780,245
<i>Percentage of net sales (%)</i>	<i>100.0</i>	<i>100.0</i>			<i>100.0</i>
Reference : Exchange rate					
US\$ 1	¥108.55	¥115.00			¥113.09
EURO 1	¥134.60	¥132.17			¥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 December 31, 2004 and 2003)

(Millions of yen)

	Three months ended December 31, 2004	Three months ended December 31, 2003	Change	%
<Domestic>	231,321	212,908	18,413	8.6
<i>Percentage of net sales (%)</i>	52.1	50.6		
<Overseas>	212,478	207,995	4,483	2.2
<i>Percentage of net sales (%)</i>	47.9	49.4		
The Americas	78,246	75,933	2,313	3.0
<i>Percentage of net sales (%)</i>	17.6	18.0		
Europe	107,610	99,422	8,188	8.2
<i>Percentage of net sales (%)</i>	24.2	23.6		
Other	26,622	32,640	-6,018	-18.4
<i>Percentage of net sales (%)</i>	6.1	7.8		
Grand Total	443,799	420,903	22,896	5.4
<i>Percentage of net sales (%)</i>	100.0	100.0		
Reference : Exchange rate				
US\$ 1	¥106.01	¥108.92		
EURO 1	¥137.16	¥129.58		

(Nine months ended December 31, 2004 and 2003 and Year ended March 31, 2004)

(Millions of yen)

	Nine months ended December 31, 2004	Nine months ended December 31, 2003	Change	%	Year ended March 31, 2004
<Domestic>	700,497	661,544	38,953	5.9	914,060
<i>Percentage of net sales (%)</i>	53.1	50.5			51.3
<Overseas>	619,305	647,449	-28,144	-4.3	866,185
<i>Percentage of net sales (%)</i>	46.9	49.5			48.7
The Americas	239,576	243,597	-4,021	-1.7	326,380
<i>Percentage of net sales (%)</i>	18.2	18.6			18.3
Europe	300,597	296,373	4,224	1.4	402,392
<i>Percentage of net sales (%)</i>	22.8	22.6			22.6
Other	79,132	107,479	-28,347	-26.4	137,413
<i>Percentage of net sales (%)</i>	5.9	8.3			7.8
Grand Total	1,319,802	1,308,993	10,809	0.8	1,780,245
<i>Percentage of net sales (%)</i>	100.0	100.0			100.0
Reference : Exchange rate					
US\$ 1	¥108.55	¥115.00			¥113.09
EURO 1	¥134.60	¥132.17			¥132.65



### 3. Consolidated Balance Sheets

(December 31, 2004 and March 31, 2004)

Assets	(Millions of yen)		
	December 31, 2004	March 31, 2004	Change
<b>Current Assets</b>			
Cash and time deposits	169,028	204,001	-34,973
Trade receivables	415,977	422,244	-6,267
Marketable securities	33,136	45,124	-11,988
Inventories	168,994	145,369	23,625
Other current assets	53,739	55,079	-1,340
<b>Total Current Assets</b>	<b>840,874</b>	<b>871,817</b>	<b>-30,943</b>
<b>Fixed Assets</b>			
Tangible fixed assets	245,061	238,712	6,349
Finance receivables	545,697	514,047	31,650
Other Investments	268,266	228,217	40,049
<b>Total Fixed Assets</b>	<b>1,059,024</b>	<b>980,976</b>	<b>78,048</b>
<b>Total Assets</b>	<b>1,899,898</b>	<b>1,852,793</b>	<b>47,105</b>

Note:

Contents of cash and time deposits:

Cash and cash equivalents	168,173	203,039
Time deposits	855	962

Liabilities and Shareholders' Investment	(Millions of yen)		
	December 31, 2004	March 31, 2004	Change
<b>Current Liabilities</b>			
Trade payables	285,944	297,672	-11,728
Short-term borrowings	216,088	151,162	64,926
Other current liabilities	140,637	158,594	-17,957
<b>Total Current Liabilities</b>	<b>642,669</b>	<b>607,428</b>	<b>35,241</b>
<b>Fixed Liabilities</b>			
Long-term indebtedness	230,409	281,570	-51,161
Accrued pension and severance costs	94,597	83,492	11,105
Other fixed liabilities	39,564	36,295	3,269
<b>Total Fixed Liabilities</b>	<b>364,570</b>	<b>401,357</b>	<b>-36,787</b>
<b>Total Liabilities</b>	<b>1,007,239</b>	<b>1,008,785</b>	<b>-1,546</b>
<b>Minority Interest</b>	<b>50,661</b>	<b>48,877</b>	<b>1,784</b>
<b>Shareholders' Investment</b>			
Common stock	135,364	135,364	-
Additional paid-in capital	186,599	186,599	0
Retained earnings	559,416	515,372	44,044
Accumulated other comprehensive income (loss)	-27,008	-30,272	3,264
Treasury stock	-12,373	-11,932	-441
<b>Total Shareholders' Investment</b>	<b>841,998</b>	<b>795,131</b>	<b>46,867</b>
<b>Total Liabilities and Shareholders' Investment</b>	<b>1,899,898</b>	<b>1,852,793</b>	<b>47,105</b>

Note: Other comprehensive income;

Net unrealized holding gains on available-for-sale securities	4,340	4,026	314
Pension liability adjustments	-16,953	-14,863	-2,090
Net unrealized gains (losses) on derivative instruments	-21	-24	3
Cumulative translation adjustments	-14,374	-19,411	5,037

Reference: Exchange rate	December 31, 2004	March 31, 2004
US\$ 1	¥104.21	¥105.69
EURO 1	¥141.61	¥128.88

#### 4. Consolidated Statements of Cash Flow

(Nine months ended December 31, 2004 and 2003 and Year ended March 31, 2004)

(Millions of yen)

	Nine months ended December 31, 2004	Nine months ended December 31, 2003	Year ended March 31, 2004
<b>I. Cash Flows from Operating Activities:</b>			
1. Net income	58,044	61,929	91,766
2. Adjustments to reconcile net income to net cash provided by operating activities—			
Depreciation and amortization	57,498	56,381	76,968
Equity in earnings of affiliates, net of dividends received	-2,163	-1,162	-1,001
Deferred income taxes	5,731	1,026	3,338
Losses on disposal and sales of tangible fixed assets	1,600	1,094	2,035
Cumulative effect of accounting change, net of tax	-	-	-7,373
Changes in assets and liabilities, net of effects from acquisition—			
(Increase) decrease in trade receivables	23,847	10,563	-11,367
Increase in inventories	-14,111	-21,209	-4,317
Increase in finance receivables	-19,659	-22,666	-32,650
(Decrease) increase in trade payables	-23,282	-6,111	21,316
Decrease in accrued income taxes and accrued expenses and other	-24,387	-28,587	-5,913
(Decrease) Increase in accrued pension and severance costs	2,454	15,455	-609
Other, net	8,746	14,985	22,718
<b>Net cash provided by operating activities</b>	<b>74,318</b>	<b>81,698</b>	<b>154,911</b>
<b>II. Cash Flows from Investing Activities:</b>			
1. Proceeds from sales of property, plant and equipment	1,631	134	190
2. Expenditures for tangible fixed assets	-58,253	-51,830	-75,432
3. Payments for purchases of available-for-sale securities	-27,161	-25,200	-35,518
4. Proceeds from sales of available-for-sale securities	39,024	34,047	45,464
5. Decrease in time deposits, net	108	10,192	9,915
6. Other, net	-45,925	-7,743	-8,002
<b>Net cash used in investing activities</b>	<b>-90,576</b>	<b>-40,400</b>	<b>-63,383</b>
<b>III. Cash Flows from Financing Activities:</b>			
1. Proceeds from long-term indebtedness	45,053	1,104	13,349
2. Repayment of long-term indebtedness	-37,522	-25,788	-31,509
3. (Decrease) increase in short-term borrowings, net	-1,628	68,169	-10,728
4. Proceeds from issuance of long-term debt securities	9,000	1,000	1,000
5. Repayment of long-term debt securities	-22,000	-14,000	-23,910
6. Dividends paid	-14,793	-11,136	-11,136
7. Payment for purchase of treasury stock	-480	-9,634	-11,411
8. Other, net	-579	-492	-490
<b>Net cash used in financing activities</b>	<b>-22,949</b>	<b>9,223</b>	<b>-74,835</b>
<b>IV. Effect of Exchange Rate Changes on Cash and Cash Equivalents</b>	<b>1,866</b>	<b>-1,375</b>	<b>-2,897</b>
<b>V. Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>-37,341</b>	<b>49,146</b>	<b>13,796</b>
<b>VI. Cash and Cash Equivalents at Beginning of Year</b>	<b>203,039</b>	<b>189,243</b>	<b>189,243</b>
<b>VII. Adjustment for Change of Fiscal Period on Consolidated Subsidiaries</b>	<b>2,475</b>	<b>-</b>	<b>-</b>
<b>VIII. Cash and Cash Equivalents at End of Period</b>	<b>168,173</b>	<b>238,389</b>	<b>203,039</b>

## 5. Segment Information

(1) Industry Segment Information

(Three months ended December 31, 2004 and 2003)

(Millions of yen)

	Three months ended December 31, 2004	Three months ended December 31, 2003	Change	%
<b>Office Equipment:</b>				
Net sales:				
Unaffiliated customers	393,172	368,592	24,580	6.7
Intersegment	-	-	-	-
Total	393,172	368,592	24,580	6.7
Operating expenses	338,656	318,629	20,027	6.3
Operating income	54,516	49,963	4,553	9.1
<i>Operating income on office equipment sales(%)</i>	<i>13.9</i>	<i>13.6</i>		
<b>Other Businesses:</b>				
Net sales:				
Unaffiliated customers	50,627	52,311	-1,684	-3.2
Intersegment	596	575	21	3.7
Total	51,223	52,886	-1,663	-3.1
Operating expenses	51,119	51,878	-759	-1.5
Operating income	104	1,008	-904	-89.7
<i>Operating income on sales in other businesses (%)</i>	<i>0.2</i>	<i>1.9</i>		
<b>Corporate and Eliminations:</b>				
Net sales:				
Intersegment	-596	-575	-21	-
Total	-596	-575	-21	-
Operating expenses:				
Intersegment	-592	-569	-23	-
Corporate	15,907	14,751	1,156	-
Total	15,315	14,182	1,133	-
Operating income	-15,911	-14,757	-1,154	-
<b>Consolidated:</b>				
Net sales:				
Unaffiliated customers	443,799	420,903	22,896	5.4
Intersegment	-	-	-	-
Total	443,799	420,903	22,896	5.4
Operating expenses	405,090	384,689	20,401	5.3
Operating income	38,709	36,214	2,495	6.9
<i>Operating income on consolidated net sales(%)</i>	<i>8.7</i>	<i>8.6</i>		

(Nine months ended December 31, 2004 and 2003 and Year ended March 31, 2004)

(Millions of yen)

	Nine months ended December 31, 2004	Nine months ended December 31, 2003	Change	%	Year ended March 31, 2004
<b>Office Equipment:</b>					
Net sales:					
Unaffiliated customers	1,159,137	1,144,100	15,037	1.3	1,557,633
Intersegment	-	-	-	-	-
Total	1,159,137	1,144,100	15,037	1.3	1,557,633
Operating expenses	1,022,415	991,438	30,977	3.1	1,353,304
Operating income	136,722	152,662	-15,940	-10.4	204,329
<i>Operating income on office equipment sales(%)</i>	<i>11.8</i>	<i>13.3</i>			<i>13.1</i>
<b>Other Businesses:</b>					
Net sales:					
Unaffiliated customers	160,665	164,893	-4,228	-2.6	222,612
Intersegment	1,862	1,740	122	7.0	2,462
Total	162,527	166,633	-4,106	-2.5	225,074
Operating expenses	161,166	162,639	-1,473	-0.9	220,391
Operating income	1,361	3,994	-2,633	-65.9	4,683
<i>Operating income on sales in other businesses (%)</i>	<i>0.8</i>	<i>2.4</i>			<i>2.1</i>
<b>Corporate and Eliminations:</b>					
Net sales:					
Intersegment	-1,862	-1,740	-122	-	-2,462
Total	-1,862	-1,740	-122	-	-2,462
Operating expenses:					
Intersegment	-1,860	-1,764	-96	-	-2,494
Corporate	41,614	43,211	-1,597	-	59,038
Total	39,754	41,447	-1,693	-	56,544
Operating income	-41,616	-43,187	1,571	-	-59,006
<b>Consolidated:</b>					
Net sales:					
Unaffiliated customers	1,319,802	1,308,993	10,809	0.8	1,780,245
Intersegment	-	-	-	-	-
Total	1,319,802	1,308,993	10,809	0.8	1,780,245
Operating expenses	1,223,335	1,195,524	27,811	2.3	1,630,239
Operating income	96,467	113,469	-17,002	-15.0	150,006
<i>Operating income on consolidated net sales(%)</i>	<i>7.3</i>	<i>8.7</i>			<i>8.4</i>

## (2) Geographic Segment Information

(Three months ended December 31, 2004 and 2003)

(Millions of yen)

	Three months ended December 31, 2004	Three months ended December 31, 2003	Change	%
<b>Japan:</b>				
Net sales:				
External customers	236,003	224,398	11,605	5.2
Intersegment	104,719	83,101	21,618	26.0
Total	340,722	307,499	33,223	10.8
Operating expenses	311,668	286,985	24,683	8.6
Operating income	29,054	20,514	8,540	41.6
<i>Operating income on sales in Japan(%)</i>	8.5	6.7		
<b>The Americas:</b>				
Net sales:				
External customers	78,146	72,323	5,823	8.1
Intersegment	1,327	872	455	52.2
Total	79,473	73,195	6,278	8.6
Operating expenses	77,846	71,067	6,779	9.5
Operating income	1,627	2,128	-501	-23.5
<i>Operating income on sales in the Americas(%)</i>	2.0	2.9		
<b>Europe:</b>				
Net sales:				
External customers	108,085	98,864	9,221	9.3
Intersegment	747	1,036	-289	-27.9
Total	108,832	99,900	8,932	8.9
Operating expenses	103,620	93,998	9,622	10.2
Operating income	5,212	5,902	-690	-11.7
<i>Operating income on sales in Europe(%)</i>	4.8	5.9		
<b>Other:</b>				
Net sales:				
External customers	21,565	25,318	-3,753	-14.8
Intersegment	21,501	20,227	1,274	6.3
Total	43,066	45,545	-2,479	-5.4
Operating expenses	39,925	42,923	-2,998	-7.0
Operating income	3,141	2,622	519	19.8
<i>Operating income on sales in other(%)</i>	7.3	5.8		
<b>Corporate and Eliminations:</b>				
Net sales:				
Intersegment	-128,294	-105,236	-23,058	-
Total	-128,294	-105,236	-23,058	-
Operating expenses:	-127,969	-110,284	-17,685	-
Operating income	-325	5,048	-5,373	-
<b>Consolidated:</b>				
Net sales:				
External customers	443,799	420,903	22,896	5.4
Intersegment	-	-	-	-
Total	443,799	420,903	22,896	5.4
Operating expenses	405,090	384,689	20,401	5.3
Operating income	38,709	36,214	2,495	6.9
<i>Operating income on consolidated net sales(%)</i>	8.7	8.6		

(Nine months ended December 31, 2004 and 2003 and Year ended March 31, 2004)

(Millions of yen)

	Nine months ended December 31, 2004	Nine months ended December 31, 2003	Change	%	Year ended March 31, 2004
<b>Japan:</b>					
Net sales:					
External customers	717,476	703,320	14,156	2.0	962,127
Intersegment	294,539	267,432	27,107	10.1	351,070
Total	1,012,015	970,752	41,263	4.3	1,313,197
Operating expenses	943,269	893,451	49,818	5.6	1,215,875
Operating income	68,746	77,301	-8,555	-11.1	97,322
<i>Operating income on sales in Japan(%)</i>	6.8	8.0			7.4
<b>The Americas:</b>					
Net sales:					
External customers	237,330	234,288	3,042	1.3	315,504
Intersegment	6,141	3,864	2,277	58.9	5,249
Total	243,471	238,152	5,319	2.2	320,753
Operating expenses	235,711	228,341	7,370	3.2	305,284
Operating income	7,760	9,811	-2,051	-20.9	15,469
<i>Operating income on sales in the Americas(%)</i>	3.2	4.1			4.8
<b>Europe:</b>					
Net sales:					
External customers	302,026	295,424	6,602	2.2	400,646
Intersegment	2,536	2,807	-271	-9.7	3,770
Total	304,562	298,231	6,331	2.1	404,416
Operating expenses	288,388	282,817	5,571	2.0	382,383
Operating income	16,174	15,414	760	4.9	22,033
<i>Operating income on sales in Europe(%)</i>	5.3	5.2			5.4
<b>Other:</b>					
Net sales:					
External customers	62,970	75,961	-12,991	-17.1	101,968
Intersegment	65,319	69,452	-4,133	-6.0	91,373
Total	128,289	145,413	-17,124	-11.8	193,341
Operating expenses	119,713	138,225	-18,512	-13.4	182,870
Operating income	8,576	7,188	1,388	19.3	10,471
<i>Operating income on sales in other(%)</i>	6.7	4.9			5.4
<b>Corporate and Eliminations:</b>					
Net sales:					
Intersegment	-368,535	-343,555	-24,980	-	-451,462
Total	-368,535	-343,555	-24,980	-	-451,462
Operating expenses:	-363,746	-347,310	-16,436	-	-456,173
Operating income	-4,789	3,755	-8,544	-	4,711
<b>Consolidated:</b>					
Net sales:					
External customers	1,319,802	1,308,993	10,809	0.8	1,780,245
Intersegment	-	-	-	-	-
Total	1,319,802	1,308,993	10,809	0.8	1,780,245
Operating expenses	1,223,335	1,195,524	27,811	2.3	1,630,239
Operating income	96,467	113,469	-17,002	-15.0	150,006
<i>Operating income on consolidated net sales(%)</i>	7.3	8.7			8.4

## **6. Significant Accounting Policies (Consolidated)**

### **1. Change relating to the scale of consolidation and the application of the equity method from October 1, 2004 to December 31, 2004.**

Consolidated subsidiaries:

12 additions including Ricoh Printing Systems, Ltd. and Shanghai Ricoh Digital Equipment Co., Ltd.

No removal

Companies accounted for by the equity method:

2 additions including Santama Sougou Jimukiki Co., Ltd.

Removal: 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.

#### **(3) Inventories**

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

#### **(4) Plant and Equipment**

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

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

#### **(5) Goodwill and Other Intangible Assets**

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

#### **(6) Use of Estimates**

Management of the Company has made a number of estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses, including impairment losses of long-lived assets and the disclosures of fair value of financial instruments and contingent assets and liabilities, to prepare these financial statements in conformity with generally accepted accounting principles. Actual results could differ from those estimates.

**-APPENDIX-** (Third Quarter Ended December 31, 2004)

**1. Consolidated Quarterly Performance Outline**

Fiscal 2005	(Millions of yen)					
	1Q	Change(%)	2Q	Change(%)	3Q	Change(%)
Net sales	436,550	-0.2	439,453	-2.5	443,799	5.4
Gross profit	189,171	-1.9	174,709	-10.6	192,103	3.4
Operating income	39,387	2.3	18,371	-52.6	38,709	6.9
Income before income taxes	41,319	10.7	18,745	-45.0	34,661	4.2
Net income	24,894	11.4	10,927	-45.1	22,223	13.0
Net income per share (yen)	33.69	-	14.79	-	30.08	-
Total assets	1,855,745	-	1,877,455	-	1,899,898	-
Shareholders' equity	812,915	-	830,280	-	841,998	-
Shareholders' equity per share (yen)	1,100.24	-	1,123.84	-	1,139.87	-

Fiscal 2004	(Millions of yen)							
	1Q	Change(%)	2Q	Change(%)	3Q	Change(%)	4Q	Change(%)
Net sales	437,453	2.1	450,637	5.2	420,903	0.0	471,252	2.3
Gross profit	192,752	3.4	195,355	12.2	185,779	0.5	191,740	-4.0
Operating income	38,484	7.1	38,771	52.6	36,214	8.4	36,537	-6.2
Income before income taxes	37,317	15.6	34,099	45.7	33,266	10.9	38,381	1.5
Net income	22,355	14.5	19,910	42.2	19,664	10.5	29,837	40.8
Net income per share (yen)	30.04	-	26.75	-	26.53	-	40.31	-
Total assets	1,924,631	-	1,912,162	-	1,922,150	-	1,852,793	-
Shareholders' equity	685,730	-	703,075	-	708,888	-	795,131	-
Shareholders' equity per share (yen)	920.97	-	946.38	-	958.20	-	1,076.11	-

## 2. Consolidated Sales by Product Category

(Three months ended December 31, 2004 and 2003)

(Millions of yen)

	Three months ended December 31, 2004	Three months ended December 31, 2003	Change	%	Change excluding exchange impact	%
<Office Equipment>						
Imaging Solutions:						
Digital Imaging Systems	140,909	143,882	-2,973	-2.1	-3,864	-2.7
<i>Percentage of net sales (%)</i>	<i>31.8</i>	<i>34.2</i>				
Domestic	56,640	60,016	-3,376	-5.6	-3,376	-5.6
Overseas	84,269	83,866	403	0.5	-488	-0.6
Other Imaging Systems	37,408	45,151	-7,743	-17.1	-8,075	-17.9
<i>Percentage of net sales (%)</i>	<i>8.4</i>	<i>10.7</i>				
Domestic	15,470	17,291	-1,821	-10.5	-1,821	-10.5
Overseas	21,938	27,860	-5,922	-21.3	-6,254	-22.4
Total Imaging Solutions	178,317	189,033	-10,716	-5.7	-11,939	-6.3
<i>Percentage of net sales (%)</i>	<i>40.2</i>	<i>44.9</i>				
Domestic	72,110	77,307	-5,197	-6.7	-5,197	-6.7
Overseas	106,207	111,726	-5,519	-4.9	-6,742	-6.0
Network Input/Output Systems:						
Printing Systems	169,281	124,564	44,717	35.9	43,403	34.8
<i>Percentage of net sales (%)</i>	<i>38.1</i>	<i>29.6</i>				
Domestic	73,923	53,559	20,364	38.0	20,364	38.0
Overseas	95,358	71,005	24,353	34.3	23,039	32.4
Other Input/Output Systems	2,043	13,372	-11,329	-84.7	-11,372	-85.0
<i>Percentage of net sales (%)</i>	<i>0.5</i>	<i>3.2</i>				
Domestic	431	1,052	-621	-59.0	-621	-59.0
Overseas	1,612	12,320	-10,708	-86.9	-10,751	-87.3
Total Network Input/Output Systems	171,324	137,936	33,388	24.2	32,031	23.2
<i>Percentage of net sales (%)</i>	<i>38.6</i>	<i>32.8</i>				
Domestic	74,354	54,611	19,743	36.2	19,743	36.2
Overseas	96,970	83,325	13,645	16.4	12,288	14.7
Network System Solutions	43,531	41,623	1,908	4.6	1,879	4.5
<i>Percentage of net sales (%)</i>	<i>9.8</i>	<i>9.9</i>				
Domestic	41,824	40,540	1,284	3.2	1,284	3.2
Overseas	1,707	1,083	624	57.6	595	54.9
Office Equipment Total	393,172	368,592	24,580	6.7	21,971	6.0
<i>Percentage of net sales (%)</i>	<i>88.6</i>	<i>87.6</i>				
Domestic	188,288	172,458	15,830	9.2	15,830	9.2
Overseas	204,884	196,134	8,750	4.5	6,141	3.1
The Americas	78,056	75,643	2,413	3.2	4,577	6.1
Europe	105,862	98,428	7,434	7.6	2,559	2.6
Other	20,966	22,063	-1,097	-5.0	-995	-4.5
< Other Businesses >						
Other Businesses	50,627	52,311	-1,684	-3.2	-1,634	-3.1
<i>Percentage of net sales (%)</i>	<i>11.4</i>	<i>12.4</i>				
Domestic	43,033	40,450	2,583	6.4	2,583	6.4
Overseas	7,594	11,861	-4,267	-36.0	-4,217	-35.6
The Americas	190	290	-100	-34.5	-95	-32.8
Europe	1,748	994	754	75.9	695	69.9
Other	5,656	10,577	-4,921	-46.5	-4,817	-45.5
Grand Total	443,799	420,903	22,896	5.4	20,337	4.8
<i>Percentage of net sales (%)</i>	<i>100.0</i>	<i>100.0</i>				
Domestic	231,321	212,908	18,413	8.6	18,413	8.6
<i>Percentage of net sales (%)</i>	<i>52.1</i>	<i>50.6</i>				
Overseas	212,478	207,995	4,483	2.2	1,924	0.9
<i>Percentage of net sales (%)</i>	<i>47.9</i>	<i>49.4</i>				
The Americas	78,246	75,933	2,313	3.0	4,482	5.9
<i>Percentage of net sales (%)</i>	<i>17.6</i>	<i>18.0</i>				
Europe	107,610	99,422	8,188	8.2	3,254	3.3
<i>Percentage of net sales (%)</i>	<i>24.2</i>	<i>23.6</i>				
Other	26,622	32,640	-6,018	-18.4	-5,812	-17.8
<i>Percentage of net sales (%)</i>	<i>6.1</i>	<i>7.8</i>				
Reference: Exchange rate						
US\$ 1	¥106.01	¥108.92	¥-2.91			
EURO 1	¥137.16	¥129.58	¥7.58			

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



(Nine months ended December 31, 2004 and 2003 and Year ended March 31, 2004)

(Millions of yen)

	Nine months ended December 31, 2004	Nine months ended December 31, 2003	Change	%	Change excluding exchange impact	%	Year ended March 31, 2004
<b>&lt;Office Equipment&gt;</b>							
<b>Imaging Solutions:</b>							
Digital Imaging Systems	416,440	453,040	-36,600	-8.1	-31,466	-6.9	606,270
<i>Percentage of net sales (%)</i>	<i>31.6</i>	<i>34.6</i>					<i>34.1</i>
Domestic	170,564	184,789	-14,225	-7.7	-14,225	-7.7	253,830
Overseas	245,876	268,251	-22,375	-8.3	-17,241	-6.4	352,440
Other Imaging Systems	118,482	151,087	-32,605	-21.6	-31,594	-20.9	197,304
<i>Percentage of net sales (%)</i>	<i>8.9</i>	<i>11.6</i>					<i>11.0</i>
Domestic	46,382	53,788	-7,406	-13.8	-7,406	-13.8	70,762
Overseas	72,100	97,299	-25,199	-25.9	-24,188	-24.9	126,542
Total Imaging Solutions	534,922	604,127	-69,205	-11.5	-63,060	-10.4	803,574
<i>Percentage of net sales (%)</i>	<i>40.5</i>	<i>46.2</i>					<i>45.1</i>
Domestic	216,946	238,577	-21,631	-9.1	-21,631	-9.1	324,592
Overseas	317,976	365,550	-47,574	-13.0	-41,429	-11.3	478,982
<b>Network Input/Output Systems:</b>							
Printing Systems	470,624	358,021	112,603	31.5	115,581	32.3	509,212
<i>Percentage of net sales (%)</i>	<i>35.7</i>	<i>27.4</i>					<i>28.6</i>
Domestic	201,898	153,910	47,988	31.2	47,988	31.2	218,165
Overseas	268,726	204,111	64,615	31.7	67,593	33.1	291,047
Other Input/Output Systems	11,022	43,097	-32,075	-74.4	-32,100	-74.5	49,025
<i>Percentage of net sales (%)</i>	<i>0.8</i>	<i>3.2</i>					<i>2.8</i>
Domestic	1,921	3,795	-1,874	-49.4	-1,874	-49.4	4,981
Overseas	9,101	39,302	-30,201	-76.8	-30,226	-76.9	44,044
Total Network Input/Output Systems	481,646	401,118	80,528	20.1	83,481	20.8	558,237
<i>Percentage of net sales (%)</i>	<i>36.5</i>	<i>30.6</i>					<i>31.4</i>
Domestic	203,819	157,705	46,114	29.2	46,114	29.2	223,146
Overseas	277,827	243,413	34,414	14.1	37,367	15.4	335,091
Network System Solutions	142,569	138,855	3,714	2.7	3,743	2.7	195,822
<i>Percentage of net sales (%)</i>	<i>10.8</i>	<i>10.6</i>					<i>11.0</i>
Domestic	137,939	135,800	2,139	1.6	2,139	1.6	191,302
Overseas	4,630	3,055	1,575	51.6	1,604	52.5	4,520
Office Equipment Total	1,159,137	1,144,100	15,037	1.3	24,164	2.1	1,557,633
<i>Percentage of net sales (%)</i>	<i>87.8</i>	<i>87.4</i>					<i>87.5</i>
Domestic	558,704	532,082	26,622	5.0	26,622	5.0	739,040
Overseas	600,433	612,018	-11,585	-1.9	-2,458	-0.4	818,593
The Americas	239,000	242,443	-3,443	-1.4	10,622	4.4	325,106
Europe	297,051	293,128	3,923	1.3	-2,532	-0.9	398,109
Other	64,382	76,447	-12,065	-15.8	-10,548	-13.8	95,378
<b>&lt; Other Businesses &gt;</b>							
Other Businesses	160,665	164,893	-4,228	-2.6	-3,845	-2.3	222,612
<i>Percentage of net sales (%)</i>	<i>12.2</i>	<i>12.6</i>					<i>12.5</i>
Domestic	141,793	129,462	12,331	9.5	12,331	9.5	175,020
Overseas	18,872	35,431	-16,559	-46.7	-16,176	-45.7	47,592
The Americas	576	1,154	-578	-50.1	-542	-47.0	1,274
Europe	3,546	3,245	301	9.3	243	7.5	4,283
Other	14,750	31,032	-16,282	-52.5	-15,877	-51.2	42,035
Grand Total	1,319,802	1,308,993	10,809	0.8	20,319	1.6	1,780,245
<i>Percentage of net sales (%)</i>	<i>100.0</i>	<i>100.0</i>					<i>100.0</i>
Domestic	700,497	661,544	38,953	5.9	38,953	5.9	914,060
<i>Percentage of net sales (%)</i>	<i>53.1</i>	<i>50.5</i>					<i>51.3</i>
Overseas	619,305	647,449	-28,144	-4.3	-18,634	-2.9	866,185
<i>Percentage of net sales (%)</i>	<i>46.9</i>	<i>49.5</i>					<i>48.7</i>
The Americas	239,576	243,597	-4,021	-1.7	10,080	4.1	326,380
<i>Percentage of net sales (%)</i>	<i>18.2</i>	<i>18.6</i>					<i>18.3</i>
Europe	300,597	296,373	4,224	1.4	-2,289	-0.8	402,392
<i>Percentage of net sales (%)</i>	<i>22.8</i>	<i>22.6</i>					<i>22.6</i>
Other	79,132	107,479	-28,347	-26.4	-26,425	-24.6	137,413
<i>Percentage of net sales (%)</i>	<i>5.9</i>	<i>8.3</i>					<i>7.8</i>
Reference: Exchange rate							
US\$ 1	¥108.55	¥115.00	¥-6.45				¥113.09
EURO 1	¥134.60	¥132.17	¥2.43				¥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

### 3. Forecast of Consolidated Performance

(Billions of yen)

	Half year ended		Three months ended		Three months ending		Year ending	
	Sept. 30, 2004	Change	Dec. 31, 2004	Change	Mar. 31, 2005	Change	Mar. 31, 2005	Change
	Results	%	Results	%	Forecast	%	Forecast	%
Net sales	876.0	-1.4	443.7	5.4	495.1	5.1	1,815.0	2.0
Gross profit	363.8	-6.2	192.1	3.4	208.0	8.5	764.0	-0.2
Operating income	57.7	-25.2	38.7	6.9	50.5	38.3	147.0	-2.0
Income before income taxes	60.0	-15.9	34.6	4.2	46.2	20.6	141.0	-1.4
Net income	35.8	-15.2	22.2	13.0	26.9	-9.7	85.0	-7.4
Net income per share (yen)	48.48	-	30.08	-	36.51	-	115.07	-
Capital expenditure	38.2	-	20.5	-	20.2	-	79.0	-
Depreciation for tangible fixed assets	31.0	-	16.9	-	19.4	-	67.5	-
R&D expenditure	53.4	-	26.1	-	27.3	-	107.0	-
Exchange rate (Yen/US\$)	109.83	-	106.01	-	105.00	-	107.67	-
Exchange rate (Yen/EURO)	133.31	-	137.16	-	130.00	-	133.45	-

### 4. Forecast of Consolidated Sales by Product Category

(Billions of yen)

	Three months ending March 31, 2005				Year ending March 31, 2005			
	Forecast	Change %	Forecast(*)	Change %	Forecast	Change %	Forecast(*)	Change %
<Office Equipment>								
Imaging Solutions:								
Digital Imaging Systems	136.6	-10.8	137.3	-10.4	553.1	-8.8	558.9	-7.8
Domestic	60.6	-12.2	60.6	-12.2	231.2	-8.9	231.2	-8.9
Overseas	76.0	-9.7	76.6	-8.9	321.9	-8.7	327.7	-7.0
Other Imaging Systems	36.0	-22.0	36.7	-20.6	154.5	-21.7	156.2	-20.8
Domestic	14.1	-16.8	14.1	-16.8	60.5	-14.5	60.5	-14.5
Overseas	21.9	-25.1	22.5	-22.8	94.0	-25.7	95.7	-24.4
Total Imaging Solutions	172.7	-13.4	174.0	-12.7	707.6	-11.9	715.1	-11.0
Domestic	74.7	-13.1	74.7	-13.1	291.7	-10.1	291.7	-10.1
Overseas	97.9	-13.6	99.2	-12.5	415.9	-13.2	423.4	-11.6
Network Input/Output Systems:								
Printing Systems	209.5	38.6	213.4	41.2	680.1	33.6	687.0	34.9
Domestic	95.1	48.0	95.1	48.0	297.0	36.1	297.0	36.1
Overseas	114.4	31.6	118.3	36.1	383.1	31.6	390.0	34.0
Other Input/Output Systems	2.7	-52.9	2.8	-52.2	13.8	-71.8	13.8	-71.8
Domestic	0.6	-42.7	0.6	-42.7	2.6	-47.8	2.6	-47.8
Overseas	2.1	-55.4	2.1	-54.6	11.2	-74.5	11.2	-74.5
Total Network Input/Output Systems	212.2	35.1	216.2	37.6	693.9	24.3	700.8	25.5
Domestic	95.7	46.4	95.7	46.4	299.6	34.3	299.6	34.3
Overseas	116.5	27.1	120.4	31.4	394.3	17.7	401.2	19.7
Network System Solutions	56.1	-1.5	56.2	-1.3	198.6	1.5	198.8	1.5
Domestic	53.6	-3.3	53.6	-3.3	191.6	0.2	191.6	0.2
Overseas	2.4	66.8	2.5	73.4	7.0	56.5	7.2	59.3
Office Equipment Total	441.1	6.7	446.4	8.0	1,600.2	2.7	1,614.7	3.7
Domestic	224.1	8.3	224.1	8.3	782.9	5.9	782.9	5.9
Overseas	216.9	5.0	222.2	7.6	817.3	-0.2	831.8	1.6
The Americas	88.2	6.7	90.1	9.1	327.2	0.6	343.2	5.6
Europe	107.2	2.1	110.6	5.4	404.2	1.5	401.2	0.8
Other	21.4	13.5	21.5	13.7	85.8	-10.0	87.4	-8.3
< Other Businesses >								
Other Businesses	54.0	-6.2	54.2	-6.0	214.8	-3.5	215.3	-3.3
Domestic	48.2	5.8	48.2	5.8	190.0	8.6	190.0	8.6
Overseas	5.8	-51.2	6.0	-50.3	24.8	-47.9	25.3	-46.8
The Americas	0.6	463.3	0.6	475.8	1.2	-1.7	1.3	2.0
Europe	1.4	41.2	1.5	45.7	5.0	17.0	5.0	16.7
Other	3.7	-65.5	3.8	-65.1	18.5	-55.9	19.0	-54.8
Grand Total	495.1	5.1	500.7	6.3	1,815.0	2.0	1,830.0	2.8
Domestic	272.4	7.9	272.4	7.9	972.9	6.4	972.9	6.4
Overseas	222.7	1.9	228.3	4.4	842.1	-2.8	857.1	-1.0
The Americas	88.8	7.4	90.8	9.7	328.4	0.6	344.5	5.6
Europe	108.6	2.5	112.1	5.7	409.2	1.7	406.2	0.9
Other	25.2	-15.7	25.3	-15.2	104.4	-24.0	106.4	-22.5

\* Excluding foreign exchange impact