



QUARTERLY REPORT

1st Quarter ended June 30, 2004

(Results for the Period from April 1, 2004 to June 30, 2004)

Performance Outline (Consolidated)

				(Billions of yen)	
	Three months ended June 30, 2004 Results	Three months ended June 30, 2003 Results	Change	Year ending March 31, 2005 Forecast	Change
Domestic sales	233.3	224.3	4.0%	935.0	2.3%
Overseas sales	203.2	213.1	-4.6%	875.0	1.0%
Net sales	436.5	437.4	-0.2%	1,810.0	1.7%
Gross profit	189.1	192.7	-1.9%	785.0	2.5%
Operating income	39.3	38.4	2.3%	175.0	16.7%
Income before income taxes	41.3	37.3	10.7%	165.0	15.3%
Net income	24.8	22.3	11.4%	95.0	3.5%
Exchange rate (Yen/US\$)	109.65	118.52	-8.87	106.16	-6.93
Exchange rate (Yen/EURO)	132.17	134.67	-2.50	130.54	-2.11
Net income per share (yen)	33.69	30.04	3.65	128.58	4.95
Cash flows from operating activities	42.2	39.8	2.3	-	-
Cash flows from investing activities	-10.8	-7.9	-2.9	-	-
Cash flows from financing activities	-21.2	-6.4	-14.8	-	-
Cash and cash equivalents at end of period	215.4	215.9	-0.5	-	-
Capital expenditures	18.6	18.6	-0.0	74.5	-1.0
Depreciation for tangible fixed assets	15.9	17.0	-1.0	69.0	1.3
R&D expenditures	24.3	19.3	4.9	100.0	7.4
	June 30, 2004	March 31, 2004	Change		
Total assets	1,855.7	1,852.7	2.9		
Shareholders' equity	812.9	795.1	17.7		
Interest-bearing debt	423.7	432.7	-8.9		
Equity ratio (%)	43.8	42.9	0.9		
Shareholder's equity per share (yen)	1,100.24	1,076.11	24.13		

Ricoh Company, Ltd.

* The Company bases the forecast estimates for 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 first quarter of fiscal 2005 (the three months period from April 1 to June 30, 2004) decreased by 0.2% as compared to the previous corresponding period, to ¥436.5 billion. During this quarter, the average yen exchange rates were at ¥109.65 against the U.S. dollar (an appreciation of approximately 7.5% as compared to the previous corresponding period) and ¥132.17 against the Euro (an appreciation of approximately 1.9% as compared to the previous corresponding period). Net sales would rise 1.3% excluding impacts of such foreign currency exchange fluctuations.

In Japan, sales of printing systems such as MFPs (multifunctional printers) and laser printers, especially color model, increased reflecting the market needs of the shift from standalone, analog products to networking and color model. In addition, solutions business such as support and service continued to be favorable. On the other hand, sales of optical disc and semiconductor business decreased owing to sluggish period of demand cycle. Overall domestic sales consequently increased by 4.0% as compared to the previous corresponding period.

As for overseas, sales of product categories such as color PPCs (plain paper copiers), MFPs and laser printers increased in each region. Although sales in the Americas decreased by 1.4% as compared to the previous corresponding period due to yen's appreciation against the U.S. dollar (6.4% increase excluding currency exchange impact), sales in Europe increased by 1.7% with steady growth of sales volume. And sales in other region such as China, Asian and Oceania countries decreased by 30.0%, owing to decline of optical disks demand and the sale of certain consolidated subsidiaries in optical related business. As a result, overall overseas sales decreased by 4.6%, though it would have decreased by 1.6% excluding impacts of the currency exchange fluctuations.

Gross profit decreased by 1.9% to ¥189.1 billion due to yen's appreciation, in spite of increased sales for high-margin, high-value-added products and ongoing cost-cutting activities such as continuous production improvement and so on.

Although strategic spending on research and development increased ¥4.9 billion as compared to the previous corresponding period, to ¥24.3 billion, pension cost was, especially, reduced by the remodel of pension system in Japan in the previous fiscal year. As a result, selling, general and administrative expenses decreased by 2.9% to ¥149.7 billion.

Consequently, operating income increased by 2.3% as compared to the previous corresponding period, to ¥39.3 billion.

Other (income) expense improved ¥3.0 billion, especially due to the interest expense decrease resulted from reduced interest-bearing debt and foreign currency exchange gains on the contrary to the exchange loss in the previous corresponding period.

As a result, income before income taxes increased by 10.7% as compared to the previous corresponding period, to ¥41.3 billion.

The expanded amount of tax exemption on the research and development expenses and spending on Information Technology caused tax expense reduced. As a result, net income increased by 11.4% as compared to the previous corresponding period, to ¥24.8 billion.

*Conditions by Product Line

Office Equipment (Sales up 0.1% to ¥383.9 billion)

Customer demand has shifted more and more from standalone analog products to digital, networking, color and high-speed models in Japan and overseas market place. Ricoh has enforced solution proposal to customers for the optimization of their total printing cost, in order to support their efficient management of TDV (Total Document Volume). As a result, sales volume of color PPCs and Printing Systems category such as MFPs and laser printers continued to grow, though sales of Imaging Solutions category decreased. Sales of Network System Solutions category such as support and service increased, however the sales volume of optical disc business decreased due to sluggish period of demand cycle and the in-between period of model change. In addition, yen's appreciation impacted. The total sales of Office Equipment increased by 0.1% as compared to the previous corresponding periods, to ¥383.9 billion.

Imaging Solutions (Sales down 14.6% to ¥181.6 billion)

Digital Imaging Systems

- Shift from standalone products to MFPs all over the world caused the sales decline.
- The sales of color PPCs increased, with new offering to meet growing customer demand.
- As a result, sales in this category decreased by 12.3% as compared to the previous corresponding period.

Other Imaging Systems

- Sales were down by 21.4% due to the shift from analog products to MFPs and/or color products.

Network Input/Output Systems (Sales up 23.4% to ¥157.3 billion)

Printing Systems

- Constant offering new products to cope with the demand shift to networked and color models in Japan and overseas brought about continuous sales increase.

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

Color MFPs: Imagio Neo C245 and Imagio Neo C325 in Japan
Aficio 2232C/2238C series overseas

- Sales of laser printers continued to increase.
- The sales volume of office use color printer with Ricoh's original 'GEL JET' technology and strategic low price, launched in February 2004, steadily increased.
- As a result, sales of this category increased by 30.9%.

Other Input/Output Systems

Sales decreased by 52.9% mainly due to model change influence in the optical discs business in Japan and overseas.

Network System Solutions (Sales up 3.6% to ¥44.9 billion)

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

Consequently, overall sales of Office Equipment segment increased by 0.1% as compared to the previous corresponding period. Operating income increased by 3.9% to ¥50.1 billion. It can be resulted from the sales increase of Printing Systems category, the continuous offering of new products and ongoing cost-cutting activities by production improvement and so on.

Other Businesses (Sales down 2.1% to ¥52.5 billion)

Sales in this segment decreased by 2.1% as compared to the previous corresponding period, to ¥52.5 billion, due primarily to the sale of certain consolidated subsidiaries in optical related business, and sluggish demand cycle for semiconductor.

As a result, overall operating income for Other Businesses segment decreased to ¥1.0 billion.

*Cash Flows (Three months from April 1, 2004 to June 30, 2004)

Net cash provided by operating activities increased ¥2.3 billion as compared to the previous corresponding period, to ¥42.2 billion. It was due to the fact that net income increased as compared to the previous corresponding period and the decrease of trade receivable due to sales growth in the fourth quarter of fiscal 2004.

Net cash used in investing activities increased ¥2.9 billion as compared to the previous corresponding period, to ¥10.8 billion, due primarily to capital expenditures spending for new production lines and production development.

As a result, free cash flow generated by operating and investing activities totaled ¥31.3 billion, no significant change as compared to the previous corresponding period.

Net cash used in financing activities amounted to ¥21.2 billion due primarily to decrease of interest-bearing debt and payment of dividends.

As a result, cash and cash equivalents at the end of this first quarter were ¥12.4 billion higher than the end of the preceding fiscal year, standing at ¥215.4 billion.

*Forecast for the entire fiscal year

As for the forecast of business results for the fiscal year ended March 31, 2005, we maintain our exchange rates assumption of ¥105.00 against the U.S. dollar and of ¥130.00 against the Euro in and after the second quarter as announced in April 2004.

And we maintain our forecast of sales as announced in April 2004. We intend to implement business strategies such as continuous and effective offering of new products and so on in order to continue to grow in spite of fluctuations of market demand and exchange rate.

As for income, we maintain our forecast of operation income, income before income tax and net income as announced in April 2004, although the results of first quarter was more than our forecast at the beginning of this fiscal year and we intend to improve profitability still more.

Our performance forecasts for fiscal 2005 are as follows:

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

US\$ 1 = ¥106.16 (¥113.09 in previous fiscal year)

EURO 1 = ¥130.54 (¥132.65 in previous fiscal year)

(Billions of yen)			
	Year ending March 31, 2005 Forecast	Year ended March 31, 2004 Results	Change
Domestic sales	935.0	914.0	2.3%
Overseas sales	875.0	866.1	1.0%
Net sales	1,810.0	1,780.2	1.7% (*1)
Gross profit	785.0	765.6	2.5%
Operating income	175.0	150.0	16.7%
Income before income taxes	165.0	143.0	15.3%
Net income	95.0	91.7	3.5% (*2)

Notes:

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

*2...Net income would be thirteenth consecutive year of growth and eleventh consecutive year of record high.

* Ricoh bases the forecast estimates for 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 1st Quarter ended June 30, 2004 (U.S. GAAP Financial Information)

1. Items relating to 1st 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: No addition; 20 removals
 Companies accounted for by the equity method: 1 addition; 1 removal

2. Results for the period from April 1, 2004 to June 30, 2004

(1) Operating Results				(Millions of yen)
	Three months ended June 30, 2004	Three months ended June 30, 2003	Year ended March 31, 2004	
Net sales	436,550	437,453	1,780,245	
<i>(% change from the previous corresponding period)</i>	<i>-0.2</i>	<i>2.1</i>	<i>2.4</i>	
Operating income	39,387	38,484	150,006	
<i>(% change from the previous corresponding period)</i>	<i>2.3</i>	<i>7.1</i>	<i>12.2</i>	
Income before income taxes	41,319	37,317	143,063	
<i>(% change from the previous corresponding period)</i>	<i>10.7</i>	<i>15.6</i>	<i>15.9</i>	
Net income	24,894	22,355	91,766	
<i>(% change from the previous corresponding period)</i>	<i>11.4</i>	<i>14.5</i>	<i>26.6</i>	
Net income per share-basic (yen)	33.69	30.04	123.63	
Net income per share-diluted (yen)	-	-	-	

(2) Financial Position				(Millions of yen)
	June 30, 2004	June 30, 2003	March 31, 2004	
Total assets	1,855,745	1,924,631	1,852,793	
Shareholders' equity	812,915	685,730	795,131	
Equity ratio (%)	43.8	35.6	42.9	
Equity per share (yen)	1,100.24	920.97	1,076.11	

Cash Flow				(Millions of yen)
	Three months ended June 30, 2004	Three months ended June 30, 2003	Year ended March 31, 2004	
Cash flows from operating activities	42,268	39,877	154,911	
Cash flows from investing activities	-10,899	-7,973	-63,383	
Cash flows from financing activities	-21,294	-6,404	-74,835	
Cash and cash equivalents at end of period	215,467	215,982	203,039	

3. Forecast of operating results from April 1, 2004 to March 31, 2005

Though we maintain our forecast of each period as announced in April 2004, we revised the forecast of net income per share (Consolidated) for the reason that average number of share outstanding has changed with purchase of treasury stocks.

				(Millions of yen)
	Half year ending September 30, 2004		Year ending March 31, 2005	
Net sales	895,000		1,810,000	
Operating income	78,000		175,000	
Income before income taxes	74,500		165,000	
Net income	43,800		95,000	

Note: Net income per share (Consolidated) 128.58 yen

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

(Millions of yen)

	Three months ended		Change	%
	June 30, 2004	June 30, 2003		
Net sales	436,550	437,453	-903	-0.2
Cost of sales	247,379	244,701	2,678	1.1
<i>Percentage of net sales (%)</i>	56.7	55.9		
Gross Profit	189,171	192,752	-3,581	-1.9
<i>Percentage of net sales (%)</i>	43.3	44.1		
Selling, general and administrative expenses	149,784	154,268	-4,484	-2.9
<i>Percentage of net sales (%)</i>	34.3	35.3		
Operating income	39,387	38,484	903	2.3
<i>Percentage of net sales (%)</i>	9.0	8.8		
Other (income) expense				
Interest and dividend income	603	696	-93	-13.4
<i>Percentage of net sales (%)</i>	0.1	0.1		
Interest expense	1,230	1,524	-294	-19.3
<i>Percentage of net sales (%)</i>	0.3	0.3		
Other, net	-2,559	339	-2,898	-
<i>Percentage of net sales (%)</i>	-0.7	0.1		
Income before income taxes, equity income and minority interests	41,319	37,317	4,002	10.7
<i>Percentage of net sales (%)</i>	9.5	8.5		
Provision for income taxes	15,919	14,062	1,857	13.2
<i>Percentage of net sales (%)</i>	3.6	3.2		
Minority interests in earnings of subsidiaries	1,118	1,352	-234	-17.3
<i>Percentage of net sales (%)</i>	0.3	0.3		
Equity in earnings of affiliates	612	452	160	35.4
<i>Percentage of net sales (%)</i>	0.1	0.1		
Net income	24,894	22,355	2,539	11.4
<i>Percentage of net sales (%)</i>	5.7	5.1		

2-1. Consolidated Sales by Product Category

(Millions of yen)

	Three months ended		Change	%
	June 30, 2004	June 30, 2003		
<Office Equipment>				
Imaging Solutions:				
Digital Imaging Systems	139,383	158,997	-19,614	-12.3
<i>Percentage of net sales (%)</i>	31.9	36.3		
Other Imaging Systems	42,246	53,771	-11,525	-21.4
<i>Percentage of net sales (%)</i>	9.7	12.3		
Total Imaging Solutions	181,629	212,768	-31,139	-14.6
<i>Percentage of net sales (%)</i>	41.6	48.6		
Network Input/Output Systems:				
Printing Systems	151,970	116,106	35,864	30.9
<i>Percentage of net sales (%)</i>	34.8	26.5		
Other Input/Output Systems	5,385	11,421	-6,036	-52.9
<i>Percentage of net sales (%)</i>	1.2	2.7		
Total Network Input/Output Systems	157,355	127,527	29,828	23.4
<i>Percentage of net sales (%)</i>	36.0	29.2		
Network System Solutions	44,989	43,437	1,552	3.6
<i>Percentage of net sales (%)</i>	10.4	9.9		
Office Equipment Total	383,973	383,732	241	0.1
<i>Percentage of net sales (%)</i>	88.0	87.7		
< Other Businesses >				
Other Businesses	52,577	53,721	-1,144	-2.1
<i>Percentage of net sales (%)</i>	12.0	12.3		
Grand Total	436,550	437,453	-903	-0.2
<i>Percentage of net sales (%)</i>	100.0	100.0		

2-2. Consolidated Sales by Geographic Area

(Millions of yen)

	Three months ended		Change	%
	June 30, 2004	June 30, 2003		
<Domestic>	233,312	224,335	8,977	4.0
<i>Percentage of net sales (%)</i>	53.4	51.3		
<Overseas>	203,238	213,118	-9,880	-4.6
<i>Percentage of net sales (%)</i>	46.6	48.7		
The Americas	78,401	79,491	-1,090	-1.4
<i>Percentage of net sales (%)</i>	18.0	18.2		
Europe	100,323	98,619	1,704	1.7
<i>Percentage of net sales (%)</i>	23.0	22.5		
Other	24,514	35,008	-10,494	-30.0
<i>Percentage of net sales (%)</i>	5.6	8.0		
Grand Total	436,550	437,453	-903	-0.2
<i>Percentage of net sales (%)</i>	100.0	100.0		
Reference : Exchange rate				
US\$ 1	¥109.65	¥118.52		
EURO 1	¥132.17	¥134.67		

3. Segment Information

(1) Industry Segment Information

(Millions of yen)

	Three months ended June 30, 2004	Three months ended June 30, 2003	Change	%
Office Equipment:				
Net sales:				
Unaffiliated customers	383,973	383,732	241	0.1
Intersegment	-	-	-	-
Total	383,973	383,732	241	0.1
Operating expenses	333,863	335,487	-1,624	-0.5
Operating income	50,110	48,245	1,865	3.9
<i>Operating income on office equipment sales(%)</i>	<i>13.1</i>	<i>12.6</i>		
Other Businesses:				
Net sales:				
Unaffiliated customers	52,577	53,721	-1,144	-2.1
Intersegment	668	627	41	6.5
Total	53,245	54,348	-1,103	-2.0
Operating expenses	52,158	51,936	222	0.4
Operating income	1,087	2,412	-1,325	-54.9
<i>Operating income on sales in other businesses (%)</i>	<i>2.0</i>	<i>4.4</i>		
Corporate and Eliminations:				
Net sales:				
Intersegment	-668	-627	-41	-
Total	-668	-627	-41	-
Operating expenses:				
Intersegment	-678	-647	-31	-
Corporate	11,820	12,193	-373	-
Total	11,142	11,546	-404	-
Operating income	-11,810	-12,173	363	-
Consolidated:				
Net sales:				
Unaffiliated customers	436,550	437,453	-903	-0.2
Intersegment	-	-	-	-
Total	436,550	437,453	-903	-0.2
Operating expenses	397,163	398,969	-1,806	-0.5
Operating income	39,387	38,484	903	2.3
<i>Operating income on consolidated net sales(%)</i>	<i>9.0</i>	<i>8.8</i>		

(2) Geographic Segment Information

(Millions of yen)

	Three months ended June 30, 2004	Three months ended June 30, 2003	Change	%
Japan:				
Net sales:				
External customers	239,663	238,338	1,325	0.6
Intersegment	96,410	97,074	-664	-0.7
Total	336,073	335,412	661	0.2
Operating expenses	304,421	301,568	2,853	0.9
Operating income	31,652	33,844	-2,192	-6.5
<i>Operating income on sales in Japan(%)</i>	<i>9.4</i>	<i>10.1</i>		
The Americas:				
Net sales:				
External customers	76,632	77,534	-902	-1.2
Intersegment	1,295	1,582	-287	-18.1
Total	77,927	79,116	-1,189	-1.5
Operating expenses	76,053	76,823	-770	-1.0
Operating income	1,874	2,293	-419	-18.3
<i>Operating income on sales in the Americas(%)</i>	<i>2.4</i>	<i>2.9</i>		
Europe:				
Net sales:				
External customers	100,626	98,763	1,863	1.9
Intersegment	941	1,056	-115	-10.9
Total	101,567	99,819	1,748	1.8
Operating expenses	95,414	94,329	1,085	1.2
Operating income	6,153	5,490	663	12.1
<i>Operating income on sales in Europe(%)</i>	<i>6.1</i>	<i>5.5</i>		
Other:				
Net sales:				
External customers	19,629	22,818	-3,189	-14.0
Intersegment	21,010	25,115	-4,105	-16.3
Total	40,639	47,933	-7,294	-15.2
Operating expenses	38,239	45,580	-7,341	-16.1
Operating income	2,400	2,353	47	2.0
<i>Operating income on sales in other(%)</i>	<i>5.9</i>	<i>4.9</i>		
Corporate and Eliminations:				
Net sales:				
Intersegment	-119,656	-124,827	5,171	-
Total	-119,656	-124,827	5,171	-
Operating expenses:	-116,964	-119,331	2,367	-
Operating income	-2,692	-5,496	2,804	-
Consolidated:				
Net sales:				
External customers	436,550	437,453	-903	-0.2
Intersegment	-	-	-	-
Total	436,550	437,453	-903	-0.2
Operating expenses	397,163	398,969	-1,806	-0.5
Operating income	39,387	38,484	903	2.3
<i>Operating income on consolidated net sales(%)</i>	<i>9.0</i>	<i>8.8</i>		

4. Consolidated Balance Sheets

Assets	(Millions of yen)		
	June 30, 2004	March 31, 2004	Change
Current Assets			
Cash and time deposits	217,598	204,001	13,597
Trade receivables	395,163	422,244	-27,081
Marketable securities	45,122	45,124	-2
Inventories	150,577	145,369	5,208
Other current assets	54,656	55,079	-423
Total Current Assets	863,116	871,817	-8,701
Fixed Assets			
Tangible fixed assets	237,454	238,712	-1,258
Finance receivable	527,982	514,047	13,935
Other Investments	227,193	228,217	-1,024
Total Fixed Assets	992,629	980,976	11,653
Total Assets	1,855,745	1,852,793	2,952

Note:

Contents of cash and time deposits:

Cash and cash equivalents	215,467	203,039
Time deposits	2,131	962

Liabilities and Shareholders' Investment	(Millions of yen)		
	June 30, 2004	March 31, 2004	Change
Current Liabilities			
Trade payables	283,044	297,672	-14,628
Short-term borrowings	183,217	151,162	32,055
Other current liabilities	163,113	158,594	4,519
Total Current Liabilities	629,374	607,428	21,946
Fixed Liabilities			
Long-term indebtedness	240,564	281,570	-41,006
Retirement benefit obligation	85,690	83,492	2,198
Other fixed liabilities	37,429	36,295	1,134
Total Fixed Liabilities	363,683	401,357	-37,674
Total Liabilities	993,057	1,008,785	-15,728
Minority Interest	49,773	48,877	896
Shareholders' Investment			
Common stock	135,364	135,364	-
Additional paid-in capital	186,599	186,599	0
Retained earnings	533,654	515,372	18,282
Accumulated other comprehensive income (loss)	-30,673	-30,272	-401
Treasury stock	-12,029	-11,932	-97
Total Shareholders' Investment	812,915	795,131	17,784
Total Liabilities and Shareholders' Investment	1,855,745	1,852,793	2,952

Note: Other comprehensive income;

Net unrealized holding gains on available-for-sale securities	4,210	4,026	184
Pension liability adjustments	-17,595	-14,863	-2,732
Net unrealized gains (losses) on derivative instruments	-17	-24	7
Cumulative translation adjustments	-17,271	-19,411	2,140

Reference: Exchange rate	June 30, 2004	March 31, 2004
US\$ 1	¥108.43	¥105.69
EURO 1	¥131.06	¥128.88

5. Consolidated Statements of Cash Flow

(Millions of yen)

	Three months ended June 30, 2004	Three months ended June 30, 2003
I. Cash Flows from Operating Activities:		
1. Net income	24,894	22,355
2. Adjustments to reconcile net income to net cash provided by operating activities—		
Depreciation and amortization	18,790	19,673
Equity in earnings of affiliates, net of dividends received	-158	2
Deferred income taxes	2,771	-3,382
Loss on disposal and sales of tangible fixed assets	17	22
Changes in assets and liabilities—		
Decrease in trade receivables	23,735	8,801
Increase in inventories	-7,841	-14,126
Increase in finance receivables	-13,546	-8,102
(Decrease) Increase in trade payables	-11,390	6,019
Increase in accrued income taxes and accrued expenses and other	3,074	3,792
Retirement benefit obligation, net	-429	6,835
Other, net	2,351	-2,012
Net cash provided by operating activities	42,268	39,877
II. Cash Flows from Investing Activities:		
1. Proceeds from sales of plant and equipment	535	7
2. Expenditures for tangible fixed assets	-18,647	-18,657
3. Payments for purchases of available-for-sale securities	-137	-25,043
4. Proceeds from sales of available-for-sale securities	5	30,063
5. (Increase) Decrease in time deposits	-1,182	7,176
6. Other, net	8,527	-1,519
Net cash used in investing activities	-10,899	-7,973
III. Cash Flows from Financing Activities:		
1. Proceeds from long-term indebtedness	14,734	759
2. Repayment of long-term indebtedness	-18,929	-8,596
3. (Decrease) Increase in short-term borrowings, net	-342	11,907
4. Proceeds from issuance of long-term debt securities	1,000	-
5. Repayment of long-term debt securities	-10,000	-5,000
6. Cash dividends paid	-7,405	-5,195
7. Purchase of treasury stocks	-98	-85
8. Other, net	-254	-194
Net cash used in financing activities	-21,294	-6,404
IV. Effect of Exchange Rate Changes on Cash and Cash Equivalents	-122	1,239
V. Net Increase in Cash and Cash Equivalents	9,953	26,739
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	215,467	215,982

6. Significant Accounting Policies (Consolidated)

1. Change relating to the scale of consolidation and the application of the equity method from April 1, 2004 to June 30, 2004.

Consolidated subsidiaries:

No addition

20 removals including HANIMEX AUSTRALASIA PTY LTD.

Companies accounted for by the equity method:

Addition: TRIANGLE SPIRIT CORPORATION.

Removal: FOTO ISLAND (NSW) PTY. 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 the 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-

1. Consolidated Sales by Product Category

(Millions of yen)

	Three months ended June 30, 2004	Three months ended June 30, 2003	Change	%	Change excluding exchange impact	%
<Office Equipment>						
Imaging Solutions:						
Digital Imaging Systems	139,383	158,997	-19,614	-12.3	-16,323	-10.3
<i>Percentage of net sales (%)</i>	31.9	36.3				
Domestic	59,106	65,894	-6,788	-10.3	-6,788	-10.3
Overseas	80,277	93,103	-12,826	-13.8	-9,535	-10.2
Other Imaging Systems	42,246	53,771	-11,525	-21.4	-10,775	-20.0
<i>Percentage of net sales (%)</i>	9.7	12.3				
Domestic	15,995	19,282	-3,287	-17.0	-3,287	-17.0
Overseas	26,251	34,489	-8,238	-23.9	-7,488	-21.7
Total Imaging Solutions	181,629	212,768	-31,139	-14.6	-27,098	-12.7
<i>Percentage of net sales (%)</i>	41.6	48.6				
Domestic	75,101	85,176	-10,075	-11.8	-10,075	-11.8
Overseas	106,528	127,592	-21,064	-16.5	-17,023	-13.3
Network Input/Output Systems:						
Printing Systems	151,970	116,106	35,864	30.9	38,072	32.8
<i>Percentage of net sales (%)</i>	34.8	26.5				
Domestic	66,715	52,458	14,257	27.2	14,257	27.2
Overseas	85,255	63,648	21,607	33.9	23,815	37.4
Other Input/Output Systems	5,385	11,421	-6,036	-52.9	-5,996	-52.5
<i>Percentage of net sales (%)</i>	1.2	2.7				
Domestic	939	1,642	-703	-42.8	-703	-42.8
Overseas	4,446	9,779	-5,333	-54.5	-5,293	-54.1
Total Network Input/Output Systems	157,355	127,527	29,828	23.4	32,076	25.2
<i>Percentage of net sales (%)</i>	36.0	29.2				
Domestic	67,654	54,100	13,554	25.1	13,554	25.1
Overseas	89,701	73,427	16,274	22.2	18,522	25.2
Network System Solutions	44,989	43,437	1,552	3.6	1,581	3.6
<i>Percentage of net sales (%)</i>	10.4	9.9				
Domestic	43,577	42,667	910	2.1	910	2.1
Overseas	1,412	770	642	83.4	671	87.1
Office Equipment Total	383,973	383,732	241	0.1	6,559	1.7
<i>Percentage of net sales (%)</i>	88.0	87.7				
Domestic	186,332	181,943	4,389	2.4	4,389	2.4
Overseas	197,641	201,789	-4,148	-2.1	2,170	1.1
The Americas	78,225	78,908	-683	-0.9	5,503	7.0
Europe	99,511	97,613	1,898	1.9	1,417	1.5
Other	19,905	25,268	-5,363	-21.2	-4,750	-18.8
< Other Businesses >						
Other Businesses	52,577	53,721	-1,144	-2.1	-951	-1.8
<i>Percentage of net sales (%)</i>	12.0	12.3				
Domestic	46,980	42,392	4,588	10.8	4,588	10.8
Overseas	5,597	11,329	-5,732	-50.6	-5,539	-48.9
The Americas	176	583	-407	-69.8	-393	-67.4
Europe	812	1,006	-194	-19.3	-181	-18.0
Other	4,609	9,740	-5,131	-52.7	-4,965	-51.0
Grand Total	436,550	437,453	-903	-0.2	5,608	1.3
<i>Percentage of net sales (%)</i>	100.0	100.0				
Domestic	233,312	224,335	8,977	4.0	8,977	4.0
<i>Percentage of net sales (%)</i>	53.4	51.3				
Overseas	203,238	213,118	-9,880	-4.6	-3,369	-1.6
<i>Percentage of net sales (%)</i>	46.6	48.7				
The Americas	78,401	79,491	-1,090	-1.4	5,110	6.4
<i>Percentage of net sales (%)</i>	18.0	18.2				
Europe	100,323	98,619	1,704	1.7	1,236	1.3
<i>Percentage of net sales (%)</i>	23.0	22.5				
Other	24,514	35,008	-10,494	-30.0	-9,715	-27.8
<i>Percentage of net sales (%)</i>	5.6	8.0				

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

Reference:	Three months ended	Three months ended	Change
Exchange rate	June 30, 2004	June 30, 2003	
US\$ 1	¥109.65	¥118.52	¥-8.87
EURO 1	¥132.17	¥134.67	¥-2.50

2. Forecast of Consolidated Performance

(Billions of yen)

	Three months ended		Three months ending		Half year ending		Year ending	
	June 30, 2004	Change	Sept. 30, 2004	Change	Sept. 30, 2004	Change	March 31, 2005	Change
	Results	%	Forecast	%	Forecast	%	Forecast	%
Net sales	436.5	-0.2	458.4	1.7	895.0	0.8	1,810.0	1.7
Gross profit	189.1	-1.9	197.6	1.2	386.8	-0.3	785.0	2.5
Operating income	39.3	2.3	38.6	-0.4	78.0	1.0	175.0	16.7
Income before income taxes	41.3	10.7	33.1	-2.7	74.5	4.3	165.0	15.3
Net income	24.8	11.4	18.9	-5.0	43.8	3.6	95.0	3.5
Net income per share (yen)	33.69	-	25.59	-	59.28	-	128.58	-
Capital expenditure	18.6	-	18.3	-	37.0	-	74.5	-
Depreciation for tangible fixed assets	15.9	-	18.0	-	34.0	-	69.0	-
R&D expenditure	24.3	-	25.6	-	50.0	-	100.0	-
Exchange rate (Yen/US\$)	109.65	-	105.00	-	107.33	-	106.16	-
Exchange rate (Yen/EURO)	132.17	-	130.00	-	131.09	-	130.54	-

3. Forecast of Consolidated Sales by Product Category

(Billions of yen)

	Half year ending September 30, 2004				Year ending March 31, 2005			
	Forecast	Change %	Forecast(*)	Change %	Forecast	Change %	Forecast(*)	Change %
<Office Equipment>								
Imaging Solutions:								
Digital Imaging Systems	275.3	-10.9	282.7	-8.6	537.0	-11.4	547.0	-9.8
Domestic	114.2	-8.5	114.2	-8.5	225.0	-11.4	225.0	-11.4
Overseas	161.1	-12.6	168.5	-8.6	312.0	-11.5	322.0	-8.6
Other Imaging Systems	83.7	-20.9	86.2	-18.6	157.3	-20.2	160.5	-18.7
Domestic	30.2	-17.3	30.2	-17.3	59.5	-15.9	59.5	-15.9
Overseas	53.5	-22.9	56.0	-19.4	97.8	-22.7	101.0	-20.2
Total Imaging Solutions	359.1	-13.5	368.9	-11.1	694.4	-13.6	707.5	-12.0
Domestic	144.4	-10.5	144.4	-10.5	284.5	-12.4	284.5	-12.4
Overseas	214.7	-15.4	224.5	-11.6	409.9	-14.4	423.0	-11.7
Network Input/Output Systems:								
Printing Systems	307.6	31.8	315.6	35.2	654.7	28.6	666.8	30.9
Domestic	130.1	29.6	130.1	29.6	277.3	27.1	277.3	27.1
Overseas	177.5	33.4	185.5	39.4	377.4	29.7	389.5	33.8
Other Input/Output Systems	18.4	-37.9	19.1	-35.7	45.1	-7.8	46.7	-4.7
Domestic	1.5	-45.3	1.5	-45.3	2.7	-45.8	2.7	-45.8
Overseas	16.9	-37.1	17.6	-34.8	42.4	-3.5	44.0	-0.0
Total Network Input/Output Systems	326.0	23.9	334.7	27.2	699.9	25.4	713.5	27.8
Domestic	131.6	27.7	131.6	27.7	280.0	25.5	280.0	25.5
Overseas	194.4	21.5	203.1	26.9	419.9	25.3	433.5	29.4
Network System Solutions	98.9	1.8	99.1	1.9	198.1	1.2	198.4	1.3
Domestic	95.5	0.3	95.5	0.3	190.5	-0.4	190.5	-0.4
Overseas	3.4	74.6	3.6	82.6	7.6	69.4	7.9	74.8
Office Equipment Total	784.1	1.1	802.7	3.5	1,592.4	2.2	1,619.4	4.0
Domestic	371.5	3.3	371.5	3.3	755.0	2.2	755.0	2.2
Overseas	412.6	-0.8	431.2	3.7	837.4	2.3	864.4	5.6
The Americas	164.7	-1.2	181.3	8.7	324.5	-0.2	345.9	6.4
Europe	199.7	2.6	200.9	3.2	412.0	3.5	416.3	4.6
Other	48.1	-11.4	49.0	-9.9	100.8	5.7	102.2	7.2
< Other Businesses >								
Other Businesses	110.9	-1.5	111.2	-1.2	217.4	-2.3	217.9	-2.1
Domestic	94.5	6.2	94.5	6.2	180.0	2.8	180.0	2.8
Overseas	16.4	-30.3	16.7	-29.1	37.4	-21.3	37.9	-20.4
The Americas	0.4	-47.6	0.5	-42.1	1.2	-3.5	1.3	2.0
Europe	2.8	26.7	2.9	28.8	5.9	38.0	6.0	40.1
Other	13.1	-35.8	13.3	-35.0	30.3	-27.8	30.6	-27.2
Grand Total	895.0	0.8	913.9	2.9	1,810.0	1.7	1,837.3	3.2
Domestic	466.0	3.9	466.0	3.9	935.0	2.3	935.0	2.3
Overseas	429.0	-2.4	447.9	1.9	875.0	1.0	902.3	4.2
The Americas	165.1	-1.5	181.8	8.4	325.8	-0.2	347.2	6.4
Europe	202.5	2.9	203.8	3.5	417.9	3.9	422.3	4.9
Other	61.3	-18.1	62.3	-16.8	131.1	-4.6	132.8	-3.3

* Excluding foreign exchange impact