

QUARTERLY REPORT

First Quarter ended June 30, 2005

(Results for the Period from April 1, 2005 to June 30, 2005)

Performance Outline (Consolidated)

				(Billions of yen)	
	Three months ended June 30, 2005 Results	Three months ended June 30, 2004 Results	Change	Year ending March 31, 2006 Forecast	Change
Domestic sales	233.9	233.3	0.3%	999.7	2.7%
Overseas sales	218.9	203.2	7.8%	886.3	5.4%
Net sales	452.9	436.5	3.8%	1,886.0	4.0%
Gross profit	194.7	189.1	2.9%	800.0	6.0%
Operating income	37.2	39.3	-5.3%	160.0	18.1%
Income before income taxes	38.0	41.3	-7.8%	160.0	18.2%
Net income	23.7	24.8	-4.7%	97.0	16.7%
Exchange rate (Yen/US\$)	107.60	109.65	-2.05	105.65	-1.93
Exchange rate (Yen/EURO)	135.55	132.17	3.38	131.39	-3.86
Net income per share (yen)	32.32	33.69	-1.37	132.16	19.52
Cash flows from operating activities	48.3	42.2	6.0	-	-
Cash flows from investing activities	-36.0	-10.8	-25.1	-	-
Cash flows from financing activities	-52.4	-21.2	-31.1	-	-
Cash and cash equivalents at end of period	144.6	215.4	-70.8	-	-
Capital expenditures	34.7	18.6	16.0	114.0	29.2
Depreciation for tangible fixed assets	15.6	15.9	-0.3	69.0	2.2
R&D expenditures	25.5	24.3	1.1	116.0	5.5
	June 30, 2005	March 31, 2005	Change		
Total assets	1,899.9	1,953.6	-53.6		
Shareholders' equity	879.6	862.9	16.6		
Interest-bearing debt	366.4	410.0	-43.6		
Equity ratio (%)	46.3	44.2	2.1		
Shareholders' equity per share (yen)	1,198.48	1,175.67	22.81		

Ricoh Company, Ltd.

* The Company bases the forecast estimates for the fiscal 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.

Performance

*Overview

Consolidated net sales for the first quarter of fiscal 2006 (the three months period from April 1 to June 30, 2005) increased by 3.8% as compared to the previous corresponding period, to ¥452.9 billion. During this quarter, the average yen exchange rates were ¥107.60 against the U.S. dollar (up ¥2.05) and ¥135.55 against the Euro (down ¥3.38). Net sales would rise 3.5% excluding impact of such foreign currency exchange fluctuation.

As for Japan, sales of product categories such as PPCs (plain paper copiers), MFPs (multifunctional printers) and laser printers, especially color model, increased. On the other hand, sales of personal computers and PC servers decreased and sales of optical equipments and semiconductor businesses decreased due to sluggish demand or its cycle. Consequently, overall domestic sales increased by 0.3% as compared to the previous corresponding period.

As for overseas, sales of product categories such as digital PPCs, color PPCs, MFPs and laser printers increased in each region. Sales in the Americas increased by 11.2% as compared to the previous corresponding period, in spite of yen's appreciation against the U.S. dollar. Sales in Europe increased by 4.1% with steady growth of sales volume. And sales in other region such as China, Asian and Oceania increased by 11.6%, owing to the growth of MFPs sales. Consequently, overall overseas sales increased by 7.8%.

Gross profit increased by 2.9% to ¥194.7 billion owing to increased sales of high-margin, high-value-added products in the Office Solution Business segment and ongoing cost-cutting activities for logistic, manufacturing and so on.

In terms of selling, general and administrative expenses, R&D expenses were ¥25.5 billion, up ¥1.1 billion from the previous corresponding period and 5.6% of net sales. A part of expenses was spent for reorganization of domestic bases and restructuring or integration of group companies in Japan and overseas. Consequently, selling, general and administrative expenses increased by 5.1% to ¥157.4 billion.

As a result, operating income decreased by 5.3% as compared to the previous corresponding period, to ¥37.2 billion.

In terms of other (income) expenses, the interest expense decreased due to the interest-bearing debt reduction, yet Ricoh recorded a gain on sale of certain consolidated subsidiary in the previous corresponding period. As a result, income before income taxes decreased by 7.8% as compared to the previous corresponding period, to ¥38.0 billion.

The expanded amount of tax exemption on the R&D expenses and investing in Information Technology caused effective tax rate reduced. As a result, net income decreased by 4.7% as compared to the previous corresponding period, to ¥23.7 billion.

*Conditions by Product Line

Office Solution Business (Sales up 5.5% to ¥388.0 billion)

Sales in the Imaging Solution as our core business increased as compared to the previous corresponding period due primarily to the continuously increase in domestic and overseas sales of color PPCs, MFPs and laser printers. On the other hand, net sales in the Network System Solution decreased as compared to the previous corresponding period due primarily to the decrease in sales of personal computers and PC servers. As a result, net sales in the Office Solution Business increased by 5.5% as compared to the previous corresponding period, to ¥388.0 billion.

Imaging Solution (Sales up 7.7% to ¥349.4 billion)

- Although domestic sales of digital PPCs decreased due primarily to the shift in customer demands to MFPs from stand-alone products, overseas sales of digital PPCs continued to perform well.
- Color PPCs increased by introducing a new series of products to the market in responding to the increase of customer demands.
- In response to the demands for high speed, networking and coloration, sales of MFPs continued to increase by offering new product lineups in Japan and overseas.

MFPs: Imagio Neo 603 in Japan
Aficio 2015 overseas

Color MFPs: Imagio Neo C246 in Japan
Aficio 2228C/2235C/2245C series overseas

- Sales of laser printers continued to increase.
- As a result, sales in this category increased by 7.7%.

Network System Solution (Sales down 10.8% to ¥38.5 billion)

- Sales in this category decreased due primarily to the decrease in sales of personal computers and PC servers.

As a result, sales in the Office Solution Business increased by 5.5% as compared to the previous corresponding period. Net operating income in this segment decreased by 1.7% as compared to the previous corresponding period, to ¥48.6 billion. Despite the effect of the sales increase and new product offering, and the continuous cost cutting activities with respect to the improvements on logistics and manufacturing and so on, it was offset by the costs incurred by reorganization and integration of domestic bases and overseas subsidiaries and affiliates.

Industry Business (Sales down 11.8% to ¥26.0 billion)

Sales in the Industry Business decreased by 11.8% as compared to the previous corresponding period, to ¥26.0 billion. This was due primarily to the decrease in demand and the demand cycle of semiconductor and optical equipments businesses. As a result, net operating loss for this segment was ¥0.5 billion.

Other Business (Sales down 1.0% to ¥38.8 billion)

Sales in the Other Business decreased by 1.0% as compared to the previous corresponding period, to ¥38.8 billion, due primarily to the decrease of optical discs business in overseas. On the other hand, financing and logistics businesses performed well in profits. As a result, net operating income for this segment increased as compared to the previous corresponding period, to ¥0.9 billion.

Note: Effective from this financial period, our business segment is changed into three categories such as "Office Solution", "Industry" and "Other".

*Cash Flows (Three months from April 1, 2005 to June 30, 2005)

Net cash provided by operating activities increased by ¥6.0 billion as compared to the previous corresponding period, to ¥48.3 billion. It was due to the fact that the decrease of trade receivables and effective control of inventories level despite trade payables decreased.

Net cash used in investing activities increased by ¥25.1 billion as compared to the previous corresponding period, to ¥36.0 billion, due primarily to capital expenditures for R&D and production.

As a result, free cash flow generated by operating and investing activities decreased by ¥19.0 billion as compared to the previous corresponding period, to ¥12.3 billion.

Net cash used in financing activities amounted to ¥52.4 billion due primarily to the repayment of interest-bearing debt such as bonds and the payment of dividend.

As a result, cash and cash equivalents at the end of this first quarter decreased by ¥42.2 billion as compared to the end of the preceding fiscal year, to ¥144.6 billion.

*Forecast for the entire fiscal year

As for the forecast of business results for the fiscal year ending March 31, 2006, we have revised downward our forecast of sales, gross profit, operating income, and income before income taxes from announced in April 2005. This revision reflects the first quarter result, intense market competition, and expected changes of business environment. We, however, intend to maintain our forecast for net income in the current fiscal year. 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 2005.

Compared to the previous fiscal year, on the other hand, we forecast improvement both of sales and income. We believe the fluctuations of market demand and exchange rate will be able to be managed by implementing business strategies, such as the continuous and effective introduction of new products in Japan and overseas.

Our performance forecast for fiscal 2006 is as follows:

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

US\$ 1 = ¥105.65 (¥107.58 in previous fiscal year)

EURO 1 = ¥131.39 (¥135.25 in previous fiscal year)

(Billions of yen)

	Year ending March 31, 2006 (Forecast)	Year ended March 31, 2005 (Results)	Change
Domestic sales	999.7	972.9	2.7%
Overseas sales	886.3	841.1	5.4%
Net sales	1,886.0	1,814.1	4.0%
Gross profit	800.0	754.5	6.0%
Operating income	160.0	135.5	18.1%
Income before income taxes	160.0	135.3	18.2%
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.

Ricoh Company, Ltd. and Consolidated Subsidiaries

Financial Highlights for the First Quarter Ended June 30, 2005 (U.S. GAAP Financial Information)

1. Items Relating to First Quarter Financial Statements

- (1) No change in accounting method has been made.
 (2) No change relating to the scale of consolidation and the application of the equity method has been made.

2. Results for the Period from April 1, 2005 to June 30, 2005

(1) Operating Results	(Millions of yen)		
	Three months ended June 30, 2005	Three months ended June 30, 2004	Year ended March 31, 2005
Net sales	452,982	436,550	1,814,108
<i>(% change from the previous corresponding period)</i>	3.8	-0.2	1.9
Operating income	37,282	39,387	135,506
<i>(% change from the previous corresponding period)</i>	-5.3	2.3	-9.7
Income before income taxes	38,095	41,319	135,383
<i>(% change from the previous corresponding period)</i>	-7.8	10.7	-5.4
Net income	23,723	24,894	83,143
<i>(% change from the previous corresponding period)</i>	-4.7	11.4	-9.4
Net income per share-basic (yen)	32.32	33.69	112.64
Net income per share-diluted (yen)	-	-	-

(2) Financial Position	(Millions of yen)		
	June 30, 2005	June 30, 2004	March 31, 2005
Total assets	1,899,986	1,855,745	1,953,669
Shareholders' equity	879,665	812,915	862,998
Equity ratio (%)	46.3	43.8	44.2
Equity per share (yen)	1,198.48	1,100.24	1,175.67

Cash Flows	(Millions of yen)		
	Three months ended June 30, 2005	Three months ended June 30, 2004	Year ended March 31, 2005
Cash flows from operating activities	48,350	42,268	132,780
Cash flows from investing activities	-36,038	-10,899	-96,198
Cash flows from financing activities	-52,430	-21,294	-56,439
Cash and cash equivalents at end of period	144,617	215,467	186,857

3. 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	918,000	1,886,000
Operating income	70,800	160,000
Income before income taxes	71,300	160,000
Net income	43,000	97,000

Note: Net income per share (Consolidated) ¥132.16

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.

Consolidated Performance

1. Consolidated Statements of Income

(Millions of yen)

	Three months ended June 30, 2005	Three months ended June 30, 2004	Change	%
Net sales	452,982	436,550	16,432	3.8
Cost of sales	258,260	247,379	10,881	4.4
<i>Percentage of net sales (%)</i>	57.0	56.7		
Gross Profit	194,722	189,171	5,551	2.9
<i>Percentage of net sales (%)</i>	43.0	43.3		
Selling, general and administrative expenses	157,440	149,784	7,656	5.1
<i>Percentage of net sales (%)</i>	34.8	34.3		
Operating income	37,282	39,387	-2,105	-5.3
<i>Percentage of net sales (%)</i>	8.2	9.0		
Other (income) expense				
Interest and dividend income	685	603	82	13.6
<i>Percentage of net sales (%)</i>	0.2	0.1		
Interest expense	1,009	1,230	-221	-18.0
<i>Percentage of net sales (%)</i>	0.2	0.3		
Other, net	-1,137	-2,559	1,422	-55.6
<i>Percentage of net sales (%)</i>	-0.2	-0.7		
Income before income taxes, equity income and minority interests	38,095	41,319	-3,224	-7.8
<i>Percentage of net sales (%)</i>	8.4	9.5		
Provision for income taxes	13,509	15,919	-2,410	-15.1
<i>Percentage of net sales (%)</i>	3.0	3.6		
Minority interests in earnings of subsidiaries	1,226	1,118	108	9.7
<i>Percentage of net sales (%)</i>	0.3	0.3		
Equity in earnings of affiliates	363	612	-249	-40.7
<i>Percentage of net sales (%)</i>	0.1	0.1		
Net income	23,723	24,894	-1,171	-4.7
<i>Percentage of net sales (%)</i>	5.2	5.7		
Reference : Exchange rate				
US\$ 1	¥107.60	¥109.65		
EURO 1	¥135.55	¥132.17		

2-1. Consolidated Sales by Product Category

(Millions of yen)

	Three months ended June 30, 2005	Three months ended June 30, 2004	Change	%
<Office Solution Business>				
Imaging Solution Business	349,487	324,494	24,993	7.7
<i>Percentage of net sales (%)</i>	77.2	74.3		
Network system Solution Business	38,586	43,251	-4,665	-10.8
<i>Percentage of net sales (%)</i>	8.5	9.9		
Office Solution Business Total	388,073	367,745	20,328	5.5
<i>Percentage of net sales (%)</i>	85.7	84.2		
<Industry Business>				
Industry Business	26,078	29,583	-3,505	-11.8
<i>Percentage of net sales (%)</i>	5.8	6.8		
<Other Business>				
Other Business	38,831	39,222	-391	-1.0
<i>Percentage of net sales (%)</i>	8.5	9.0		
Grand Total	452,982	436,550	16,432	3.8
<i>Percentage of net sales (%)</i>	100.0	100.0		

Note: Effective from this financial period, our business segment is changed into three categories such as "Office Solution", "Industry" and "Other". Accordingly, information for the previous corresponding period has been reclassified to conform with the current classification.

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

2-2. Consolidated Sales by Geographic Area

(Millions of yen)

	Three months ended June 30, 2005	Three months ended June 30, 2004	Change	%
<Domestic>	233,991	233,312	679	0.3
<i>Percentage of net sales (%)</i>	51.7	53.4		
<Overseas>	218,991	203,238	15,753	7.8
<i>Percentage of net sales (%)</i>	48.3	46.6		
The Americas	87,156	78,401	8,755	11.2
<i>Percentage of net sales (%)</i>	19.2	18.0		
Europe	104,479	100,323	4,156	4.1
<i>Percentage of net sales (%)</i>	23.1	23.0		
Other	27,356	24,514	2,842	11.6
<i>Percentage of net sales (%)</i>	6.0	5.6		
Grand Total	452,982	436,550	16,432	3.8
<i>Percentage of net sales (%)</i>	100.0	100.0		

3. Consolidated Balance Sheets

Assets	(Millions of yen)		
	June 30, 2005	March 31, 2005	Change
Current Assets			
Cash and time deposits	146,312	188,311	-41,999
Trade receivables	589,987	620,568	-30,581
Marketable securities	132	138	-6
Inventories	170,526	167,365	3,161
Other current assets	53,790	53,365	425
Total Current Assets	960,747	1,029,747	-69,000
Fixed Assets			
Tangible fixed assets	262,204	247,410	14,794
Finance receivables	395,273	391,947	3,326
Other Investments	281,762	284,565	-2,803
Total Fixed Assets	939,239	923,922	15,317
Total Assets	1,899,986	1,953,669	-53,683

Note:

Contents of cash and time deposits:

Cash and cash equivalents	144,617	186,857
Time deposits	1,695	1,454

Liabilities and Shareholders' Investment	(Millions of yen)		
	June 30, 2005	March 31, 2005	Change
Current Liabilities			
Trade payables	302,147	336,499	-34,352
Short-term borrowings	158,956	183,518	-24,562
Other current liabilities	158,991	151,497	7,494
Total Current Liabilities	620,094	671,514	-51,420
Fixed Liabilities			
Long-term indebtedness	207,499	226,567	-19,068
Accrued pension and severance costs	93,576	92,672	904
Other fixed liabilities	46,974	48,767	-1,793
Total Fixed Liabilities	348,049	368,006	-19,957
Total Liabilities	968,143	1,039,520	-71,377
Minority Interest	52,178	51,151	1,027
Shareholders' Investment			
Common stock	135,364	135,364	-
Additional paid-in capital	186,548	186,551	-3
Retained earnings	600,890	584,515	16,375
Accumulated other comprehensive income (loss)	-21,597	-21,963	366
Treasury stock	-21,540	-21,469	-71
Total Shareholders' Investment	879,665	862,998	16,667
Total Liabilities and Shareholders' Investment	1,899,986	1,953,669	-53,683

Note: Other comprehensive income;

Net unrealized holding gains on available-for-sale securities	5,007	4,791	216
Pension liability adjustments	-14,773	-14,652	-121
Net unrealized gains (losses) on derivative instruments	122	117	5
Cumulative translation adjustments	-11,953	-12,219	266

Reference: Exchange rate	June 30, 2005	March 31, 2005
US\$ 1	¥110.62	¥107.39
EURO 1	¥133.63	¥138.87

4. Consolidated Statements of Cash Flows

	(Millions of yen)	
	Three months ended June 30, 2005	Three months ended June 30, 2004
I. Cash Flows from Operating Activities:		
1. Net income	23,723	24,894
2. Adjustments to reconcile net income to net cash provided by operating activities—		
Depreciation and amortization	19,632	18,790
Equity in earnings of affiliates, net of dividends received	113	-158
Deferred income taxes	653	2,771
Loss on disposals and sales of tangible fixed assets	405	17
Changes in assets and liabilities—		
Decrease in trade receivables	32,314	23,735
Increase in inventories	-2,209	-7,841
Increase in finance receivables	-6,166	-13,546
Decrease in trade payables	-32,329	-11,390
Increase in accrued income taxes and accrued expenses and other	7,241	3,074
Increase (Decrease) accrued pension and severance costs	883	-429
Other, net	4,090	2,351
Net cash provided by operating activities	48,350	42,268
II. Cash Flows from Investing Activities:		
1. Proceeds from sales of property, plant and equipment	21	535
2. Expenditures for tangible fixed assets	-34,720	-18,647
3. Payments for purchases of available-for-sale securities	-36,105	-137
4. Proceeds from sales of available-for-sale securities	36,542	5
5. Increase in time deposits	-196	-1,182
6. Other, net	-1,580	8,527
Net cash used in investing activities	-36,038	-10,899
III. Cash Flows from Financing Activities:		
1. Proceeds from long-term indebtedness	13,366	14,734
2. Repayment of long-term indebtedness	-20,420	-18,929
3. Increase (Decrease) in short-term borrowings, net	3,308	-342
4. Proceeds from issuance of long-term debt securities	-	1,000
5. Repayment of long-term debt securities	-41,000	-10,000
6. Dividends paid	-7,348	-7,405
7. Payment for purchase of treasury stock	-100	-98
8. Other, net	-236	-254
Net cash used in financing activities	-52,430	-21,294
IV. Effect of Exchange Rate Changes on Cash and Cash Equivalents	-2,122	-122
V. Net Increase (Decrease) in Cash and Cash Equivalents	-42,240	9,953
VI. Cash and Cash Equivalents at Beginning of Year	186,857	203,039
VII. Adjustment for Change in Fiscal Year End of Consolidated Subsidiaries	-	2,475
VIII. Cash and Cash Equivalents at End of Period	144,617	215,467

5. Segment Information

(1) Industry Segment Information

(Millions of yen)

	Three months ended June 30, 2005	Three months ended June 30, 2004	Change	%
Office Solution Business:				
Net sales:				
Unaffiliated customers	388,073	367,745	20,328	5.5
Intersegment	-	-	-	-
Total	388,073	367,745	20,328	5.5
Operating expenses	339,394	318,210	21,184	6.7
Operating income	48,679	49,535	-856	-1.7
<i>Operating income on sales in Office Solution Business (%)</i>	12.5	13.5		
Industry Business:				
Net sales:				
Unaffiliated customers	26,078	29,583	-3,505	-11.8
Intersegment	586	668	-82	-12.3
Total	26,664	30,251	-3,587	-11.9
Operating expenses	27,188	29,220	-2,032	-7.0
Operating income	-524	1,031	-1,555	-
<i>Operating income on sales in Industry Business (%)</i>	-2.0	3.4		
Other Business:				
Net sales:				
Unaffiliated customers	38,831	39,222	-391	-1.0
Intersegment	-	-	-	-
Total	38,831	39,222	-391	-1.0
Operating expenses	37,873	38,591	-718	-1.9
Operating income	958	631	327	51.8
<i>Operating income on sales in Other Business (%)</i>	2.5	1.6		
Corporate and Eliminations:				
Net sales:				
Intersegment	-586	-668	82	-
Total	-586	-668	82	-
Operating expenses:				
Intersegment	-594	-678	84	-
Corporate	11,839	11,820	19	-
Total	11,245	11,142	103	-
Operating income	-11,831	-11,810	-21	-
Consolidated:				
Net sales:				
Unaffiliated customers	452,982	436,550	16,432	3.8
Intersegment	-	-	-	-
Total	452,982	436,550	16,432	3.8
Operating expenses	415,700	397,163	18,537	4.7
Operating income	37,282	39,387	-2,105	-5.3
<i>Operating income on consolidated net sales (%)</i>	8.2	9.0		

Note: Effective from this financial period, our business segment is changed into three categories such as "Office Solution", "Industry" and "Other". Accordingly, information for the previous corresponding period has been reclassified to conform with the current classification.

(2) Geographic Segment Information

(Millions of yen)

	Three months ended June 30, 2005	Three months ended June 30, 2004	Change	%
Japan:				
Net sales:				
External customers	241,524	239,663	1,861	0.8
Intersegment	104,986	96,410	8,576	8.9
Total	346,510	336,073	10,437	3.1
Operating expenses	317,403	304,421	12,982	4.3
Operating income	29,107	31,652	-2,545	-8.0
<i>Operating income on sales in Japan (%)</i>	<i>8.4</i>	<i>9.4</i>		
The Americas:				
Net sales:				
External customers	86,298	76,632	9,666	12.6
Intersegment	1,308	1,295	13	1.0
Total	87,606	77,927	9,679	12.4
Operating expenses	86,282	76,053	10,229	13.4
Operating income	1,324	1,874	-550	-29.3
<i>Operating income on sales in the Americas (%)</i>	<i>1.5</i>	<i>2.4</i>		
Europe:				
Net sales:				
External customers	103,476	100,626	2,850	2.8
Intersegment	1,120	941	179	19.0
Total	104,596	101,567	3,029	3.0
Operating expenses	98,698	95,414	3,284	3.4
Operating income	5,898	6,153	-255	-4.1
<i>Operating income on sales in Europe (%)</i>	<i>5.6</i>	<i>6.1</i>		
Other:				
Net sales:				
External customers	21,684	19,629	2,055	10.5
Intersegment	23,627	21,010	2,617	12.5
Total	45,311	40,639	4,672	11.5
Operating expenses	42,126	38,239	3,887	10.2
Operating income	3,185	2,400	785	32.7
<i>Operating income on sales in other (%)</i>	<i>7.0</i>	<i>5.9</i>		
Corporate and Eliminations:				
Net sales:				
Intersegment	-131,041	-119,656	-11,385	-
Total	-131,041	-119,656	-11,385	-
Operating expenses	-128,809	-116,964	-11,845	-
Operating income	-2,232	-2,692	460	-
Consolidated:				
Net sales:				
External customers	452,982	436,550	16,432	3.8
Intersegment	-	-	-	-
Total	452,982	436,550	16,432	3.8
Operating expenses	415,700	397,163	18,537	4.7
Operating income	37,282	39,387	-2,105	-5.3
<i>Operating income on consolidated net sales (%)</i>	<i>8.2</i>	<i>9.0</i>		

-APPENDIX- (Three months ended June 30, 2005)

1. Consolidated Sales by Product Category

(Millions of yen)

	Three months ended June 30, 2005	Three months ended June 30, 2004	Change	%	Change excluding exchange impact	%
<Office Solution Business>						
Imaging Solution Business	349,487	324,494	24,993	7.7	24,043	7.4
<i>Percentage of net sales (%)</i>	77.2	74.3				
Domestic	149,622	139,352	10,270	7.4	10,270	7.4
Overseas	199,865	185,142	14,723	8.0	13,773	7.4
Network System Solution Business	38,586	43,251	-4,665	-10.8	-4,687	-10.8
<i>Percentage of net sales (%)</i>	8.5	9.9				
Domestic	36,599	41,839	-5,240	-12.5	-5,240	-12.5
Overseas	1,987	1,412	575	40.7	553	39.2
Office Solution Business Total	388,073	367,745	20,328	5.5	19,356	5.3
<i>Percentage of net sales (%)</i>	85.7	84.2				
Domestic	186,221	181,191	5,030	2.8	5,030	2.8
Overseas	201,852	186,554	15,298	8.2	14,326	7.7
The Americas	82,966	74,145	8,821	11.9	10,404	14.0
Europe	98,671	93,979	4,692	5.0	2,353	2.5
Other	20,215	18,430	1,785	9.7	1,569	8.5
<Industry Business>						
Industry Business	26,078	29,583	-3,505	-11.8	-3,526	-11.9
<i>Percentage of net sales (%)</i>	5.8	6.8				
Domestic	15,858	20,278	-4,420	-21.8	-4,420	-21.8
Overseas	10,220	9,305	915	9.8	894	9.6
The Americas	3,139	2,342	797	34.0	857	36.6
Europe	3,945	3,549	396	11.2	305	8.6
Other	3,136	3,414	-278	-8.1	-268	-7.9
<Other Business>						
Other Business	38,831	39,222	-391	-1.0	-404	-1.0
<i>Percentage of net sales (%)</i>	8.5	9.0				
Domestic	31,912	31,843	69	0.2	69	0.2
Overseas	6,919	7,379	-460	-6.2	-473	-6.4
The Americas	1,051	1,914	-863	-45.1	-859	-44.9
Europe	1,863	2,795	-932	-33.3	-965	-34.5
Other	4,005	2,670	1,335	50.0	1,351	50.6
Grand Total	452,982	436,550	16,432	3.8	15,426	3.5
<i>Percentage of net sales (%)</i>	100.0	100.0				
Domestic	233,991	233,312	679	0.3	679	0.3
<i>Percentage of net sales (%)</i>	51.7	53.4				
Overseas	218,991	203,238	15,753	7.8	14,747	7.3
<i>Percentage of net sales (%)</i>	48.3	46.6				
The Americas	87,156	78,401	8,755	11.2	10,402	13.3
<i>Percentage of net sales (%)</i>	19.2	18.0				
Europe	104,479	100,323	4,156	4.1	1,693	1.7
<i>Percentage of net sales (%)</i>	23.1	23.0				
Other	27,356	24,514	2,842	11.6	2,652	10.8
<i>Percentage of net sales (%)</i>	6.0	5.6				
Reference: Exchange rate						
US\$ 1	¥107.60	¥109.65	¥-2.05			
EURO 1	¥135.55	¥132.17	¥3.38			

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

2. Consolidated Sales by Previous Product Category (for reference)

(Millions of yen)

	Three months ended June 30, 2005	Three months ended June 30, 2004	Change	%	Change excluding exchange impact	%
<Office Equipment>						
Imaging Solutions:						
Digital Imaging Systems	140,270	139,383	887	0.6	867	0.6
<i>Percentage of net sales (%)</i>	<i>31.0</i>	<i>31.9</i>				
Domestic	56,811	59,106	-2,295	-3.9	-2,295	-3.9
Overseas	83,459	80,277	3,182	4.0	3,162	3.9
Other Imaging Systems	39,498	42,246	-2,748	-6.5	-2,913	-6.9
<i>Percentage of net sales (%)</i>	<i>8.7</i>	<i>9.7</i>				
Domestic	15,441	15,995	-554	-3.5	-554	-3.5
Overseas	24,057	26,251	-2,194	-8.4	-2,359	-9.0
Total Imaging Solutions	179,768	181,629	-1,861	-1.0	-2,046	-1.1
<i>Percentage of net sales (%)</i>	<i>39.7</i>	<i>41.6</i>				
Domestic	72,252	75,101	-2,849	-3.8	-2,849	-3.8
Overseas	107,516	106,528	988	0.9	803	0.8
Network Input/Output Systems:						
Printing Systems	180,221	151,970	28,251	18.6	27,468	18.1
<i>Percentage of net sales (%)</i>	<i>39.8</i>	<i>34.8</i>				
Domestic	80,062	66,715	13,347	20.0	13,347	20.0
Overseas	100,159	85,255	14,904	17.5	14,121	16.6
Other Input/Output Systems	3,209	5,385	-2,176	-40.4	-2,182	-40.5
<i>Percentage of net sales (%)</i>	<i>0.7</i>	<i>1.2</i>				
Domestic	727	939	-212	-22.6	-212	-22.6
Overseas	2,482	4,446	-1,964	-44.2	-1,970	-44.3
Total Network Input/Output Systems	183,430	157,355	26,075	16.6	25,286	16.1
<i>Percentage of net sales (%)</i>	<i>40.5</i>	<i>36.0</i>				
Domestic	80,789	67,654	13,135	19.4	13,135	19.4
Overseas	102,641	89,701	12,940	14.4	12,151	13.5
Network System Solutions	40,210	44,989	-4,779	-10.6	-4,801	-10.7
<i>Percentage of net sales (%)</i>	<i>8.9</i>	<i>10.4</i>				
Domestic	38,223	43,577	-5,354	-12.3	-5,354	-12.3
Overseas	1,987	1,412	575	40.7	553	39.2
Office Equipment Total	403,408	383,973	19,435	5.1	18,439	4.8
<i>Percentage of net sales (%)</i>	<i>89.1</i>	<i>88.0</i>				
Domestic	191,264	186,332	4,932	2.6	4,932	2.6
Overseas	212,144	197,641	14,503	7.3	13,507	6.8
The Americas	86,960	78,225	8,735	11.2	10,378	13.3
Europe	102,971	99,511	3,460	3.5	1,028	1.0
Other	22,213	19,905	2,308	11.6	2,101	10.6
< Other Business >						
Other Business	49,574	52,577	-3,003	-5.7	-3,013	-5.7
<i>Percentage of net sales (%)</i>	<i>10.9</i>	<i>12.0</i>				
Domestic	42,727	46,980	-4,253	-9.1	-4,253	-9.1
Overseas	6,847	5,597	1,250	22.3	1,240	22.2
The Americas	196	176	20	11.4	24	13.6
Europe	1,508	812	696	85.7	665	81.9
Other	5,143	4,609	534	11.6	551	12.0
Grand Total	452,982	436,550	16,432	3.8	15,426	3.5
<i>Percentage of net sales (%)</i>	<i>100.0</i>	<i>100.0</i>				
Domestic	233,991	233,312	679	0.3	679	0.3
<i>Percentage of net sales (%)</i>	<i>51.7</i>	<i>53.4</i>				
Overseas	218,991	203,238	15,753	7.8	14,747	7.3
<i>Percentage of net sales (%)</i>	<i>48.3</i>	<i>46.6</i>				
The Americas	87,156	78,401	8,755	11.2	10,402	13.3
<i>Percentage of net sales (%)</i>	<i>19.2</i>	<i>18.0</i>				
Europe	104,479	100,323	4,156	4.1	1,693	1.7
<i>Percentage of net sales (%)</i>	<i>23.1</i>	<i>23.0</i>				
Other	27,356	24,514	2,842	11.6	2,652	10.8
<i>Percentage of net sales (%)</i>	<i>6.0</i>	<i>5.6</i>				
Reference: Exchange rate						
US\$ 1	¥107.60	¥109.65	¥-2.05			
EURO 1	¥135.55	¥132.17	¥3.38			

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 Business	Optical equipments, metering equipments and semiconductors

3. Forecast of Consolidated Performance

(Billions of yen)

	Three months ended		Three months ending		Half year ending		Year ending	
	June 30, 2005	Change	Sept. 30, 2005	Change	Sept. 30, 2005	Change	Mar. 31, 2006	Change
	Results	%	Forecast	%	Forecast	%	Forecast	%
Net sales	452.9	3.8	465.0	5.8	918.0	4.8	1,886.0	4.0
Gross profit	194.7	2.9	192.6	10.3	387.4	6.5	800.0	6.0
Operating income	37.2	-5.3	33.5	82.5	70.8	22.6	160.0	18.1
Income before income taxes	38.0	-7.8	33.2	77.1	71.3	18.7	160.0	18.2
Net income	23.7	-4.7	19.2	76.4	43.0	20.0	97.0	16.7
Net income per share (yen)	32.32	-	26.26	-	58.58	-	132.16	-
Capital expenditures	34.7	-	23.7	-	58.5	-	114.0	-
Depreciation for tangible fixed assets	15.6	-	17.3	-	33.0	-	69.0	-
R&D expenditures	25.5	-	29.9	-	55.5	-	116.0	-
Exchange rate (Yen/US\$)	107.60	-	105.00	-	106.30	-	105.65	-
Exchange rate (Yen/EURO)	135.55	-	130.00	-	132.78	-	131.39	-

4. Forecast of Consolidated Sales by Product Category

(Billions of yen)

	Half year ending September 30, 2005				Year ending March 31, 2006			
	Forecast	Change	Forecast(*)	Change	Forecast	Change	Forecast(*)	Change
		%		%		%		%
<Office Solution Business>								
Imaging Solution Business	694.6	8.7	701.0	9.7	1,410.9	5.9	1,429.2	7.3
Domestic	293.6	9.6	293.6	9.6	600.0	6.4	600.0	6.4
Overseas	401.0	8.0	407.4	9.7	810.8	5.6	829.2	8.0
Network System Solution Business	90.9	-4.9	90.9	-4.9	201.7	1.3	201.7	1.3
Domestic	86.9	-6.2	86.9	-6.2	193.4	0.6	193.4	0.6
Overseas	3.9	36.4	3.9	35.6	8.2	21.4	8.2	21.2
Office Solution Business Total	785.6	6.9	791.9	7.8	1,612.7	5.3	1,631.0	6.5
Domestic	380.5	5.6	380.5	5.6	793.5	4.9	793.5	4.9
Overseas	405.0	8.2	411.3	9.9	819.1	5.7	837.4	8.1
The Americas	170.0	10.6	175.6	14.3	338.7	8.5	344.9	10.5
Europe	189.4	4.4	190.1	4.8	391.5	1.5	403.3	4.6
Other	45.5	16.7	45.5	16.9	88.8	15.2	89.1	15.7
<Industry Business>								
Industry Business	56.4	-4.0	56.5	-3.7	116.1	-2.7	116.7	-2.2
Domestic	36.4	-8.1	36.4	-8.1	76.4	-5.4	76.4	-5.4
Overseas	19.9	4.5	20.0	5.5	39.7	3.0	40.2	4.5
The Americas	5.8	14.1	5.9	17.3	11.8	17.1	11.9	18.7
Europe	7.5	4.6	7.5	4.7	14.5	-5.2	14.9	-2.5
Other	6.5	-2.8	6.5	-2.7	13.3	1.6	13.3	1.7
<Other Business>								
Other Business	75.9	-8.0	76.1	-7.8	157.0	-3.8	157.7	-3.4
Domestic	63.3	-8.3	63.3	-8.3	129.6	-4.4	129.6	-4.4
Overseas	12.6	-6.9	12.8	-5.6	27.4	-0.6	28.1	1.9
The Americas	1.6	-33.6	1.6	-33.5	1.8	-43.9	1.8	-43.9
Europe	3.4	-19.4	3.4	-20.2	8.7	11.2	9.0	15.1
Other	7.5	10.9	7.7	13.9	16.8	2.4	17.2	4.8
Grand Total	918.0	4.8	924.6	5.6	1,886.0	4.0	1,905.6	5.0
Domestic	480.4	2.4	480.4	2.4	999.7	2.7	999.7	2.7
Overseas	437.6	7.6	444.2	9.2	886.3	5.4	905.9	7.7
The Americas	177.5	10.1	183.3	13.6	352.4	8.2	358.7	10.2
Europe	200.4	3.9	201.1	4.2	414.8	1.5	427.3	4.5
Other	59.5	13.4	59.8	14.0	118.9	11.6	119.7	12.3

* Excluding foreign exchange impact

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