

INTERIM REPORT

Half year ended September 30, 2006

(Results for the Period from April 1, 2006 to September 30, 2006)

Three months ended September 30, 2006

(Results for the Period from July 1, 2006 to September 30, 2006)

Performance Outline (Consolidated)

(1) Half year ended September 30, 2006, 2005 and Year ending March 31, 2007 (Forecast)

				(Billions of yen)	
	Half year ended September 30, 2006 (Results)	Half year ended September 30, 2005 (Results)	Change	Year ending March 31, 2007 (Forecast)	Change
Domestic sales	492.4	477.7	3.1%	1,005.0	4.0%
Overseas sales	494.4	442.1	11.8%	1,062.0	12.6%
Net sales	986.9	919.8	7.3%	2,067.0	8.3%
Gross profit	407.9	385.7	5.8%	854.5	7.5%
Operating income	73.1	65.0	12.5%	170.0	14.4%
Income from continuing operations before income taxes	74.2	67.5	10.0%	168.0	10.0%
Net income	52.0	42.8	21.4%	106.5	9.7%
Exchange rate (Yen/US\$)	115.40	109.42	5.98	115.20	1.94
Exchange rate (Yen/EURO)	145.98	135.67	10.31	142.99	5.13
Net income per share (yen)	71.35	58.40	12.95	145.97	13.64
Total assets	2,097.7	1,948.5	149.1	-	-
Shareholders' equity	1,008.4	905.6	102.7	-	-
Interest-bearing debt	393.7	371.7	21.9	-	-
Equity ratio (%)	48.1	46.5	1.6	-	-
Shareholders' equity per share (yen)	1,382.14	1,233.08	149.06	-	-
Cash flows from operating activities	51.6	71.7	-20.1	-	-
Cash flows from investing activities	-39.2	-62.0	22.7	-	-
Cash flows from financing activities	1.1	-49.7	50.8	-	-
Cash and cash equivalents at end of period	203.8	148.0	55.8	-	-
Capital expenditures	39.1	58.1	-18.9	85.0	-17.0
Depreciation for tangible fixed assets	33.7	31.1	2.6	72.0	4.5
R&D expenditures	56.5	54.9	1.5	120.0	9.6

(2) Three months ended September 30, 2006 and 2005

	(Billions of yen)		
	Three months ended September 30, 2006	Three months ended September 30, 2005	Change
Domestic sales	252.0	245.2	2.8%
Overseas sales	250.2	223.1	12.2%
Net sales	502.3	468.4	7.2%
Gross profit	205.3	192.2	6.8%
Operating income	32.5	28.6	13.6%
Income from continuing operations before income taxes	35.5	30.3	17.3%
Net income	22.9	19.1	19.7%
Exchange rate (Yen/US\$)	116.26	111.22	5.04
Exchange rate (Yen/EURO)	148.16	135.79	12.37
Net income per share (yen)	31.43	26.08	5.35
Capital expenditures	23.2	23.4	-0.2
Depreciation for tangible fixed assets	17.7	15.4	2.3
R&D expenditures	31.1	29.4	1.6

Ricoh Company, Ltd.

Notes:

* As a result of the sale of a business, the operating results and cash flows from the discontinued operation have been reclassified in accordance with Statement of Financial Accounting Standards ("SFAS") No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets".

* The Company bases the forecast estimates for March 31, 2007 above upon information currently available to management, which involves risks and uncertainties that could cause actual results to differ materially from those projected.

Policies

1. Basic Management

The Ricoh Group intends to be the company that gains most from the 21st century. Based on this group vision, we will continue to contribute both to productivity improvement and also to knowledge creation for individuals working anytime, anywhere. This approach will enable us to gain the utmost trust of our customers and continue to grow and develop our business. Accordingly, our proactive approach encompasses not only products and services for traditional office setups, but also customers working in a broadband environment. Our 15th medium-term management plan - which extends from April 2005 to March 2008 - features the following five basic management policies:

1. Foster a "Vital and motivated culture" with high objectives and achieve them;
2. Aim at "World No.1 manufacturer" through unique, competitive technology with leading-edge technologies;
3. Provide customers with "Sensitivity to people's needs", "Sensitivity to the earth" and "Simplify knowledge creation";
4. Invest smartly in growth areas and expand business foundation; and
5. Innovate group management and maximize capital efficiency.

2. Medium-Term Management Strategies

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

In the 14th medium-term management plan, we defined our principal strategy as "the realization of TDV (i.e., total document volume), thereby broadening our revenue and earning framework," as we recognize that efficient and effective Input/Output (I/O), storage, and searching of TDV, which includes printed material in addition to photocopies, will become a pressing issue for our customers.

In the 15th medium-term management plan, we set the highest target in the history. While there are no changes to the direction of business structure reform and principal strategy of the Ricoh Group in the 15th medium-term management plan, we will aim to increase our corporate value by more than ever addressing issues from the customers' standpoint and continuing to provide the high values that meets customers' expectations.

In the Office Solutions segment, in particular, we are confident that we can further solidify our business foundation by taking utmost advantage of the abilities and strengths of the Ricoh Group, such as the comprehensive product line, customer rapport through sales and service, ability to provide solutions, global operations, image processing technology, and image processing and merging technology, to respond to the diverse needs of even greater range of customers.

In the Office Solutions segment, we have identified "printing" as a certain area that presents an outstanding opportunity for growth. Consequently, we will shift a higher portion of our business resources to this area. Namely, we will continue to advance printing solutions such as BC (black-color) conversion and TCO (total cost of ownership) reduction solutions in the office, enter the high-end production printing market, boost low-end color laser printers and further promote gel jet printers, in order to expand Ricoh's business domain and size. Furthermore, we will revamp our sales system solutions and solutions platform to capture a greater share of major customers, particularly major global accounts.

On the other hand, we will allocate greater business resources to promising businesses in the Industrial Products. In addition, we will seek for greater business shares of both the Office Solutions and the Industrial Products in emerging markets.

As it is a key to have the technological advantage in the market for realizing customer value, we will continue our aggressive R&D activities to boost our technological capabilities.

3. Challenges

As customers' needs become ever more diverse, customers are no longer satisfied with purchasing products or receiving ordinary services. The competition has also intensified in the transition to color and in the solutions marketing. In order for the Ricoh Group to achieve growth and development with a focus on these growth areas, it is essential that we boost our corporate competitiveness by creating new value for customers and improving managerial efficiency.

In creating customer value, it is important that we forecast customers' needs and improve our both products and services to meet their needs. To this end, we will increase the scope of CS (Customer Satisfaction) management, in which we aggressively cultivate new values by more than ever placing ourselves in the shoes of our customers. We will also continue to boost our technological ability to materialize products and services that provide new values.

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

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

4. Dividend Policy

Ricoh endeavors to ensure that policies are regularly updated to take the dividend payout ratio into consideration in the payment of dividends, while at the same time increasing retained earnings for the enhancement of corporate structure and the new business generation. Furthermore, these retained earnings will be used both in the reinforcement of core businesses and for investment in new fields with both medium-term and long-term perspectives.

5. Concept and Policy of Reducing the Trading Unit

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

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

6. Parent Information

Description is omitted since there is no parent company.

Operating Results & Financial Position

*Overview

The Ricoh Group's consolidated net sales for the first half of fiscal 2007 (extending from April 1, 2006 to March 31, 2007) increased by 7.3% as compared to the previous corresponding period to ¥986.9 billion. During this period, the average yen exchange rates were at ¥115.40 against the U.S. dollar (down ¥5.98) and ¥145.98 against the Euro (down ¥10.31). Accordingly, the sales would have increased by 4.1% excluding the effects of such foreign currency fluctuations.

As for sales, sales in all the segments such as the Office Solutions, Industrial Products and Other segments increased. The increase in sales in the Office Solutions was due to continuous growth in sales of color MFPs and laser printers, and increase in sales of software and information technologies service resulting from the expansion of solutions business. The increase in sales in the Industrial Products was due to the increase in sales of thermal media products, electronic component products and semiconductor products. The increase in sales in the Other was due to the increase in sales of financing services and digital cameras. As a result, overall domestic sales increased by 3.1% as compared to the previous corresponding period, to ¥492.4 billion and overall overseas sales increased by 11.8% as compared to the previous corresponding period, to ¥494.4 billion. Excluding effects of foreign currency fluctuations, net sales in overseas would have increased by 5.1% as compared to the previous corresponding period.

Gross profit increased by 5.8% as compared to the previous corresponding period to ¥407.9 billion. This increase was due primarily to the increase in sales of value-added high-margin products and continuous cost management controls. In addition, the appreciation of both the U.S. Dollar and the Euro in relation to the Japanese Yen resulted in an increase in gross profit.

Selling, general and administrative expenses increased by 4.4% as compared to the previous corresponding period to ¥334.7 billion. Ricoh incurred the strategic expenses relating to: (1) investment in research and development expenses (up ¥1.5 billion to ¥56.5 billion, 5.7% compared to the sales) that includes developments of new main products, (2) information technologies in connection with development of its core operating systems and (3) the enhancement of its sales and marketing structure focusing on the solution proposal and expansion of business area. Selling, general and administrative expenses as a percentage of net sales decreased by 1.0% as compared to the previous corresponding period to 33.9% due primarily to the effect of structural changes such as improvement of core operating systems in Ricoh's group companies.

As a result, operating income increased by 12.5% as compared to the previous corresponding period to ¥73.1 billion.

In the other (income) expenses, both interest expenses and interest income increased since interest rate was higher than the previous corresponding period. The foreign exchange gain in the previous corresponding period was higher relatively. Consequently, the other (income) expenses decreased.

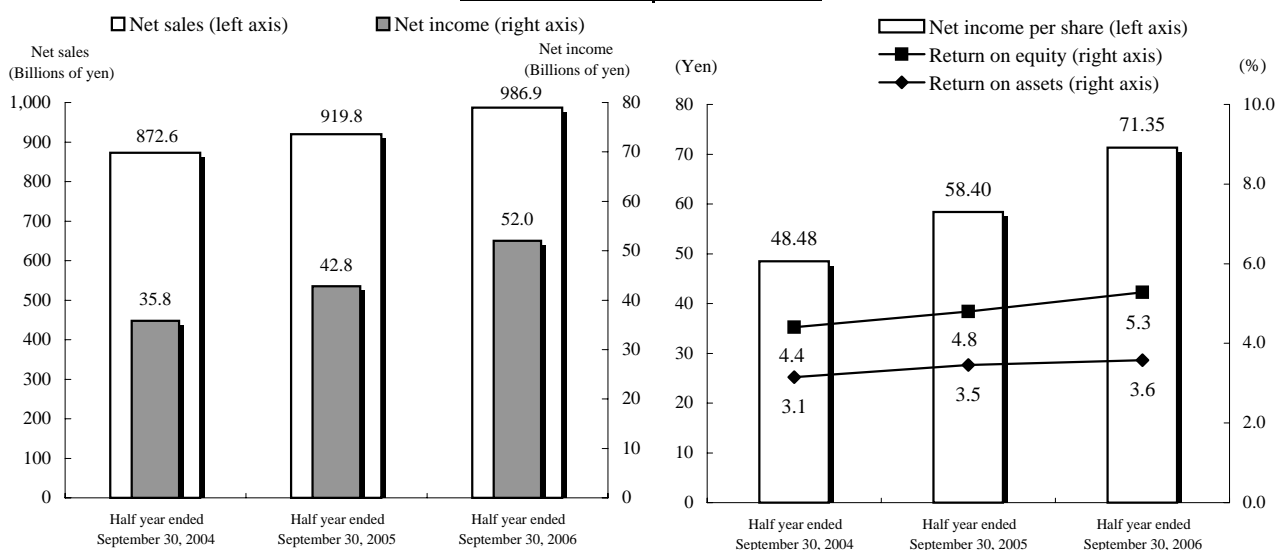
Effective taxes rate was reduced by expansion of tax exemption of R&D expenses.

Income from discontinued operation, net of tax was ¥5.5 billion. Income from discontinued operation was related to sales of content delivery service, and consisted of gain on the sales of the content delivery service operation and income from operation from the beginning of this fiscal year to the sale. The sales amount of its content delivery service was ¥12.0 billion.

As a result, income from continuing operations increased by 11.5% as compared to the previous corresponding period to ¥46.5 billion. Net income, including income from discontinued operation increased by 21.4% as compared to the previous corresponding period to ¥52.0 billion.

Ricoh Company, Ltd. has determined that the interim dividend is ¥13.00 per share.

Consolidated performance



*Conditions by Product Line

Office Solutions (Sales up 6.6% to ¥838.0 billion)

The sales in the Office Solutions segment, which consisted of the Imaging Solutions and the Network System Solutions increased by 6.6% as compared to the previous corresponding period to ¥838.0 billion despite the strict competition regarding the color product and solutions business.

The sales in this segment would have increased by 3.1% excluding the effects of such foreign currency fluctuations.

Imaging Solutions (Sales up 7.3% to ¥743.6 billion)

The sales of PPCs/MFPs and printers increased in Japan and overseas by expansion of product lineup and enhancement of solution sales structure. Especially, the increase in sales of color MFPs increased greatly in both Japan and overseas due to the launching the new products as a color standard model in new generation.

Color MFPs: Imagio MP C3500/C4500 in Japan

Aficio MP C2500/C3000 overseas

B&W MFPs: Aficio MP 9000/1100/1350, MP 5500/6500/7500 overseas

Color Printer: IPSiO SP C411, IPSiO SP C710, IPSiO SP C810 in Japan

Aficio SP C410DN/CN411DN overseas

Network System Solutions (Sales up 1.4% to ¥94.4 billion)

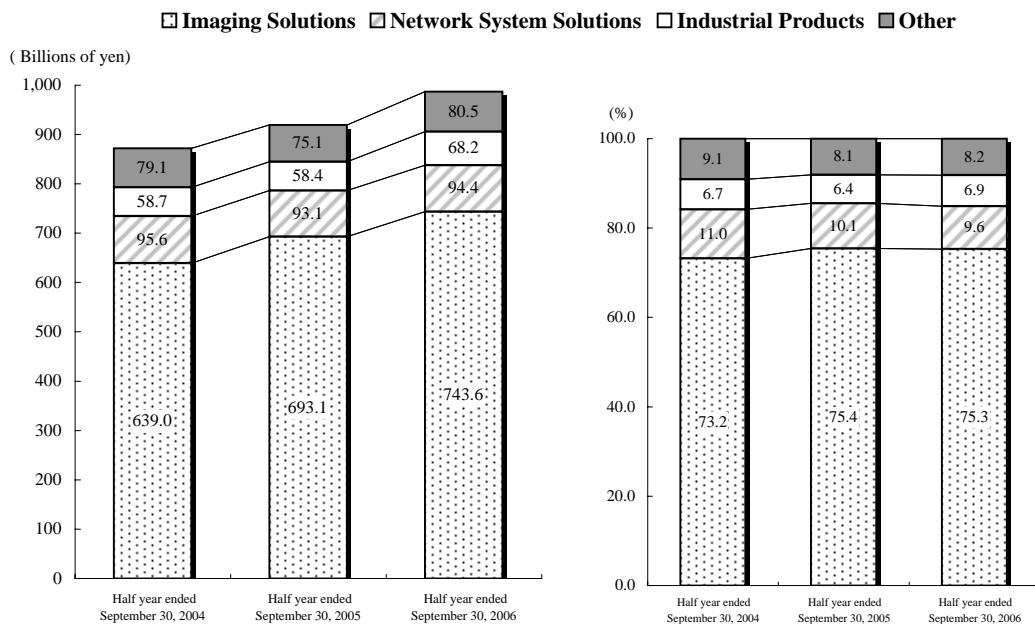
The sales of personal computers and PC servers decrease slightly in Japan, as compared to the previous corresponding period although the sales of software and information technologies services increased due mainly to expanding the solutions business.

Industrial Products (Sales up 16.8% to ¥68.2 billion)

The sales in the Industrial Products segment increased by 16.8%, as compared to the previous corresponding period to ¥68.2 billion. This increase in sales of semiconductor devices was due primarily to the increase in sales of integrated circuits used in electronic products such as mobile and cellular phone. The sales in thermal media business and electronic component business also increased.

Other (Sales up 7.3% to ¥80.5 billion)

Net sales in the Other segment increased by 7.3%, as compared to the previous corresponding period to ¥80.5 billion. The increase in sale of digital cameras and financing services contributed to the favorite performance.



* Consolidated Sales by Geographic Area

Japan (Sales up 3.1% to ¥492.4 billion)

In Japan, favorable capital investment contributed to the continuous growth in Japanese economy. In the Office Solutions, Ricoh launched new products and offered useful solutions in order to create the customers' needs for color products and solutions. As a result, the sales in software and information technologies services relating to the solution proposal as well as color MFPs and laser printer increased. The sales in the Industrial Products and the Other segments increased as compared to the previous corresponding period due to the favorable performance of finance services and semiconductor devices, especially integrated circuits used in electronic products such as mobile and cellular phone. The sales in Japan increased by 3.1% as compared to the previous corresponding period.

The Americas (Sales up 10.7% to ¥203.5 billion)

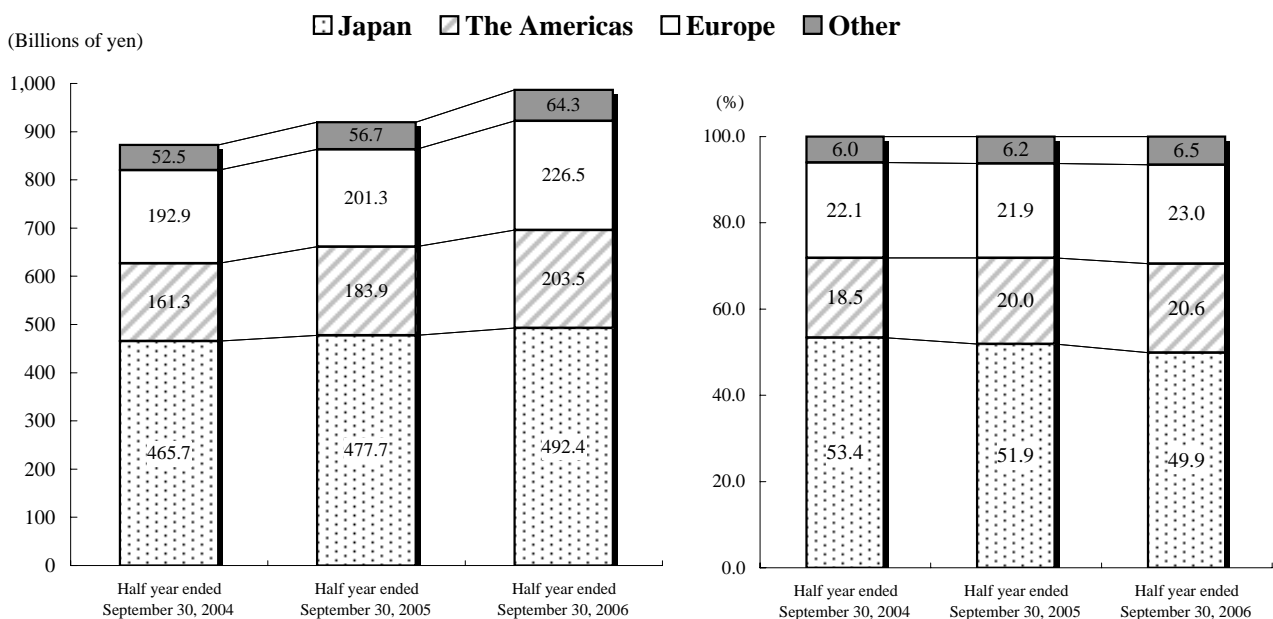
In the Americas, a downturn in the housing market became clear in this first half year and the growth in economy have slowed. In such conditions, Ricoh introduced various new products and enhance its sales and marketing structure to meet the customers' needs for color, networking and high-speed products. As a result, the sales in the Americas increased as compared to the previous corresponding period due primarily to the increase in the sales of color MFPs, high-speed MFP and laser printer. The sales in the Industrial Products increased resulting from the favorite performance of electronic component. The sales in the Americas increased by 10.7% as compared to the previous corresponding period.

Europe (Sales up 12.5% to ¥226.5 billion)

The economy in Europe continued to grow slightly. Under such circumstance, in the Office Solutions, Ricoh launched new color MFPs products and offered custom-made solutions to customers regardless small or large. The sales in this segment increased as compared to the previous corresponding period due mainly to the increase in the sales of color MFPs and laser printer. The sales in the Industrial Products increased resulting from the favorite performance of thermal media. The sales in Europe increased by 12.5% as compared to the previous corresponding period.

Other (Sales up 13.3% to ¥64.3 billion)

In the Other including China, Asian countries and Oceania countries, the increase in export led to the expansion of economy. In the Office Solutions, the need for coloration and MFPs as office equipment were accelerating. The increase in sales in color MFPs contributed to the increase in sales in the Office Solutions segment same as the above other segments. The sales in the Industrial Products increased resulting from favorite performance of semiconductor business and Ricoh established new companies both in China and Korea for devices. As a result, the sales in the Other increased by 13.3% as compared to the previous corresponding period.



*Segment Information

Business Segment

Office Solutions

Ricoh worked to promote printing solutions in the Office Solutions segment, such as BC (black-color) conversion, TCO (Total Cost of Ownership) reduction solution in the office environment, and document solutions that allow customers to comprehensively improve work flow. Furthermore, Ricoh expanded its business scope and size by entering into the high-end production and low-end printing market in order to enhance its comprehensive offering of printers. With respect to sales during this half-year period, sales of color MFPs, high-speed MFPs and laser printers increased, and software and information technologies related services increased as well. This was attributed to the result of above measures. As a result, sales in this segment increased by 6.6% as compared to the previous corresponding period, to ¥838.0 billion.

In terms of operating expenses, Ricoh incurred strategic expenses such as investment in research and development that includes development of main products for the next term, information technologies in connection with the development of its core operating systems. In addition, expenses relating to enhancement of promotion for solutions and of sales and marketing structure to expand its business area, increased in order to impose further measures. Although operating expenses increased by 6.2% as compared to the previous corresponding period, operating income increased by 9.2% to ¥98.7 billion due to the sales increase.

With respect to capital investment, there was no significant investment during this period. It was decreased from the previous corresponding period due primarily to investment in the Ricoh Technology Center in the last fiscal year.

Total assets increased as compared to the previous corresponding period due primarily to an increase in trade receivables.

Industrial Products

Sales in the semiconductor business increased due primarily to the demand for integrated circuits used in electronic products, such as mobile and cellular phones. Sales in the electronic component business and the thermal media business increased. As a result, net sales in the Industrial Products segment increased by 18.2% as compared to the previous corresponding period, to ¥70.5 billion. Operating income increased due to the recovery of semiconductor business.

Total assets increased due to the sales increase from the previous corresponding period.

Other

Sales in the Other segment increased by 7.3% as compared to the previous corresponding period, to ¥80.5 billion, reflecting the increase in financing services and the increase in sales of digital cameras.

Operating income increased as compared to the previous corresponding period due to the above factors.

Total assets decreased as compared to the previous corresponding period due to the sale of the content delivery business.

	(Billions of yen)		
	Half year ended September 30, 2006	Half year ended September 30, 2005	Change (%)
Office Solutions:			
Net sales	838.0	786.2	6.6
Operating income	98.7	90.4	9.2
<i>Operating income on sales(%)</i>	<i>11.8</i>	<i>11.5</i>	<i>0.3point</i>
Identifiable assets	1,482.2	1,394.0	6.3
Capital expenditures	34.4	51.4	-33.1
Depreciation	29.4	26.3	11.9
Industrial Products:			
Net sales	70.5	59.7	18.2
Operating income	0.8	-0.1	-
<i>Operating income on sales(%)</i>	<i>1.3</i>	<i>-0.3</i>	<i>1.6points</i>
Identifiable assets	89.7	73.2	22.5
Capital expenditures	2.8	4.5	-37.6
Depreciation	2.7	3.1	-13.8
Other:			
Net sales	80.5	75.1	7.3
Operating income	1.8	0.2	714.6
<i>Operating income on sales(%)</i>	<i>2.4</i>	<i>0.3</i>	<i>2.1points</i>
Identifiable assets	114.3	115.3	-0.9
Capital expenditures	1.4	1.4	-2.8
Depreciation	0.9	1.1	-11.2

Geographic Segment

Japan

Sales in the Japan increased at all the segments. Export to the overseas markets increased due to the increase of color MFPs and high-speed MFPs while Japan geographic segment increased by 7.7% as compared to the previous corresponding period, to ¥750.4 billion. In the Office Solutions segment, the increase in operating income reflected an increase in sales of value-added high-margin products, continuous cost management controls with logistics and manufacturing, the recovery of semiconductor business and, in addition, the depreciation of the Japanese Yen against the U.S. Dollar and the Euro. As a result, operating income increased by 13.8% to ¥51.6 billion.

The Americas

Under the enhancement of sales and marketing structure and expansion of product line-up, sales of color MFPs, high-speed MFPs, and laser printers increased. The electronic component business performed well. As a result, sales in the Americas increased by 11.5% as compared to the previous corresponding period, to ¥205.2 billion. Despite the fact that strategic expenses associated with the enhancement of sales structure increased, operating income increased by 38.4% to ¥8.9 billion due to the above-mentioned sales increases.

Europe

Sales of MFPs and laser printers continued to perform favorably. Furthermore, the thermal media business performed well. As a result, sales in Europe increased by 13.1% as compared to the previous corresponding period, to ¥228.5 billion while operating income decreased by 3.8% to ¥9.5 billion due to the strategic expenses for enhancing sales and marketing structure.

Other

Sales in China, Asia and Oceania increased especially with color MFPs. The semiconductor business performed favorably and Ricoh established new companies both in China and Korea for devices. Due to the fact that manufacturing companies in China exported office solutions products, including color MFPs, to the Ricoh's sales companies in the world, export sales in this geographic area increased significantly. As a result, sales in this segment increased by 33.1% as compared to the previous corresponding period, to ¥124.5 billion. Operating income increased by 33.7% to ¥8.8 billion, due to the favorable performance in sales and high productivity in production.

	(Billions of yen)		
	Half year ended September 30, 2006	Half year ended September 30, 2005	Change (%)
Japan:			
Net sales	750.4	696.7	7.7
Operating income	51.6	45.3	13.8
<i>Operating income on sales(%)</i>	6.9	6.5	<i>0.4point</i>
Identifiable assets	1,257.8	1,186.2	6.0
The Americas:			
Net sales	205.2	184.0	11.5
Operating income	8.9	6.4	38.4
<i>Operating income on sales(%)</i>	4.4	3.5	<i>0.9point</i>
Identifiable assets	249.4	235.7	5.8
Europe:			
Net sales	228.5	202.0	13.1
Operating income	9.5	9.9	-3.8
<i>Operating income on sales(%)</i>	4.2	4.9	<i>-0.7point</i>
Identifiable assets	262.5	226.0	16.2
Other:			
Net sales	124.5	93.5	33.1
Operating income	8.8	6.5	33.7
<i>Operating income on sales(%)</i>	7.1	7.1	<i>0.0point</i>
Identifiable assets	93.6	73.1	28.1

*Cash Flows

(Billions of yen)

	Half year ended September 30, 2006	Half year ended September 30, 2005	Change
Cash flows from operating activities	51.6	71.7	-20.1
Cash flows from investing activities	-39.2	-62.0	22.7
Cash flows from financing activities	1.1	-49.7	50.8
Cash and cash equivalents at end of period	203.8	148.0	55.8

Net cash provided by operating activities decreased by ¥20.1 billion as compared to the previous corresponding period, to ¥51.6 billion. Although the total of net income and depreciation increased by ¥8.0 billion as compared to the previous corresponding period, to ¥89.3 billion, the increase in the inventory at the end of September due primarily to the launch of new products overseas in October resulted in the decrease in cash inflow.

Net cash used in investing activities decreased by ¥22.7 billion as compared to the previous corresponding period, to ¥39.2 billion, due primarily to reduction in capital investments. On the other hand, in the previous corresponding period Ricoh made large capital investments such as the Ricoh Technology Center. Ricoh received the cash inflow from the sale of the content delivery service.

As a result, free cash flow generated by operating activities and investing activities increased ¥2.6 billion as compared to the previous corresponding period to ¥12.3 billion.

The net cash provided by financing activities increased by ¥50.8 billion as compared to the previous corresponding period, to ¥1.1 billion.

As a result of the above, the ending balance of cash and cash equivalents increased by ¥16.8 billion from the end of last fiscal year (March 31, 2006) to ¥203.8 billion.

Transition of our cashflow indices from fiscal 2003 to 2007 are as follows:

	Half year ended September 30, 2002	Half year ended September 30, 2003	Half year ended September 30, 2004	Half year ended September 30, 2005	Half year ended September 30, 2006
Shareholders' equity / Total assets	36.3%	36.8%	44.2%	46.5%	48.1%
Market capitalization / Total assets	84.2%	77.3%	81.7%	66.8%	81.7%
Interest bearing debt / Operating cash flow	5.5	8.2	7.8	5.2	7.6
Operating cash flow / Interest expense	24.4	20.8	24.1	32.7	15.9

Notes:

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

*Cautionary Statement With Respect to Forward-Looking Statements

Ricoh is exposed to various risks which include the risks listed below. Although certain risks that may affect Ricoh's businesses are listed in this section, this list is not exhaustive. Ricoh's business may in the future also be affected by other risks that are currently unknown or that are not currently considered significant or material.

- Ability to respond to rapid technological changes in the document imaging and management industry
- Highly competitive markets
- The risks of international operations and the risks of overseas expansion
- Economic trends in Ricoh's major markets
- Foreign exchange fluctuations
- Crude oil price fluctuations
- Government regulation that can limit its activities or increase its cost of operations
- Internal control evaluations and attestation over financial reporting under section 404 of the Sarbanes-Oxley Act of 2002
- Dependence on protecting its intellectual property rights
- Dependence on securing and retaining specially skilled personnel
- Adverse affection by its employee benefit obligations
- Environmental laws and regulations
- Risks associated with Ricoh's equipment financing business
- Product liability claims that could significantly affect its financial condition
- Alliances with other entities
- Catastrophic disaster, information technology problems or infectious diseases

*Forecast for the entire fiscal year

Forecast and measures of Ricoh Group for the entire fiscal year

Although the world economy is likely to be recovered overall, exports from Japan and Europe is expected to be slow due to the downturn in housing market in the United States. Chinese economy is expected to continue favorably. However, a concern about a global slowdown in the economy is expected to raise in the world during the half-year ended March 31, 2007. Ricoh expects the products with color capability and solutions to the customers will become intensely competitive in the business environment.

Under this business environment, Ricoh will continue to launch new products to the market in order to create new values for customers during the half-year ending March 31, 2007. Furthermore, Ricoh will keep on enhancing its corporate structure and operating bases for efficient corporate management.

As Ricoh announced on October 12, 2006, Ricoh has agreed to the share purchase agreement with Danka Business Systems PLC ("Danka") to acquire shares of Danka's European operating and holding companies. The completion of the transaction is expected to take place on or around December 31, 2006.

Our performance forecasts for fiscal 2007 are as follows:

Ricoh revised its sales forecast for the year ending March 31, 2007, of which is ¥7.0 billion higher than the forecast announced in July 2006. Ricoh keeps its fiscal forecast for gross profit, operating income, income before income taxes and net income unchanged.

Ricoh Company, Ltd. has determined that the interim dividend is ¥13.00 per share. The year-end dividend is expected to be ¥15.00 per share, which is ¥3.00 higher than that paid as a previous year-end dividend. Consequently, the annual dividend will be ¥28.00 per share, which is ¥4.00 higher than that paid as a dividend of the previous fiscal year.

Our performance forecasts for fiscal 2007 are as follows:

Exchange Rate Assumptions for the 2nd half year

US\$ 1 = ¥115.00 (¥115.40 in 1st half year)

EURO 1 = ¥140.00 (¥145.98 in 1st half year)

Exchange Rate Assumptions for the full year ending March 31, 2007

US\$ 1 = ¥115.20 (¥113.26 in previous fiscal year)

EURO 1 = ¥142.99 (¥137.86 in previous fiscal year)

(Billions of yen)

	Year ending March 31, 2007 (Forecast)	Year ended March 31, 2006 (Results)	Change
Domestic sales	1,005.0	966.2	4.0%
Overseas sales	1,062.0	943.0	12.6%
Net sales	2,067.0	1,909.2	8.3%
Gross profit	854.5	795.0	7.5%
Operating income	170.0	148.5	14.4%
Income from continuing operations before income taxes	168.0	152.7	10.0%
Net income	106.5	97.0	9.7%

Notes:

* As a result of the sale of a business, the operating results from the discontinued operation have been reclassified in accordance with Statement of Financial Accounting Standards ("SFAS") No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets".

* Ricoh bases the forecast estimates for March 31, 2007 above upon information currently available to management, which involves risks and uncertainties that could cause actual results to differ materially from those projected.

Ricoh Company, Ltd. and Consolidated Subsidiaries

INTERIM REPORT (Consolidated. Half year ended September 30, 2006)

Date of approval for the financial results for the half year ended September 30, 2006, at the Board of Directors' meeting: October 27, 2006

1. Results for the period from April 1, 2006 to September 30, 2006

(1) Operating Results	(Millions of yen)		
	Half year ended September 30, 2006	Half year ended September 30, 2005	Year ended March 31, 2006
Net sales	986,922	919,869	1,909,238
<i>(% change from the previous corresponding periods)</i>	<i>7.3</i>	<i>5.4</i>	<i>5.6</i>
Operating income	73,163	65,012	148,584
<i>(% change from the previous corresponding periods)</i>	<i>12.5</i>	<i>17.2</i>	<i>13.3</i>
Income from continuing operations before income taxes	74,268	67,509	152,766
<i>(% change from the previous corresponding periods)</i>	<i>10.0</i>	<i>16.8</i>	<i>16.6</i>
Net income	52,045	42,867	97,057
<i>(% change from the previous corresponding periods)</i>	<i>21.4</i>	<i>19.7</i>	<i>16.7</i>
Net income per share-basic (yen)	71.35	58.40	132.33
Net income per share-diluted (yen)	-	-	-

Notes:

- i. Equity in income of affiliates: ¥1,038 million; ¥935 million (half year ended September 30, 2005); ¥2,606 million (year ended March 31, 2006)
- ii. Average number of shares outstanding (consolidated): 729,483,296 shares; 734,019,631 shares (half year ended September 30, 2005); 733,434,414 shares (year ended March 31, 2006)
- iii. No change in accounting method has been made.

(2) Financial Position

	(Millions of yen)		
	September 30, 2006	September 30, 2005	March 31, 2006
Total assets	2,097,763	1,948,587	2,041,183
Shareholders' equity	1,008,412	905,674	960,245
Equity ratio (%)	48.1	46.5	47.0
Equity per share (yen)	1,382.14	1,233.08	1,316.21

Note: Number of shares outstanding as of September 30, 2006: 729,602,695 shares; 734,481,701 shares (September 30, 2005); 729,552,274 shares (March 31, 2006)

(3) Cash Flows

	(Millions of yen)		
	Half year ended September 30, 2006	Half year ended September 30, 2005	Year ended March 31, 2006
Cash flows from operating activities	51,624	71,734	173,479
Cash flows from investing activities	-39,259	-62,009	-120,051
Cash flows from financing activities	1,101	-49,795	-59,989
Cash and cash equivalents at end of period	203,876	148,010	187,055

(4) Items relating to the scale of consolidation and the application of the equity method:
Number of consolidated subsidiaries: 252; non-consolidated subsidiaries: 36; affiliated companies: 19

(5) Changes relating to the scale of consolidation and the application of the equity method:

Consolidated subsidiaries: 1 addition; 8 removals
Companies accounted for by the equity method: 4 removals

Note:

Consolidated financial statements of the Company and its consolidated subsidiaries have been prepared in conformity with U.S. generally accepted accounting principles.

2. Forecast of operating results from April 1, 2006 to March 31, 2007

	(Millions of yen)
Net sales	2,067,000
Operating income	170,000
Income from continuing operations before income taxes	168,000
Net income	106,500

Note: Net income per share (Consolidated) 145.97 yen

Notes:

* As a result of the sale of a business, the operating results and cash flows from the discontinued operation have been reclassified in accordance with Statement of Financial Accounting Standards ("SFAS") No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets".

* In accordance with Japanese regulations, Ricoh has issued forecast for its financial results for the fiscal year ending March 31, 2007. These forecast are forward-looking statements based on a number of assumptions and beliefs in light of the information currently available to management and subject to significant risks and uncertainties.

Group Position

The Ricoh Group comprises 288 subsidiaries and 19 affiliates.

Their development, manufacturing, sales, and service activities center on Office Solutions, Industrial Products, and Other. Ricoh Company, Ltd., a parent company, heads development. The parent company and subsidiaries or affiliates maintain an integrated domestic and international manufacturing structure. Below, we have listed our main product areas and the positions of key subsidiaries and affiliates.

<Office Solutions>

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

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

[Main Subsidiaries and Affiliates]

Production

Japan...Tohoku Ricoh Co., Ltd., Ricoh Elemex Corporation, Ricoh Unitechno Co., Ltd., Hasama Ricoh Inc., Ricoh Microelectronics Co., Ltd., Ricoh Keiki Co., Ltd., and Ricoh Printing Systems, Ltd.
The Americas...Rico Electronics, Inc.
Europe...Rico UK Products Ltd., Rico Industrie France S.A.S.
Other regions...Rico Asia Industry (Shenzhen) Ltd., Shanghai Rico Facsimile Co., Ltd., and Sindo Rico Co., Ltd. (affiliated company)

Sales and Service

Japan ...Hokkaido Rico Co., Ltd., Rico Tohoku Co., Ltd., Rico Sales Co., Ltd. Rico Chubu Co., Ltd., Rico Kansai Co., Ltd., Rico Chugoku Co., Ltd., Rico Kyushu Co., Ltd. and 32 other sales companies nationwide,
Rico Technosystems Co., Ltd., Rico Leasing Co., Ltd., and Rico Logistics System Co., Ltd.
The Americas...Rico Corporation, Lanier Worldwide, Inc.
Europe...Rico Europe B.V., Rico Deutschland GmbH, Rico UK Ltd., Rico France S.A., Rico Espana S.L., Rico Italia S.p.A., and NRG Group PLC
Other regions...Rico China Co., Ltd., Rico Hong Kong Ltd., Rico Asia Pacific Pte. Ltd., Rico Australia Pty, Ltd., and Rico New Zealand Ltd.

<Industrial Products>

Manufacturing and marketing thermal media, optical equipments, semiconductors, electronic component and measuring

[Main Subsidiaries and Affiliates]

Production and Sales

Japan...Rico Optical Industries Co., Ltd., Rico Elemex Corporation, and Rico Microelectronics Co., Ltd.
The Americas...Rico Electronics, Inc.
Europe...Rico Industrie France S.A.S.

<Other>

Supplying optical discs and digital camera, and providing leasing and logistics services

[Main Subsidiaries and Affiliates]

Sales

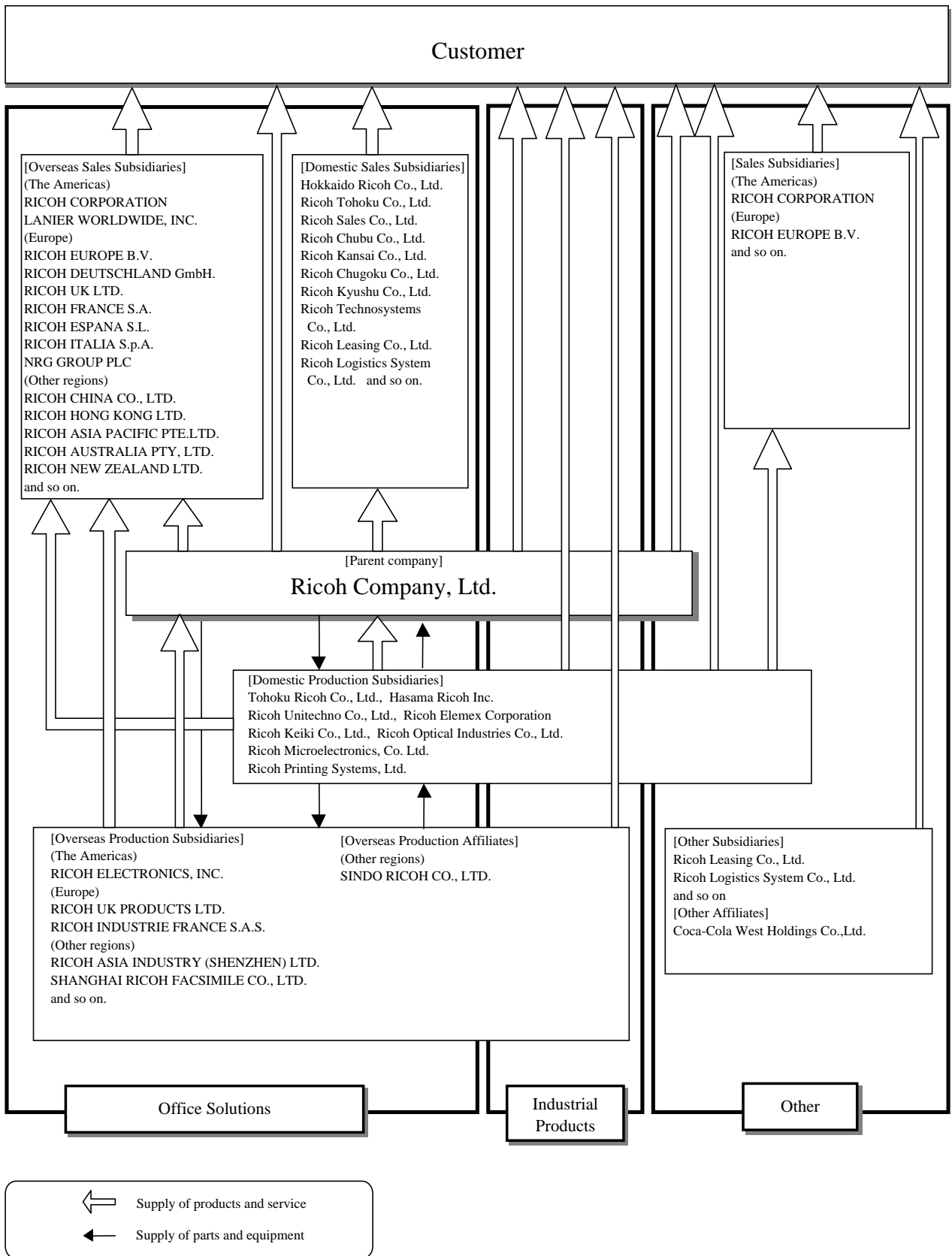
Rico Corporation, Rico Europe B.V.

Other

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

<Chart of Business System>

The following chart is showing the group positions.



Note: Following subsidiaries are listed on domestic stock exchange.

Ricoh Leasing Co., Ltd.: Tokyo Stock Exchange

Ricoh Elemex Corporation: Tokyo Stock Exchange, Nagoya Stock Exchange

Consolidated Performance

1. Consolidated Statements of Income

(Three months ended September 30, 2006 and 2005)

(Millions of yen)

	Three months ended September 30, 2006	Three months ended September 30, 2005	Change	%	
Net sales	502,346	468,404	33,942	7.2	
Cost of sales	296,995	276,195	20,800	7.5	
<i>Percentage of net sales (%)</i>	59.1	59.0			
Gross Profit	205,351	192,209	13,142	6.8	
<i>Percentage of net sales (%)</i>	40.9	41.0			
Selling, general and administrative expenses	172,835	163,586	9,249	5.7	
<i>Percentage of net sales (%)</i>	34.4	34.9			
Operating income	32,516	28,623	3,893	13.6	
<i>Percentage of net sales (%)</i>	6.5	6.1			
Other (income) expense					
Interest and dividend income	884	699	185	26.5	
<i>Percentage of net sales (%)</i>	0.2	0.1			
Interest expense	1,654	1,187	467	39.3	
<i>Percentage of net sales (%)</i>	0.3	0.3			
Other, net	-3,818	-2,176	-1,642	-	
<i>Percentage of net sales (%)</i>	-0.7	-0.6			
Income from continuing operations before income taxes, equity income and minority interests	35,564	30,311	5,253	17.3	
<i>Percentage of net sales (%)</i>	7.1	6.5			
Provision for income taxes	11,654	10,868	786	7.2	
<i>Percentage of net sales (%)</i>	2.3	2.3			
Minority interests in earnings of subsidiaries	1,542	1,464	78	5.3	
<i>Percentage of net sales (%)</i>	0.3	0.3			
Equity in earnings of affiliates	552	572	-20	-3.5	
<i>Percentage of net sales (%)</i>	0.1	0.1			
Income from continuing operations	22,920	18,551	4,369	23.6	
<i>Percentage of net sales (%)</i>	4.6	4.0			
Income from discontinued operation, net of tax	-	593	-593	-	
<i>Percentage of net sales (%)</i>	-	0.1			
Net income	22,920	19,144	3,776	19.7	
<i>Percentage of net sales (%)</i>	4.6	4.1			
Reference : Exchange rate					
US\$ 1	¥116.26	¥111.22			
EURO 1	¥148.16	¥135.79			

(Half year ended September 30, 2006 and 2005 and Year ended March 31, 2006)

(Millions of yen)

	Half year ended September 30, 2006	Half year ended September 30, 2005	Change	%	Year ended March 31, 2006
Net sales	986,922	919,869	67,053	7.3	1,909,238
Cost of sales	579,006	534,143	44,863	8.4	1,114,238
<i>Percentage of net sales (%)</i>	58.7	58.1			58.4
Gross Profit	407,916	385,726	22,190	5.8	795,000
<i>Percentage of net sales (%)</i>	41.3	41.9			41.6
Selling, general and administrative expenses	334,753	320,714	14,039	4.4	646,416
<i>Percentage of net sales (%)</i>	33.9	34.8			33.8
Operating income	73,163	65,012	8,151	12.5	148,584
<i>Percentage of net sales (%)</i>	7.4	7.1			7.8
Other (income) expense					
Interest and dividend income	1,981	1,384	597	43.1	2,896
<i>Percentage of net sales (%)</i>	0.2	0.2			0.2
Interest expense	3,238	2,196	1,042	47.4	5,244
<i>Percentage of net sales (%)</i>	0.3	0.2			0.3
Other, net	-2,362	-3,309	947	-	-6,530
<i>Percentage of net sales (%)</i>	-0.2	-0.2			-0.3
Income from continuing operations before income taxes, equity income and minority interests	74,268	67,509	6,759	10.0	152,766
<i>Percentage of net sales (%)</i>	7.5	7.3			8.0
Provision for income taxes	25,880	24,012	1,868	7.8	56,165
<i>Percentage of net sales (%)</i>	2.6	2.6			2.9
Minority interests in earnings of subsidiaries	2,881	2,690	191	7.1	4,185
<i>Percentage of net sales (%)</i>	0.3	0.3			0.2
Equity in earnings of affiliates	1,038	935	103	11.0	2,606
<i>Percentage of net sales (%)</i>	0.1	0.1			0.1
Income from continuing operations	46,545	41,742	4,803	11.5	95,022
<i>Percentage of net sales (%)</i>	4.7	4.5			5.0
Income from discontinued operation, net of tax	5,500	1,125	4,375	388.9	2,035
<i>Percentage of net sales (%)</i>	0.6	0.2			0.1
Net income	52,045	42,867	9,178	21.4	97,057
<i>Percentage of net sales (%)</i>	5.3	4.7			5.1
Reference : Exchange rate					
US\$ 1	¥115.40	¥109.42			¥113.26
EURO 1	¥145.98	¥135.67			¥137.86

Note:

* As a result of the sale of a business, the operating results from the discontinued operation have been reclassified in accordance with Statement of Financial Accounting Standards ("SFAS") No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets".

2-1. Consolidated Sales by Product Category

(Three months ended September 30, 2006 and 2005)

(Millions of yen)

	Three months ended September 30, 2006	Three months ended September 30, 2005	Change	%
<Office Solutions>				
Imaging Solutions	370,871	343,643	27,228	7.9
<i>Percentage of net sales (%)</i>	73.8	73.4		
Network System Solutions	55,417	54,565	852	1.6
<i>Percentage of net sales (%)</i>	11.1	11.6		
Total Office Solutions	426,288	398,208	28,080	7.1
<i>Percentage of net sales (%)</i>	84.9	85.0		
<Industrial Products>				
Industrial Products	33,547	32,381	1,166	3.6
<i>Percentage of net sales (%)</i>	6.7	6.9		
<Other>				
Other	42,511	37,815	4,696	12.4
<i>Percentage of net sales (%)</i>	8.4	8.1		
Grand Total	502,346	468,404	33,942	7.2
<i>Percentage of net sales (%)</i>	100.0	100.0		
Reference : Exchange rate				
US\$ 1	¥116.26	¥111.22		
EURO 1	¥148.16	¥135.79		

(Half year ended September 30, 2006 and 2005 and Year ended March 31, 2006)

(Millions of yen)

	Half year ended September 30, 2006	Half year ended September 30, 2005	Change	%	Year ended March 31, 2006
<Office Solutions>					
Imaging Solutions	743,626	693,130	50,496	7.3	1,446,635
<i>Percentage of net sales (%)</i>	75.3	75.4			75.8
Network System Solutions	94,464	93,151	1,313	1.4	190,593
<i>Percentage of net sales (%)</i>	9.6	10.1			10.0
Total Office Solutions	838,090	786,281	51,809	6.6	1,637,228
<i>Percentage of net sales (%)</i>	84.9	85.5			85.8
<Industrial Products>					
Industrial Products	68,256	58,459	9,797	16.8	120,636
<i>Percentage of net sales (%)</i>	6.9	6.4			6.3
<Other>					
Other	80,576	75,129	5,447	7.3	151,374
<i>Percentage of net sales (%)</i>	8.2	8.1			7.9
Grand Total	986,922	919,869	67,053	7.3	1,909,238
<i>Percentage of net sales (%)</i>	100.0	100.0			100.0
Reference : Exchange rate					
US\$ 1	¥115.40	¥109.42			¥113.26
EURO 1	¥145.98	¥135.67			¥137.86

Notes:

* As a result of the sale of a business, the operating results from the discontinued operation have been reclassified in accordance with Statement of Financial Accounting Standards ("SFAS") No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets".

*Each category includes the following product line:

Imaging Solutions	Digital PPCs, color PPCs, digital duplicators, facsimile machines, analog PPCs, diazo copiers, scanners, MFPs(multifunctional printers), laser printers and software
Network System Solutions	Personal computers, servers, network systems and network related software
Industrial Products	Thermal media, optical equipment, semiconductor devices, electronic components and measuring equipment
Other	Optical discs and digital cameras

2-2. Consolidated Sales by Geographic Area

(Three months ended September 30, 2006 and 2005)

(Millions of yen)

	Three months ended September 30, 2006	Three months ended September 30, 2005	Change	%
<Domestic>	252,060	245,292	6,768	2.8
<i>Percentage of net sales (%)</i>	50.2	52.4		
<Overseas>	250,286	223,112	27,174	12.2
<i>Percentage of net sales (%)</i>	49.8	47.6		
The Americas	102,949	96,759	6,190	6.4
<i>Percentage of net sales (%)</i>	20.5	20.7		
Europe	112,994	96,920	16,074	16.6
<i>Percentage of net sales (%)</i>	22.5	20.7		
Other	34,343	29,433	4,910	16.7
<i>Percentage of net sales (%)</i>	6.8	6.2		
Grand Total	502,346	468,404	33,942	7.2
<i>Percentage of net sales (%)</i>	100.0	100.0		
Reference : Exchange rate				
US\$ 1	¥116.26	¥111.22		
EURO 1	¥148.16	¥135.79		

(Half year ended September 30, 2006 and 2005 and Year ended March 31, 2006)

(Millions of yen)

	Half year ended September 30, 2006	Half year ended September 30, 2005	Change	%	Year ended March 31, 2006
<Domestic>	492,491	477,766	14,725	3.1	966,224
<i>Percentage of net sales (%)</i>	49.9	51.9			50.6
<Overseas>	494,431	442,103	52,328	11.8	943,014
<i>Percentage of net sales (%)</i>	50.1	48.1			49.4
The Americas	203,584	183,915	19,669	10.7	387,412
<i>Percentage of net sales (%)</i>	20.6	20.0			20.3
Europe	226,504	201,399	25,105	12.5	434,800
<i>Percentage of net sales (%)</i>	23.0	21.9			22.8
Other	64,343	56,789	7,554	13.3	120,802
<i>Percentage of net sales (%)</i>	6.5	6.2			6.3
Grand Total	986,922	919,869	67,053	7.3	1,909,238
<i>Percentage of net sales (%)</i>	100.0	100.0			100.0
Reference : Exchange rate					
US\$ 1	¥115.40	¥109.42			¥113.26
EURO 1	¥145.98	¥135.67			¥137.86

Note:

* As a result of the sale of a business, the operating results from the discontinued operation have been reclassified in accordance with Statement of Financial Accounting Standards ("SFAS") No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets".

3. Consolidated Balance Sheets

(September 30, 2006 and March 31, 2006)

Assets	(Millions of yen)		
	September 30, 2006	March 31, 2006	Change
Current Assets			
Cash and time deposits	205,388	188,525	16,863
Trade receivables	642,719	630,501	12,218
Marketable securities	171	162	9
Inventories	184,741	169,245	15,496
Other current assets	59,706	55,110	4,596
Total Current Assets	1,092,725	1,043,543	49,182
Fixed Assets			
Tangible fixed assets	270,255	268,243	2,012
Finance receivable	424,184	415,435	8,749
Other Investments	310,599	313,962	-3,363
Total Fixed Assets	1,005,038	997,640	7,398
Total Assets	2,097,763	2,041,183	56,580

Note:

Contents of cash and time deposits:

Cash and cash equivalents	203,876	187,055
Time deposits	1,512	1,470

Liabilities and Shareholders' Investment	(Millions of yen)		
	September 30, 2006	March 31, 2006	Change
Current Liabilities			
Trade payables	320,016	339,152	-19,136
Short-term borrowings	211,011	185,651	25,360
Other current liabilities	170,803	159,225	11,578
Total Current Liabilities	701,830	684,028	17,802
Fixed Liabilities			
Long-term indebtedness	182,713	195,626	-12,913
Retirement benefit obligation	96,637	97,020	-383
Other fixed liabilities	52,890	51,374	1,516
Total Fixed Liabilities	332,240	344,020	-11,780
Total Liabilities	1,034,070	1,028,048	6,022
Minority Interest	55,281	52,890	2,391
Shareholders' Investment			
Common stock	135,364	135,364	-
Additional paid-in capital	186,451	186,450	1
Retained earnings	708,675	665,394	43,281
Accumulated other comprehensive income	9,331	4,099	5,232
Treasury stock	-31,409	-31,062	-347
Total Shareholders' Investment	1,008,412	960,245	48,167
Total Liabilities and Shareholders' Investment	2,097,763	2,041,183	56,580

Note: Other comprehensive income;

Net unrealized holding gains on available-for-sale securities	6,443	8,928	-2,485
Pension liability adjustments	-6,813	-7,643	830
Net unrealized gains on derivative instruments	34	157	-123
Cumulative translation adjustments	9,667	2,657	7,010

Reference: Exchange rate
 US\$ 1
 EURO 1

September 30, 2006 March 31, 2006
 ¥117.90 ¥117.47
 ¥149.77 ¥142.81

4. Consolidated Statements of Shareholders' Investment

Half year ended September 30, 2006

(Millions of yen)

	Common stock	Additional paid-in capital	Retained earnings	Accumulated other comprehensive income	Treasury stock	Total Shareholders' Investment
Beginning balance	135,364	186,450	665,394	4,099	-31,062	960,245
Gain on disposal of treasury stock		1				1
Dividends declared and approved			-8,764			-8,764
Comprehensive income						
Net income			52,045			52,045
Net unrealized holding losses on available-for-sale securities				-2,485		-2,485
Pension liability adjustments				830		830
Net unrealized losses on derivative instruments				-123		-123
Cumulative translation adjustments				7,010		7,010
Total comprehensive income						57,277
Purchase of treasury stocks, net					-347	-347
Ending balance	135,364	186,451	708,675	9,331	-31,409	1,008,412

Year ended March 31, 2006

(Millions of yen)

	Common stock	Additional paid-in capital	Retained earnings	Accumulated other comprehensive income	Treasury stock	Total Shareholders' Investment
Beginning balance	135,364	186,551	584,515	-21,963	-21,469	862,998
Loss on disposal of treasury stock		-101				-101
Dividends declared and approved			-16,178			-16,178
Comprehensive income						
Net income			97,057			97,057
Net unrealized holding gains on available-for-sale securities				4,137		4,137
Pension liability adjustments				7,009		7,009
Net unrealized gains on derivative instruments				40		40
Cumulative translation adjustments				14,876		14,876
Total comprehensive income						123,119
Purchase of treasury stocks, net					-9,593	-9,593
Ending balance	135,364	186,450	665,394	4,099	-31,062	960,245

5. Consolidated Statements of Cash Flows

(Half year ended September 30, 2006 and 2005 and Year ended March 31, 2006)

(Millions of yen)

	Half year ended September 30, 2006	Half year ended September 30, 2005	Year ended March 31, 2006
I. Cash Flows from Operating Activities:			
Net income	52,045	42,867	97,057
Income from discontinued operation, net of tax	-5,500	-1,125	-2,035
Income from continuing operations	46,545	41,742	95,022
Adjustments to reconcile net income to net cash provided by operating activities—			
Depreciation and amortization	42,851	39,627	84,089
Equity in earnings of affiliates, net of dividends received	-209	-110	-1,431
Deferred income taxes	-2,755	-1,878	-4,692
Loss on disposal and sales of tangible fixed assets	988	1,059	920
Pension and severance costs, less payments	-701	-148	3,340
Changes in assets and liabilities—			
Decrease in trade receivables	7,057	15,514	13,411
(Increase) decrease in inventories	-12,693	1,624	3,726
Increase in finance receivables	-14,045	-17,194	-30,029
Decrease in trade payables	-20,354	-12,389	-4,442
(Decrease) increase in accrued income taxes and accrued expenses and other	4,608	-556	2,505
Other, net	332	4,443	11,060
Net cash provided by operating activities	51,624	71,734	173,479
II. Cash Flows from Investing Activities:			
Proceeds from sales of property, plant and equipment	265	312	3,085
Expenditures for tangible fixed assets	-39,089	-58,034	-101,788
Payments for purchases of available-for-sale securities	-49,036	-60,213	-138,607
Proceeds from sales of available-for-sale securities	48,006	62,788	141,620
(Increase) decrease in time deposits, net	-43	718	-136
Proceeds from sales of discontinued operation	12,000	-	-
Other, net	-11,362	-7,580	-24,225
Net cash used in investing activities	-39,259	-62,009	-120,051
III. Cash Flows from Financing Activities:			
Proceeds from long-term indebtedness	42,885	35,776	63,751
Repayment of long-term indebtedness	-20,861	-54,169	-93,752
Increase in short-term borrowings, net	6,633	20,654	39,618
Proceeds from issuance of long-term debt securities	-	-	10,000
Repayment of long-term debt securities	-18,000	-44,000	-52,000
Dividend paid	-8,764	-7,348	-16,178
Payment for purchase of treasury stock	-355	-237	-10,653
Other, net	-437	-471	-775
Net cash provided by (used in) financing activities	1,101	-49,795	-59,989
IV. Net Increase in Cash and Cash Equivalents from discontinued operation	825	1,756	3,376
V. Effect of Exchange Rate Changes on Cash and Cash Equivalents	2,530	-533	3,383
VI. Net Increase (Decrease) in Cash and Cash Equivalents	16,821	-38,847	198
VII. Cash and Cash Equivalents at Beginning of Year	187,055	186,857	186,857
VIII. Cash and Cash Equivalents at End of Period	203,876	148,010	187,055

Note:

* As a result of the sale of a business, the operating results from the discontinued operation have been reclassified in accordance with Statement of Financial Accounting Standards ("SFAS") No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets".

6. Segment Information

(1) Industry Segment Information

(Three months ended September 30, 2006 and 2005)

(Millions of yen)

	Three months ended September 30, 2006	Three months ended September 30, 2005	Change	%
Office Solutions:				
Net sales:				
Unaffiliated customers	426,288	398,208	28,080	7.1
Intersegment	-	-	-	-
Total	426,288	398,208	28,080	7.1
Operating expenses	378,862	356,455	22,407	6.3
Operating income	47,426	41,753	5,673	13.6
<i>Operating income on sales in Office Solutions (%)</i>	<i>11.1</i>	<i>10.5</i>		
Industrial Products:				
Net sales:				
Unaffiliated customers	33,547	32,381	1,166	3.6
Intersegment	1,120	658	462	70.2
Total	34,667	33,039	1,628	4.9
Operating expenses	35,007	32,686	2,321	7.1
Operating income	-340	353	-693	-
<i>Operating income on sales in Industrial Products (%)</i>	<i>-1.0</i>	<i>1.1</i>		
Other:				
Net sales:				
Unaffiliated customers	42,511	37,815	4,696	12.4
Intersegment	-	-	-	-
Total	42,511	37,815	4,696	12.4
Operating expenses	41,296	37,647	3,649	9.7
Operating income	1,215	168	1,047	623.2
<i>Operating income on sales in Other (%)</i>	<i>2.9</i>	<i>0.4</i>		
Corporate and Eliminations:				
Net sales:				
Intersegment	-1,120	-658	-462	-
Total	-1,120	-658	-462	-
Operating expenses:				
Unaffiliated customers	-1,120	-685	-435	-
Intersegment	15,785	13,678	2,107	-
Total	14,665	12,993	1,672	-
Operating income	-15,785	-13,651	-2,134	-
Consolidated:				
Net sales:				
Unaffiliated customers	502,346	468,404	33,942	7.2
Intersegment	-	-	-	-
Total	502,346	468,404	33,942	7.2
Operating expenses	469,830	439,781	30,049	6.8
Operating income	32,516	28,623	3,893	13.6
<i>Operating income on consolidated net sales (%)</i>	<i>6.5</i>	<i>6.1</i>		

Capital expenditures:

(Millions of yen)

	Three months ended September 30, 2006	Three months ended September 30, 2005	Change	%
Office Solutions	20,085	19,483	602	3.1
Industrial Products	2,124	2,577	-453	-17.6
Other	616	937	-321	-34.3
Corporate	399	449	-50	-11.1
Total	23,224	23,446	-222	-0.9

Depreciation:

(Millions of yen)

	Three months ended September 30, 2006	Three months ended September 30, 2005	Change	%
Office Solutions	15,648	12,937	2,711	21.0
Industrial Products	1,385	1,658	-273	-16.5
Other	427	589	-162	-27.5
Corporate	313	282	31	11.0
Total	17,773	15,466	2,307	14.9

Note:

* As a result of the sale of a business, the operating results from the discontinued operation have been reclassified in accordance with Statement of Financial Accounting Standards ("SFAS") No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets".

Identifiable assets:

(Millions of yen)

	September 30, 2006	September 30, 2005	Change	%
Office Solutions	1,482,251	1,394,012	88,239	6.3
Industrial Products	89,724	73,231	16,493	22.5
Other	114,341	115,397	-1,056	-0.9
Elimination	-1,924	-7,536	5,612	-
Corporate assets	413,371	373,483	39,888	10.7
Total	2,097,763	1,948,587	149,176	7.7

(Half year ended September 30, 2006 and 2005 and Year ended March 31, 2006) (Millions of yen)

	Half year ended September 30, 2006	Half year ended September 30, 2005	Change	%	Year ended March 31, 2006
Office Solutions:					
Net sales:					
Unaffiliated customers	838,090	786,281	51,809	6.6	1,637,228
Intersegment	-	-	-	-	-
Total	838,090	786,281	51,809	6.6	1,637,228
Operating expenses	739,320	695,849	43,471	6.2	1,434,279
Operating income	98,770	90,432	8,338	9.2	202,949
<i>Operating income on sales in Office Solutions (%)</i>	<i>11.8</i>	<i>11.5</i>			<i>12.4</i>

Industrial Products:					
Net sales:					
Unaffiliated customers	68,256	58,459	9,797	16.8	120,636
Intersegment	2,325	1,244	1,081	86.9	2,564
Total	70,581	59,703	10,878	18.2	123,200
Operating expenses	69,687	59,874	9,813	16.4	124,108
Operating income	894	-171	1,065	-	-908
<i>Operating income on sales in Industrial Products (%)</i>	<i>1.3</i>	<i>-0.3</i>			<i>-0.7</i>

Other:					
Net sales:					
Unaffiliated customers	80,576	75,129	5,447	7.3	151,374
Intersegment	-	-	-	-	-
Total	80,576	75,129	5,447	7.3	151,374
Operating expenses	78,678	74,896	3,782	5.0	148,692
Operating income	1,898	233	1,665	714.6	2,682
<i>Operating income on sales in Other (%)</i>	<i>2.4</i>	<i>0.3</i>			<i>1.8</i>

Corporate and Eliminations:					
Net sales:					
Intersegment	-2,325	-1,244	-1,081	-	-2,564
Total	-2,325	-1,244	-1,081	-	-2,564
Operating expenses:					
Intersegment	-2,370	-1,279	-1,091	-	-2,594
Corporate	28,444	25,517	2,927	-	56,169
Total	26,074	24,238	1,836	-	53,575
Operating income	-28,399	-25,482	-2,917	-	-56,139

Consolidated:					
Net sales:					
Unaffiliated customers	986,922	919,869	67,053	7.3	1,909,238
Intersegment	-	-	-	-	-
Total	986,922	919,869	67,053	7.3	1,909,238
Operating expenses	913,759	854,857	58,902	6.9	1,760,654
Operating income	73,163	65,012	8,151	12.5	148,584
<i>Operating income on consolidated net sales (%)</i>	<i>7.4</i>	<i>7.1</i>			<i>7.8</i>

	Half year ended September 30, 2006	Half year ended September 30, 2005	Change	%	Year ended March 31, 2006
Capital expenditures: (Millions of yen)					
Office Solutions	34,429	51,456	-17,027	-33.1	90,383
Industrial Products	2,855	4,573	-1,718	-37.6	7,451
Other	1,411	1,451	-40	-2.8	2,361
Corporate	483	684	-201	-29.4	1,854
Total	39,178	58,164	-18,986	-32.6	102,049

	Half year ended September 30, 2006	Half year ended September 30, 2005	Change	%	Year ended March 31, 2006
Depreciation: (Millions of yen)					
Office Solutions	29,439	26,320	3,119	11.9	57,326
Industrial Products	2,715	3,150	-435	-13.8	6,631
Other	980	1,103	-123	-11.2	2,352
Corporate	604	531	73	13.7	1,156
Total	33,738	31,104	2,634	8.5	67,465

Note:

* As a result of the sale of a business, the operating results from the discontinued operation have been reclassified in accordance with Statement of Financial Accounting Standards ("SFAS") No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets".

	September 30, 2006	September 30, 2005	Change	%	March 31, 2006
Identifiable assets: (Millions of yen)					
Office Solutions	1,482,251	1,394,012	88,239	6.3	1,426,635
Industrial Products	89,724	73,231	16,493	22.5	84,595
Other	114,341	115,397	-1,056	-0.9	114,925
Elimination	-1,924	-7,536	5,612	-	-2,088
Corporate assets	413,371	373,483	39,888	10.7	417,116
Total	2,097,763	1,948,587	149,176	7.7	2,041,183

(2) Geographic Segment Information

(Three months ended September 30, 2006 and 2005)

(Millions of yen)

	Three months ended September 30, 2006	Three months ended September 30, 2005	Change	%
Japan:				
Net sales:				
External customers	258,289	252,460	5,829	2.3
Intersegment	122,964	99,327	23,637	23.8
Total	381,253	351,787	29,466	8.4
Operating expenses	361,781	334,646	27,135	8.1
Operating income	19,472	17,141	2,331	13.6
<i>Operating income on sales in Japan(%)</i>	5.1	4.9		
The Americas:				
Net sales:				
External customers	102,935	96,021	6,914	7.2
Intersegment	742	445	297	66.7
Total	103,677	96,466	7,211	7.5
Operating expenses	96,748	91,325	5,423	5.9
Operating income	6,929	5,141	1,788	34.8
<i>Operating income on sales in the Americas(%)</i>	6.7	5.3		
Europe:				
Net sales:				
External customers	113,314	96,093	17,221	17.9
Intersegment	842	1,326	-484	-36.5
Total	114,156	97,419	16,737	17.2
Operating expenses	109,194	93,350	15,844	17.0
Operating income	4,962	4,069	893	21.9
<i>Operating income on sales in Europe(%)</i>	4.3	4.2		
Other:				
Net sales:				
External customers	27,808	23,830	3,978	16.7
Intersegment	40,055	24,392	15,663	64.2
Total	67,863	48,222	19,641	40.7
Operating expenses	63,357	44,808	18,549	41.4
Operating income	4,506	3,414	1,092	32.0
<i>Operating income on sales in Other(%)</i>	6.6	7.1		
Corporate and Eliminations:				
Net sales:				
Intersegment	-164,603	-125,490	-39,113	-
Total	-164,603	-125,490	-39,113	-
Operating expenses:	-161,250	-124,348	-36,902	-
Operating income	-3,353	-1,142	-2,211	-
Consolidated:				
Net sales:				
External customers	502,346	468,404	33,942	7.2
Intersegment	-	-	-	-
Total	502,346	468,404	33,942	7.2
Operating expenses	469,830	439,781	30,049	6.8
Operating income	32,516	28,623	3,893	13.6
<i>Operating income on consolidated net sales(%)</i>	6.5	6.1		

Note:

* As a result of the sale of a business, the operating results from the discontinued operation have been reclassified in accordance with Statement of Financial Accounting Standards ("SFAS") No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets".

Identifiable assets:

(Millions of yen)

	September 30, 2006	September 30, 2005	Change	%
Japan	1,257,839	1,186,255	71,584	6.0
The Americas	249,432	235,714	13,718	5.8
Europe	262,571	226,006	36,565	16.2
Other	93,698	73,123	20,575	28.1
Elimination	-179,148	-145,994	-33,154	-
Corporate assets	413,371	373,483	39,888	10.7
Total	2,097,763	1,948,587	149,176	7.7

(Half year ended September 30, 2006 and 2005 and Year ended March 31, 2006)

(Millions of yen)

	Half year ended September 30, 2006	Half year ended September 30, 2005	Change	%	Year ended March 31, 2006
Japan:					
Net sales:					
External customers	504,429	492,467	11,962	2.4	992,945
Intersegment	246,032	204,313	41,719	20.4	413,087
Total	750,461	696,780	53,681	7.7	1,406,032
Operating expenses	698,853	651,425	47,428	7.3	1,310,233
Operating income	51,608	45,355	6,253	13.8	95,799
<i>Operating income on sales in Japan(%)</i>	6.9	6.5			6.8
The Americas:					
Net sales:					
External customers	203,560	182,319	21,241	11.7	385,746
Intersegment	1,731	1,753	-22	-1.3	7,630
Total	205,291	184,072	21,219	11.5	393,376
Operating expenses	196,341	177,607	18,734	10.5	378,108
Operating income	8,950	6,465	2,485	38.4	15,268
<i>Operating income on sales in the Americas(%)</i>	4.4	3.5			3.9
Europe:					
Net sales:					
External customers	226,823	199,569	27,254	13.7	434,304
Intersegment	1,740	2,446	-706	-28.9	4,449
Total	228,563	202,015	26,548	13.1	438,753
Operating expenses	218,977	192,048	26,929	14.0	417,341
Operating income	9,586	9,967	-381	-3.8	21,412
<i>Operating income on sales in Europe(%)</i>	4.2	4.9			4.9
Other:					
Net sales:					
External customers	52,110	45,514	6,596	14.5	96,243
Intersegment	72,402	48,019	24,383	50.8	104,045
Total	124,512	93,533	30,979	33.1	200,288
Operating expenses	115,687	86,934	28,753	33.1	185,283
Operating income	8,825	6,599	2,226	33.7	15,005
<i>Operating income on sales in Other(%)</i>	7.1	7.1			7.5
Corporate and Eliminations:					
Net sales:					
Intersegment	-321,905	-256,531	-65,374	-	-529,211
Total	-321,905	-256,531	-65,374	-	-529,211
Operating expenses:	-316,099	-253,157	-62,942	-	-530,311
Operating income	-5,806	-3,374	-2,432	-	1,100
Consolidated:					
Net sales:					
External customers	986,922	919,869	67,053	7.3	1,909,238
Intersegment	-	-	-	-	-
Total	986,922	919,869	67,053	7.3	1,909,238
Operating expenses	913,759	854,857	58,902	6.9	1,760,654
Operating income	73,163	65,012	8,151	12.5	148,584
<i>Operating income on consolidated net sales(%)</i>	7.4	7.1			7.8

Note:

* As a result of the sale of a business, the operating results from the discontinued operation have been reclassified in accordance with Statement of Financial Accounting Standards ("SFAS") No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets".

Identifiable assets:

(Millions of yen)

	September 30, 2006	September 30, 2005	Change	%	March 31, 2006
Japan	1,257,839	1,186,255	71,584	6.0	1,220,780
The Americas	249,432	235,714	13,718	5.8	240,726
Europe	262,571	226,006	36,565	16.2	235,897
Other	93,698	73,123	20,575	28.1	79,102
Elimination	-179,148	-145,994	-33,154	-	-152,438
Corporate assets	413,371	373,483	39,888	10.7	417,116
Total	2,097,763	1,948,587	149,176	7.7	2,041,183

7. Significant Accounting Policies (Consolidated)

1. Change relating to the scale of consolidation and the application of the equity method from April 1, 2006 to September 30, 2006.

Consolidated subsidiaries:

- 1 Addition
- 8 Removals

Companies accounted for by the equity method:

- 4 Removals

2. Consolidated Accounting Policies (Summary)

(1) Principles of Consolidation

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

(2) Securities

In conformity with SFAS No.115, securities are mainly classified as available-for-sale securities. Available-for-sale securities are reported at fair value with unrealized gains and losses, net of related taxes, excluded from earnings and reported in accumulated other comprehensive income (loss).

The cost of the securities sold is computed based on the average cost of each security held at the time of sale.

(3) Inventories

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

(4) Plant and Equipment

Depreciation of plant and equipment is computed principally by using the declining-balance method over the estimated useful lives. Most of the foreign subsidiaries have adopted the straight-line method for computing depreciation. Certain leased buildings, machinery and equipment are accounted for as capital leases in conformity with SFAS No.13, "Accounting for Leases."

(5) Goodwill and Other Intangible Assets

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

(6) Pension and Retirement Allowances Plans

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

(7) Use of Estimates

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

8. Notes to Consolidated Financial Statements

(1) Fair Value of Marketable Securities

The securities and the respective cost, gross unrealized holding gains, gross unrealized holding losses and fair value as of September 30, 2006 and March 31, 2006 are as follows:

(Millions of yen)				
September 30, 2006				
	Cost	Gross unrealized holding gains	Gross unrealized holding losses	Fair value
Current:				
Corporate debt securities	170	-	-	170
Other	1	-	-	1
	171	-	-	171
Noncurrent:				
Equity securities	8,563	10,891	53	19,401
Corporate debt securities	6,000	1	-	6,001
Other	299	-	-	299
Nonmarketable securities (at cost)	6,406	-	-	6,406
	21,268	10,892	53	32,107

(Millions of yen)				
March 31, 2006				
	Cost	Gross unrealized holding gains	Gross unrealized holding losses	Fair value
Current:				
Corporate debt securities	161	-	-	161
Other	1	-	-	1
	162	-	-	162
Noncurrent:				
Equity securities	8,034	15,716	37	23,713
Corporate debt securities	6,000	50	-	6,050
Other	171	-	-	171
Nonmarketable securities (at cost)	6,485	-	-	6,485
	20,690	15,766	37	36,419

(2) Derivatives

The Company and certain of its subsidiaries enter into various financial instrument contracts in the normal course of business and in connection with the management of their assets and liabilities. The outstanding agreements, carrying amount and estimated fair value of derivative financial instruments as of September 30, 2006 and March 31, 2006 are as follows:

(Millions of yen)		
September 30, 2006		
	Carrying amount	Estimated Fair value
Interest rate swap agreements, net	1,023	1,023
Foreign currency contracts-net credit	-616	-616
Currency options-net credit	-777	-777
Total	-370	-370

(Millions of yen)		
March 31, 2006		
	Carrying amount	Estimated Fair value
Interest rate swap agreements, net	1,175	1,175
Foreign currency contracts-net credit	-1,147	-1,147
Currency options	-270	-270
Total	-242	-242

(3) Transactions of Ricoh with affiliates

(Millions of yen)		
	September 30, 2006	March 31, 2006
Account balances:		
Receivables	2,955	3,493
Payables	2,490	2,706
(Millions of yen)		
	Half year ended September 30, 2006	Year ended March 31, 2006
Transactions:		
Sales	8,292	20,205
Purchases	14,697	25,617
Dividend income	829	1,175

Ricoh Company, Ltd.

INTERIM REPORT (Non-consolidated. Half year ended September 30, 2006)

*Date of approval for the financial results for the half year ended September 30, 2006

at the Board of Directors' meeting: October 27, 2006

*Start of cash dividends payment: December 1, 2006

1. Results for the Period from April 1 to September 30, 2006 (Non-consolidated)

(1) Operating Results

	(Millions of yen)		
	Half year ended September 30, 2006	Half year ended September 30, 2005	Year ended March 31, 2006
Net sales	503,692	445,904	934,354
<i>(% change from the previous corresponding period)</i>	<i>13.0</i>	<i>2.3</i>	<i>4.1</i>
Operating income	41,062	27,564	69,712
<i>(% change from the previous corresponding period)</i>	<i>49.0</i>	<i>15.2</i>	<i>22.6</i>
Ordinary income	50,185	36,212	82,441
<i>(% change from the previous corresponding period)</i>	<i>38.6</i>	<i>31.6</i>	<i>31.4</i>
Interim (net) income	35,224	24,400	55,087
<i>(% change from the previous corresponding period)</i>	<i>44.4</i>	<i>30.4</i>	<i>31.2</i>
Net income per share (yen)	48.24	33.21	74.81

Notes: i Average number of shares outstanding:

Half year ended September 30, 2006	730,261,526 shares
Half year ended September 30, 2005	734,844,384 shares
Year ended March 31, 2006	734,542,253 shares

ii No change in accounting method has been made.

(2) Financial Position

	(Millions of yen)		
	September 30, 2006	September 30, 2005	March 31, 2006
Total assets	996,206	927,453	982,551
Net assets	717,944	682,038	694,752
Equity ratio (%)	72.1	73.5	70.7
Net assets per share (yen)	983.24	926.84	951.10

Notes: i Number of shares issued:

Half year ended September 30, 2006	730,179,052 shares
Half year ended September 30, 2005	735,872,625 shares
Year ended March 31, 2006	730,332,556 shares

ii Number of Treasury stocks:

Half year ended September 30, 2006	14,733,026 shares
Half year ended September 30, 2005	9,039,453 shares
Year ended March 31, 2006	14,579,522 shares

2. Forecast of operating results from April 1, 2006 to March 31, 2007 (Non-consolidated)

	(Millions of yen)
Net sales	1,028,500
Ordinary income	106,200
Net income	71,900

Note: Net income per share ¥98.47

3. Dividend

Cash dividend

	Cash divided per share / Yen		
	Interim	Year-end	Annual
Fiscal 2005 actual	12.00	12.00	24.00
Interim 2006 actual	13.00	-	-
Fiscal 2006 plan	-	15.00	28.00

In accordance with Japanese regulations, Ricoh has issued forecast for its financial results for the fiscal year ending March 2007. These forecast are forward-looking statements based on a number of assumptions and beliefs in light of the information currently available to management and subject to significant risks and uncertainties.

9. Non-consolidated Performance

(1) Statements of Income (Non-consolidated)

(For the half years ended September 30, 2006, 2005 and year ended March 31, 2006)

(Millions of yen)

	Half year ended September 30, 2006	Half year ended September 30, 2005	Change	%	Year ended March 31, 2006
Net sales	503,692	445,904	57,788	13.0	934,354
Cost of sales	345,458	310,687	34,771	11.2	645,496
<i>Percentage of net sales (%)</i>	<i>68.6</i>	<i>69.7</i>			<i>69.1</i>
Gross profit	158,234	135,216	23,018	17.0	288,857
<i>Percentage of net sales (%)</i>	<i>31.4</i>	<i>30.3</i>			<i>30.9</i>
Selling, general and administrative expenses	117,171	107,652	9,519	8.8	219,144
<i>Percentage of net sales (%)</i>	<i>23.3</i>	<i>24.1</i>			<i>23.5</i>
Operating income	41,062	27,564	13,498	49.0	69,712
<i>Percentage of net sales (%)</i>	<i>8.2</i>	<i>6.2</i>			<i>7.5</i>
Non-operating income	11,635	10,075	1,560	15.5	15,728
<i>Percentage of net sales (%)</i>	<i>2.3</i>	<i>2.3</i>			<i>1.7</i>
Non-operating expenses	2,513	1,427	1,086	76.0	3,000
<i>Percentage of net sales (%)</i>	<i>0.5</i>	<i>0.3</i>			<i>0.3</i>
Ordinary income	50,185	36,212	13,973	38.6	82,441
<i>Percentage of net sales (%)</i>	<i>10.0</i>	<i>8.1</i>			<i>8.8</i>
Extraordinary income	3,693	-	3,693	-	1,662
<i>Percentage of net sales (%)</i>	<i>0.7</i>	<i>-</i>			<i>0.2</i>
Income before income taxes	53,879	36,212	17,667	48.8	84,103
<i>Percentage of net sales (%)</i>	<i>10.7</i>	<i>8.1</i>			<i>9.0</i>
Provision for income taxes	18,400	11,700	6,700	57.3	27,400
<i>Percentage of net sales (%)</i>	<i>3.7</i>	<i>2.6</i>			<i>2.9</i>
Corporate and other tax adjustments	255	112	143	127.7	1,616
<i>Percentage of net sales (%)</i>	<i>0.1</i>	<i>0.0</i>			<i>0.2</i>
Interim (net) income	35,224	24,400	10,824	44.4	55,087
<i>Percentage of net sales (%)</i>	<i>7.0</i>	<i>5.5</i>			<i>5.9</i>
Retained earnings at beginning of year	-	9,404	-9,404		9,404
Reversal of reserve for social contribution	-	28	-28		83
Loss on disposal of Treasury stock	-	5	-5		4
Interim dividends	-	-	-		8,830
Retained earnings at end of half year (year)	-	33,828	-33,828		55,740

Reference:

Exchange rate

	Half year ended September 30, '06	Half year ended September 30, '05	Year ended March 31, '06
US\$ 1	¥115.36	¥109.42	¥112.95
EURO 1	¥145.98	¥135.82	¥138.02

Notes:

(Millions of yen)

	Half year ended September 30, '06	Half year ended September 30, '05	Year ended March 31, '06
1. Material components of Non-operating income:			
Interest income:	2,265	1,390	2,991
Dividend income	6,668	3,549	4,940
Foreign currency exchange gain	-	2,098	2,874
2. Material components of Non-operating expenses:			
Interest on bonds	321	379	699
Foreign currency exchange loss	791	-	-
Loss on disposal of fixed assets	639	958	1,934
3. Material components of Extraordinary income:			
Reversal of allowance for doubtful accounts	3,693	-	-
Gain on sale of fixed assets	-	-	1,662
4. Depreciation:			
Tangible fixed assets	10,363	9,067	21,497
Intangible fixed assets	3,858	3,429	7,119

(2) Balance Sheets (Non-consolidated)

(September 30, 2006 and March 31, 2006)

Assets	(Millions of yen)		
	September 30, 2006	March 31, 2006	Change
Current Assets	507,544	481,056	26,488
Cash on hand and in banks	7,177	8,689	-1,512
Notes receivable-trade	8,594	7,540	1,054
Accounts receivable-trade	228,766	235,393	-6,627
Marketable securities	70,057	50,985	19,072
Inventories	40,287	44,385	-4,097
Accounts receivable-other	13,372	14,510	-1,138
Short-term loans receivable	119,445	102,411	17,034
Other current assets	20,102	18,722	1,379
Allowance for doubtful accounts	-259	-1,582	1,323
Fixed Assets	488,661	501,494	-12,833
Tangible Fixed Assets	131,815	130,374	1,441
Buildings	49,992	48,532	1,460
Machinery and equipment	21,422	19,391	2,031
Land	29,261	29,261	0
Other fixed assets	31,138	33,189	-2,050
Intangible Fixed Assets	29,915	31,359	-1,444
Investments and Other Assets	326,930	339,761	-12,831
Investment securities	220,898	225,015	-4,117
Long-term loans receivable	66,748	80,814	-14,066
Other investments	39,661	36,894	2,767
Allowance for doubtful accounts	-377	-2,962	2,585
Total Assets	996,206	982,551	13,655
Reference:			
Exchange rate	September 30, 2006	March 31, 2006	
US\$ 1	¥117.90	¥117.47	
EURO 1	¥149.77	¥142.81	

Notes:

	(Millions of yen)	
	September 30, 2006	March 31, 2006
1. Accumulated depreciation on tangible fixed assets	354,150	347,019
2. Trade notes receivable discounted with banks	8	48
3. Guarantee obligations	96	117

(September 30, 2006 and March 31, 2006)

Liabilities	(Millions of yen)		
	September 30, 2006	March 31, 2006	Change
Current Liabilities	252,364	261,871	-9,507
Notes payable-trade	4,391	4,641	-250
Accounts payable-trade	128,623	133,036	-4,413
Bonds maturing within one year	35,000	35,000	-
Accrued expenses	12,474	17,112	-4,638
Accounts payable-other	34,928	33,153	1,775
Accrued corporate tax	16,926	21,308	-4,382
Accrued bonuses	12,780	11,872	908
Accrued directors' bonuses	68	-	68
Warranty reserve	430	418	12
Other current liabilities	6,740	5,329	1,411
Fixed Liabilities	25,897	25,927	-30
Bonds	25,000	25,000	-
Retirement benefit obligation	512	417	95
Reserve for directors' retirement allowances	385	510	-125
Total Liabilities	278,262	287,799	-9,537

Shareholders' Equity	(Millions of yen)		
	September 30, 2006	March 31, 2006	Change
Common Stock	-	135,364	-135,364
Additional paid-in-capital	-	180,804	-180,804
Legal capital reserve	-	180,804	-180,804
Other additional paid-in-capital	-	-	-
Retained earnings	-	399,153	-399,153
Legal reserve	-	14,955	-14,955
Voluntary reserves	-	328,457	-328,457
Unappropriated retained earnings	-	55,740	-55,740
Net unrealized holding gains on securities	-	8,769	-8,769
Treasury stock	-	-29,339	29,339
Total Shareholders' Equity	-	694,752	-694,752
Total Liabilities and Shareholders' Equity	-	982,551	-982,551

Net assets	(Millions of yen)		
	September 30, 2006	March 31, 2006	Change
Stockholders' equity	711,957	-	711,957
Common Stock	135,364	-	135,364
Additional paid-in-capital	180,805	-	180,805
Legal capital reserve	180,804	-	180,804
Other additional paid-in-capital	0	-	0
Retained earnings	425,477	-	425,477
Legal reserve	14,955	-	14,955
Other retained earnings	410,522	-	410,522
Reserve for deferral of capital gain on property	527	-	527
Reserve for special depreciation	1,615	-	1,615
Reserve for warranty on computer programs	139	-	139
Reserve for social contribution	162	-	162
General reserve	362,350	-	362,350
Retained earnings brought forward	45,728	-	45,728
Treasury stock	-29,690	-	-29,690
Difference of appreciation and conversion	5,986	-	5,986
Net unrealized holding gains on securities	5,986	-	5,986
Total Net assets	717,944	-	717,944
Total Liabilities and Net assets	996,206	-	996,206

Reference:

Exchange rate

	September 30, 2006	March 31, 2006
US\$ 1	¥117.90	¥117.47
EURO 1	¥149.77	¥142.81

(3) Statements of Changes in Stockholders' equity (Non-consolidated)

Results for the Period from April 1 to September 30, 2006

(Millions of yen)

	Stockholders' equity						Difference of appreciation and conversion	Total Net assets	
	Common stock	Additional paid-in-capital		Retained earnings		Treasury stock	Total stockholders' equity		Net unrealized holding gains on securities
		Legal capital reserve	Other additional paid-in-capital	Legal reserve	Other retained earnings (*)				
Balance of March 31,2006	135,364	180,804	0	14,955	384,198	-29,339	685,982	8,769	694,752
Changes in the term									
Dividends from surplus					-8,763		-8,763		-8,763
Bonus of directors					-135		-135		-135
Net income					35,224		35,224		35,224
Purchase of treasury stock						-355	-355		-355
Disposal of treasury stock			0			4	5		5
Net change of items other than stockholders' equity								-2,782	-2,782
Total changes in the term	0	0	0	0	26,324	-350	25,974	-2,782	23,191
Balance of September 30,2006	135,364	180,804	0	14,955	410,522	-29,690	711,957	5,986	717,944

(*) Other retained earnings

(Millions of yen)

	Reserve for deferral of capital gain on property	Reserve for special depreciation	Reserve for warranty on computer programs	Reserve for social contribution	General reserve	Retained earnings brought forward	Total Other additional paid-in-capital
Balance of March 31,2006	550	1,272	167	117	326,350	55,740	384,198
Changes in the term							
Dividends from surplus						-8,763	-8,763
Reversal of reserve for deferral of capital gain on property	-22					22	-
Transfer to reserve for special depreciation		736				-736	-
Reversal of reserve for special depreciation		-393				393	-
Reversal of reserve for warranty on computer programs			-28			28	-
Transfer to reserve for social contribution				83		-83	-
Reversal of reserve for social contribution				-38		38	-
Transfer to general reserve					36,000	-36,000	-
Bonus of directors						-135	-135
Net income						35,224	35,224
Total changes in the term	-22	343	-28	45	36,000	-10,012	26,324
Balance of September 30,2006	527	1,615	139	162	362,350	45,728	410,522

Treasury stock

Class of shares	Number of shares held at March 31, 2006	Increase	Decrease	Number of shares held at September 30, 2006
Common shares (shares)	14,579,522	155,797	2,293	14,733,026

Reason for the Changes

Increase: Purchase of odd lot shares of common stock 155,797 shares

Decrease: Release of treasury stock to allow shareholders with less than a full lot to complete their holdings 2,293 shares

Significant Accounting Policies (Non-consolidated)

1. Accounting policy for assets

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

(2) Securities

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

ii Other securities:

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

Non-marketable securities are stated at cost based on the moving average method.

(3) Derivatives are stated at market value.

2. Depreciation of fixed assets

(1) Tangible fixed assets

Tangible fixed assets are depreciated using the declining balance method.

For buildings (excluding fixtures) secured on and after April 1, 1998, however, Ricoh uses straight-line depreciation.

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

Buildings: from 5 years to 50 years

Machinery and equipment: from 2 years to 12 years

(2) Intangible fixed assets

Ricoh uses straight-line depreciation for intangible fixed assets.

With software for sale in the marketplace, however, the Company records the larger of a depreciation based on projected sales profits or a uniform depreciation based on a projected effective sales period for the balance. The initially projected effective sale term is three years. With software for internal use, the company uses straight-line depreciation on a usable period of five years.

3. Basis for provision of reserves

(1) Allowance for Doubtful Accounts

The allowance for doubtful accounts is provided to cover possible losses from bad debts and represents possible individual doubtful accounts based on historical default rates and the potential for irrecoverableness.

(2) Reserve for Accrued Bonuses

The reserve for accrued bonuses is provided by estimating the amount of bonuses payable to employees for the current financial year under our corporate rules for calculating such bonus payment.

(3) Reserve for Accrued Directors' Bonuses

The reserve for accrued bonuses is provided by estimating the amount of bonuses payable to Directors for the current half of financial year .

(4) Warranty reserve

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

(5) Reserve for Retirement Benefit Obligations

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

(6) Reserve for Directors' Retirement Allowances

At the half year-end, Ricoh calculates the amounts required under internal rules to pay directors retirement allowances.

4. Leasing

Finance leases for which ownership does not transfer to lessees are accounted for as operating leases.

5. Hedge accounting

(1) Hedge Accounting Methods

Ricoh accounts for hedges at market value. With currency swaps, however, the Company hedges by assigning transactions that meet assignment requirements.

(2) Hedging Instruments and Targets

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

(3) Hedging policies

In keeping with its internal Market Risk Management Rules, Ricoh uses derivatives to manage the exposure of its assets and liabilities to market fluctuations.

(4) Hedge Effectiveness

Ricoh assesses the effectiveness of hedges by analyzing the ratios of the total market fluctuations of hedged targets and instruments.

6. Consumption taxes

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

Revision on Accounting Settlement

(Accounting Standard for Directors' Bonuses)

Effective April 1, 2006, Ricoh adopted ASBJ statement No.4 "Accounting Standard for Directors' Bonuses" issued by the Accounting Standards Board of Japan on November 29, 2005. The effect of change was to decrease operating income, ordinary profit and interim net income before income taxes by ¥68 million, respectively, for the half year ended September 30, 2006 compared with what would have been recorded under the previous method.

(Statement of Changes in Net Assets)

Effective April 1, 2006, Ricoh adopted ASBJ Statement No.5 "Accounting Standards for Presentation of Net Assets in Balance Sheet" and its Implementation Guidance - ASBJ Guidance No.8, "Guidance on Accounting Standards for Presentation of Net Assets in Balance Sheet" issued by the Accounting Standards Board of Japan on December 9, 2005.

Amount corresponding to conventional "Total Shareholders' Equity" in the balance sheet is ¥717,944 million.

"Net Assets" in the balance sheet for the interim accounting period is presented according to the revision of "Regulations Concerning the Terminology, Forms and Preparation Methods of Interim Financial Statement".

Additional Information

(Lease Transaction)

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

(Securities)

Fair values of subsidiaries and affiliates

1. Year ended March 31, 2006

(Millions of yen)

	Balance Sheets	Fair value	Difference
Securities of consolidated companies	7,229	67,244	60,015
Securities of affiliated companies	6,935	57,577	50,641
Total	14,165	124,821	110,656

2. Half year ended September 30, 2005

(Millions of yen)

	Balance Sheets	Fair value	Difference
Securities of consolidated companies	7,229	60,900	53,671
Securities of affiliated companies	6,935	55,672	48,736
Total	14,165	116,572	102,407

3. Half year ended September 30, 2006

(Millions of yen)

	Balance Sheets	Fair value	Difference
Securities of consolidated companies	7,229	58,630	51,400
Securities of affiliated companies	6,935	53,075	46,139
Total	14,165	111,705	97,540

-APPENDIX- (Half year ended September 30, 2006)

1. Consolidated Sales by Product Category

(Three months ended September 30, 2006 and 2005)

(Millions of yen)

	Three months ended September 30, 2006	Three months ended September 30, 2005	Change	%	Change excluding exchange impact	%
<Office Solutions>						
Imaging Solutions	370,871	343,643	27,228	7.9	12,810	3.7
<i>Percentage of net sales (%)</i>	73.8	73.4				
Domestic	142,871	139,619	3,252	2.3	3,252	2.3
Overseas	228,000	204,024	23,976	11.8	9,558	4.7
Network System Solutions	55,417	54,565	852	1.6	602	1.1
<i>Percentage of net sales (%)</i>	11.1	11.6				
Domestic	52,405	52,385	20	0.0	20	0.0
Overseas	3,012	2,180	832	38.2	582	26.7
Office Solutions Total	426,288	398,208	28,080	7.1	13,412	3.4
<i>Percentage of net sales (%)</i>	84.9	85.0				
Domestic	195,276	192,004	3,272	1.7	3,272	1.7
Overseas	231,012	206,204	24,808	12.0	10,140	4.9
The Americas	97,889	91,407	6,482	7.1	2,212	2.4
Europe	106,863	92,393	14,470	15.7	5,540	6.0
Other	26,260	22,404	3,856	17.2	2,388	10.7
<Industrial Products>						
Industrial Products	33,547	32,381	1,166	3.6	559	1.7
<i>Percentage of net sales (%)</i>	6.7	6.9				
Domestic	19,667	20,220	-553	-2.7	-553	-2.7
Overseas	13,880	12,161	1,719	14.1	1,112	9.1
The Americas	4,752	5,082	-330	-6.5	-512	-10.1
Europe	4,681	3,528	1,153	32.7	805	22.8
Other	4,447	3,551	896	25.2	819	23.1
<Other>						
Other	42,511	37,815	4,696	12.4	4,438	11.7
<i>Percentage of net sales (%)</i>	8.4	8.1				
Domestic	37,117	33,068	4,049	12.2	4,049	12.2
Overseas	5,394	4,747	647	13.6	389	8.2
The Americas	308	270	38	14.0	24	8.8
Europe	1,450	999	451	45.1	331	33.1
Other	3,636	3,478	158	4.5	34	1.0
Grand Total	502,346	468,404	33,942	7.2	18,409	3.9
<i>Percentage of net sales (%)</i>	100.0	100.0				
Domestic	252,060	245,292	6,768	2.8	6,768	2.8
<i>Percentage of net sales (%)</i>	50.2	52.4				
Overseas	250,286	223,112	27,174	12.2	11,641	5.2
<i>Percentage of net sales (%)</i>	49.8	47.6				
The Americas	102,949	96,759	6,190	6.4	1,724	1.8
<i>Percentage of net sales (%)</i>	20.5	20.7				
Europe	112,994	96,920	16,074	16.6	6,676	6.9
<i>Percentage of net sales (%)</i>	22.5	20.7				
Other	34,343	29,433	4,910	16.7	3,241	11.0
<i>Percentage of net sales (%)</i>	6.8	6.2				
Reference: Exchange rate						
US\$ 1	¥116.26	¥111.22	¥5.04			
EURO 1	¥148.16	¥135.79	¥12.37			

Notes:

* As a result of the sale of a business, the operating results and cash flows from the discontinued operation have been reclassified in accordance with Statement of Financial Accounting Standards ("SFAS") No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets".

* Each category includes the following product line:

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

(Half year ended September 30, 2006 and 2005 and Year ended March 31, 2006) (Millions of yen)

	Half year ended September 30, 2006	Half year ended September 30, 2005	Change	%	Change excluding exchange impact	%	Year ended March 31, 2006
<Office Solutions>							
Imaging Solutions	743,626	693,130	50,496	7.3	23,131	3.3	1,446,635
<i>Percentage of net sales (%)</i>	75.3	75.4					75.8
Domestic	294,392	289,241	5,151	1.8	5,151	1.8	585,363
Overseas	449,234	403,889	45,345	11.2	17,980	4.5	861,272
Network System Solutions	94,464	93,151	1,313	1.4	942	1.0	190,593
<i>Percentage of net sales (%)</i>	9.6	10.1					10.0
Domestic	89,647	88,984	663	0.7	663	0.7	181,149
Overseas	4,817	4,167	650	15.6	279	6.7	9,444
Office Solutions Total	838,090	786,281	51,809	6.6	24,073	3.1	1,637,228
<i>Percentage of net sales (%)</i>	84.9	85.5					85.8
Domestic	384,039	378,225	5,814	1.5	5,814	1.5	766,512
Overseas	454,051	408,056	45,995	11.3	18,259	4.5	870,716
The Americas	190,930	174,373	16,557	9.5	6,661	3.8	368,184
Europe	214,173	191,064	23,109	12.1	8,057	4.2	412,550
Other	48,948	42,619	6,329	14.9	3,541	8.3	89,982
<Industrial Products>							
Industrial Products	68,256	58,459	9,797	16.8	8,410	14.4	120,636
<i>Percentage of net sales (%)</i>	6.9	6.4					6.3
Domestic	38,497	36,078	2,419	6.7	2,419	6.7	72,379
Overseas	29,759	22,381	7,378	33.0	5,991	26.8	48,257
The Americas	12,091	8,221	3,870	47.1	3,244	39.5	17,391
Europe	9,381	7,473	1,908	25.5	1,323	17.7	16,049
Other	8,287	6,687	1,600	23.9	1,424	21.3	14,817
<Other>							
Other	80,576	75,129	5,447	7.3	4,938	6.6	151,374
<i>Percentage of net sales (%)</i>	8.2	8.1					7.9
Domestic	69,955	63,463	6,492	10.2	6,492	10.2	127,333
Overseas	10,621	11,666	-1,045	-9.0	-1,554	-13.3	24,041
The Americas	563	1,321	-758	-57.4	-786	-59.5	1,837
Europe	2,950	2,862	88	3.1	-116	-4.1	6,201
Other	7,108	7,483	-375	-5.0	-652	-8.7	16,003
Grand Total	986,922	919,869	67,053	7.3	37,421	4.1	1,909,238
<i>Percentage of net sales (%)</i>	100.0	100.0					100.0
Domestic	492,491	477,766	14,725	3.1	14,725	3.1	966,224
<i>Percentage of net sales (%)</i>	49.9	51.9					50.6
Overseas	494,431	442,103	52,328	11.8	22,696	5.1	943,014
<i>Percentage of net sales (%)</i>	50.1	48.1					49.4
The Americas	203,584	183,915	19,669	10.7	9,119	5.0	387,412
<i>Percentage of net sales (%)</i>	20.6	20.0					20.3
Europe	226,504	201,399	25,105	12.5	9,264	4.6	434,800
<i>Percentage of net sales (%)</i>	23.0	21.9					22.8
Other	64,343	56,789	7,554	13.3	4,313	7.6	120,802
<i>Percentage of net sales (%)</i>	6.5	6.2					6.3
Reference: Exchange rate							
US\$ 1	¥115.40	¥109.42	¥5.98				¥113.26
EURO 1	¥145.98	¥135.67	¥10.31				¥137.86

Notes:

* As a result of the sale of a business, the operating results and cash flows from the discontinued operation have been reclassified in accordance with Statement of Financial Accounting Standards ("SFAS") No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets".

* Each category includes the following product line:

Imaging Solutions	Digital PPCs, color PPCs, digital duplicators, facsimile machines, analog PPCs, diazo copiers, scanners, MFPS(multifunctional printers), laser printers and software
Network System Solutions	Personal computers, PC servers, network systems and network related software
Industrial Products	Thermal media, optical equipments, semiconductors, electronic component and measuring equipments
Others	Optical discs and digital camera

2. Forecast of Consolidated Performance

(Billions of yen)

	Half year ended		Three months ending		Half year ending		Year ending	
	Sept. 30, 2006	Change	Dec. 31, 2006	Change	Mar. 31, 2007	Change	Mar. 31, 2007	Change
	Results	%	Forecast	%	Forecast	%	Forecast	%
Net sales	986.9	7.3	514.0	8.3	1,080.0	9.2	2,067.0	8.3
Gross profit	407.9	5.8	215.0	7.4	446.5	9.1	854.5	7.5
Operating income	73.1	12.5	40.0	9.9	96.8	15.9	170.0	14.4
Income from continuing operations								
before income taxes	74.2	10.0	38.5	1.3	93.7	9.9	168.0	10.0
Net income	52.0	21.4	23.1	0.4	54.4	0.5	106.5	9.7
Net income per share (yen)	71.35	-	31.66	-	74.62	-	145.97	-
Capital expenditures	39.1	-	20.0	-	45.8	-	85.0	-
Depreciation for tangible fixed assets	33.7	-	18.5	-	38.2	-	72.0	-
R&D expenditures	56.5	-	30.0	-	63.4	-	120.0	-
Exchange rate (Yen/US\$)	115.40	-	115.00	-	115.00	-	115.20	-
Exchange rate (Yen/EURO)	145.98	-	140.00	-	140.00	-	142.99	-

3. Forecast of Consolidated Sales by Product Category

(Billions of yen)

	Half year ending March 31, 2007				Year ending March 31, 2007			
	Forecast	Change	Forecast(*)	Change	Forecast	Change	Forecast(*)	Change
		%		%		%		%
<Office Solutions>								
Imaging Solutions	839.7	11.4	844.1	12.0	1,583.4	9.5	1,560.4	7.9
Domestic	312.6	5.6	312.6	5.6	607.0	3.7	607.0	3.7
Overseas	527.1	15.3	531.5	16.2	976.4	13.4	953.4	10.7
Network System Solutions	101.1	3.8	101.1	3.8	195.5	2.6	195.1	2.4
Domestic	95.3	3.4	95.3	3.4	184.9	2.1	184.9	2.1
Overseas	5.8	9.9	5.8	9.9	10.6	12.4	10.2	8.5
Office Solutions Total	940.8	10.6	945.2	11.1	1,778.9	8.7	1,755.6	7.2
Domestic	407.9	5.1	407.9	5.1	791.9	3.3	791.9	3.3
Overseas	532.9	15.2	537.3	16.1	987.0	13.4	963.6	10.7
The Americas	222.2	14.6	226.5	16.9	413.1	12.2	407.5	10.7
Europe	257.1	16.1	257.2	16.1	471.2	14.2	456.3	10.6
Other	53.6	13.3	53.6	13.3	102.6	14.0	99.8	10.9
<Industrial Products>								
Industrial Products	63.6	2.3	63.8	2.6	131.8	9.3	130.6	8.3
Domestic	39.2	8.0	39.2	8.0	77.6	7.3	77.6	7.3
Overseas	24.4	-5.7	24.6	-4.9	54.1	12.2	52.9	9.8
The Americas	6.8	-25.8	7.0	-23.7	18.8	8.6	18.4	6.2
Europe	8.3	-3.2	8.3	-3.2	17.6	10.2	17.0	6.5
Other	9.3	14.4	9.3	14.4	17.5	18.7	17.4	17.5
<Other>								
Other	75.6	-0.8	75.5	-1.0	156.1	3.2	155.5	2.8
Domestic	65.4	2.4	65.4	2.4	135.3	6.3	135.3	6.3
Overseas	10.2	-17.6	10.1	-18.4	20.8	-13.4	20.2	-15.9
The Americas	0.5	-3.1	0.5	-3.1	1.0	-42.1	1.0	-43.7
Europe	2.6	-22.1	2.6	-22.1	5.5	-10.5	5.3	-13.8
Other	7.1	-16.7	7.0	-17.8	14.2	-11.2	13.8	-13.6
Grand Total	1,080.0	9.2	1,084.5	9.6	2,067.0	8.3	2,041.8	6.9
Domestic	512.5	4.9	512.5	4.9	1,005.0	4.0	1,005.0	4.0
Overseas	567.5	13.3	572.0	14.2	1,062.0	12.6	1,036.8	10.0
The Americas	229.5	12.8	234.0	15.0	433.0	11.8	427.0	10.2
Europe	268.0	14.8	268.1	14.9	494.5	13.7	478.7	10.1
Other	70.0	9.5	69.9	9.3	134.4	11.3	131.0	8.5

* Excluding foreign exchange impact