

# INTERIM REPORT

Half year ended September 30, 2007

(Results for the Period from April 1, 2007 to September 30, 2007)

Three months ended September 30, 2007

(Results for the Period from July 1, 2007 to September 30, 2007)

## Performance Outline (Consolidated)

(1) Half year ended September 30, 2006, 2007 and Year ending March 31, 2008 (Forecast)

				(Billions of yen)	
	Half year ended September 30, 2006 (Results)	Half year ended September 30, 2007 (Results)	Change	Year ending March 31, 2008 (Forecast)	Change
Domestic sales	492.4	504.4	2.4%	1,040.0	3.8%
Overseas sales	494.4	583.9	18.1%	1,210.0	13.4%
Net sales	986.9	1,088.3	10.3%	2,250.0	8.8%
Gross profit	407.9	451.2	10.6%	940.0	9.0%
Operating income	73.1	84.5	15.6%	195.0	11.8%
Income from continuing operations before income taxes	74.2	85.0	14.5%	192.0	10.0%
Net income	52.0	53.1	2.1%	117.0	4.7%
Exchange rate (Yen/US\$)	115.40	119.37	3.97	117.19	0.17
Exchange rate (Yen/EURO)	145.98	162.36	16.38	158.68	8.60
Net income per share-basic (yen)	71.35	72.83	1.48	160.30	7.20
Net income per share-diluted (yen)	71.35	70.90	-0.45	156.04	4.15
Total assets	2,090.9	2,299.8	208.8	-	-
Shareholders' investment	1,001.9	1,114.5	112.6	-	-
Interest-bearing debt	393.7	420.4	26.7	-	-
Equity ratio (%)	47.9	48.5	0.6	-	-
Shareholders' investment per share (yen)	1,373.28	1,527.18	153.90	-	-
Cash flows from operating activities	51.6	78.8	27.2	-	-
Cash flows from investing activities	-39.2	-137.1	-97.8	-	-
Cash flows from financing activities	1.1	-7.2	-8.3	-	-
Cash and cash equivalents at end of period	203.8	190.1	-13.7	-	-
Capital expenditures	39.1	39.6	0.5	90.0	4.2
Depreciation for tangible fixed assets	33.7	35.6	1.9	76.0	3.5
R&D expenditures	56.5	61.5	5.0	128.0	13.0

(2) Three months ended September 30, 2006 and 2007

	(Billions of yen)		
	Three months ended September 30, 2006	Three months ended September 30, 2007	Change
Domestic sales	252.0	259.7	3.0%
Overseas sales	250.2	298.5	19.3%
Net sales	502.3	558.2	11.1%
Gross profit	205.3	222.4	8.3%
Operating income	32.5	37.9	16.7%
Income before income taxes	35.5	31.7	-10.6%
Net income	22.9	19.3	-15.8%
Exchange rate (Yen/US\$)	116.26	117.98	1.72
Exchange rate (Yen/EURO)	148.16	162.00	13.84
Net income per share-basic (yen)	31.43	26.45	-4.98
Net income per share-diluted (yen)	31.43	25.75	-5.68
Capital expenditures	23.2	22.5	-0.6
Depreciation for tangible fixed assets	17.7	18.8	1.0
R&D expenditures	31.1	34.3	3.1

## Ricoh Company, Ltd.

\* Ricoh bases the forecast estimates for March 31, 2008 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, 2007)

### 1. Results for the period from April 1, 2007 to September 30, 2007

	(Millions of yen)		
	Half year ended September 30, 2006	Half year ended September 30, 2007	Year ended March 31, 2007
Net sales	986,922	1,088,373	2,068,925
<i>(% change from the previous corresponding periods)</i>	<i>7.3</i>	<i>10.3</i>	<i>8.4</i>
Operating income	73,163	84,568	174,380
<i>(% change from the previous corresponding periods)</i>	<i>12.5</i>	<i>15.6</i>	<i>17.4</i>
Income from continuing operations before income taxes	74,268	85,042	174,519
<i>(% change from the previous corresponding periods)</i>	<i>10.0</i>	<i>14.5</i>	<i>14.2</i>
Net income	52,045	53,160	111,724
<i>(% change from the previous corresponding periods)</i>	<i>21.4</i>	<i>2.1</i>	<i>15.1</i>
Net income per share-basic (yen)	71.35	72.83	153.10
Net income per share-diluted (yen)	71.35	70.90	151.89

Notes:

Equity in income of affiliates: ¥955 million; ¥1,038 million(half year ended September 30, 2006); ¥1,539 million(year ended March 31, 2007)

	(Millions of yen)		
	September 30, 2006	September 30, 2007	March 31, 2007
Total assets	2,090,974	2,299,845	2,243,406
Shareholders' investment	1,001,948	1,114,571	1,070,913
Equity ratio (%)	47.9	48.5	47.7
Equity per share (yen)	1,373.28	1,527.18	1,467.03

	(Millions of yen)		
	Half year ended September 30, 2006	Half year ended September 30, 2007	Year ended March 31, 2007
Cash flows from operating activities	51,624	78,836	167,297
Cash flows from investing activities	-39,259	-137,124	-115,432
Cash flows from financing activities	1,101	-7,256	9,282
Cash and cash equivalents at end of period	203,876	190,136	255,737

### 2. Dividend information

	Year ended March 31, 2007	Year ending March 31, 2008
Cash dividends, applicable to the year (yen)	28.00	33.00
Half year (yen)	13.00	16.00
Year-end (yen)	15.00	17.00

<b>3. Forecast of operating results from April 1, 2007 to March 31, 2008</b>		(Millions of yen)
Net sales		2,250,000
Operating income		195,000
Income before income taxes		192,000
Net income		117,000
Net income per share-basic (yen)		160.30

\* In accordance with Japanese regulations, Ricoh has issued forecast for its financial results for the fiscal year ending March 31, 2008. 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.

#### 4. Others

- (1) Change in significant subsidiaries has been made  
1 Removal (Lanier Worldwide, Inc.)
- (2) Change in accounting method has been made
- (3) Number of common stock outstanding (including treasury stock)  
As of September 30, 2007 744,912,078 shares As of September 30, 2006 744,912,078 shares  
As of March 31, 2007 744,912,078 shares
- (4) Number of treasury stock:  
As of September 30, 2007 15,091,026 shares As of September 30, 2006 15,309,383 shares  
As of March 31, 2007 14,924,405 shares

#### (Reference) Non-consolidated information

##### 1. Results for the period from April 1, 2007 to September 30, 2007

(1) Operating Results	(Millions of yen)		
	Half year ended September 30, 2006	Half year ended September 30, 2007	Year ended March 31, 2007
Net sales	503,692	516,033	1,033,302
<i>(% change from the previous corresponding periods)</i>	<i>13.0</i>	<i>2.5</i>	<i>10.6</i>
Operating income	41,062	35,348	86,974
<i>(% change from the previous corresponding periods)</i>	<i>49.0</i>	<i>-13.9</i>	<i>24.8</i>
Ordinary income	50,185	42,269	105,231
<i>(% change from the previous corresponding periods)</i>	<i>38.6</i>	<i>-15.8</i>	<i>27.6</i>
Net income	35,224	27,894	71,908
<i>(% change from the previous corresponding periods)</i>	<i>44.4</i>	<i>-20.8</i>	<i>30.5</i>
Net income per share-basic (yen)	48.24	38.22	98.48
Net income per share-diluted (yen)	-	37.19	97.69

(2) Financial Position	(Millions of yen)		
	September 30, 2006	September 30, 2007	March 31, 2007
Total assets	996,206	1,055,142	1,076,290
Net assets	717,944	759,879	744,815
Equity ratio (%)	72.1	72.0	69.2
Net assets per share (yen)	983.24	1,041.16	1,020.29

##### 2. Forecast of operating results from April 1, 2007 to March 31, 2008

	(Millions of yen)
Net sales	1,076,000
Operating income	92,000
Ordinary income	106,000
Net income	70,000
Net income per share-basic (yen)	95.91

\* In accordance with Japanese regulations, Ricoh has issued forecast for its financial results for the fiscal year ending March 31, 2008. 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.

## 1. Performance

### (1) Operating results

\*Overview

Ricoh Group's consolidated net sales for the first half of fiscal year 2008 (April 1, 2007 to March 31, 2008) increased by 10.3% as compared to the previous corresponding period, to ¥1,088.3 billion. During this period, the average yen exchange rates were ¥119.37 against the U.S. dollar (down ¥3.97) and ¥162.36 against the euro (down ¥16.38). Sales would have increased by 6.0% if not for the effects of foreign currency exchange fluctuations.

Sales in all the segments such as the Office Solutions, Industrial Products and Other increased. As for the Office Solutions, sales of its digital plain paper copiers (PPCs), multifunctional printers (MFPs) and laser printers, mainly for color products, continuously increased and Information Technology services also increased its sales resulting from the expansion of solutions business. As for Industrial Products, sales of its thermal media, semiconductor and electronic component products increased. As for Other, financing services and digital camera increased its sales.

As a result, domestic sales increased by 2.4% from the previous corresponding period, to ¥504.4 billion. Overseas sales also increased by 18.1% from the previous corresponding period, to ¥583.9 billion.

Gross profit increased by 10.6% from the previous corresponding period, to ¥451.2 billion. This increase was primarily due to the increased sales of value-added high-margin products such as color MFPs in addition to ongoing cost management controls. Foreign currency fluctuations also served as a factor behind the profit increase.

Selling, general and administrative expenses increased by 9.5% from the previous corresponding period, to ¥366.6 billion. R&D expenses remain high level due to its focus on developing new products. Additionally due to our accelerated efforts in implementing measures for enhancing our capabilities to provide solutions and expanding business spheres, expenses increased. Ricoh did start to see the positive effect of its structural reform initiatives such as enhancing the efficiency of the core operations. Consequently, the percentage of general and administrative expenses against total sales decreased by 0.2 percentage points from the previous corresponding period, to 33.7%. R&D expenses increased by ¥5.0 billion from the previous corresponding period, to ¥61.5 billion (5.7% of total sales).

As a result, operating income increased by 15.6% from the previous corresponding period, to ¥84.5 billion.

In the other (income) expense, the decrease in other income was due to an income from the sales of marketable securities as compared to the previous corresponding period. As a result, income from continuing operations before income taxes increased by 14.5% from the previous corresponding period, to ¥85.0 billion.

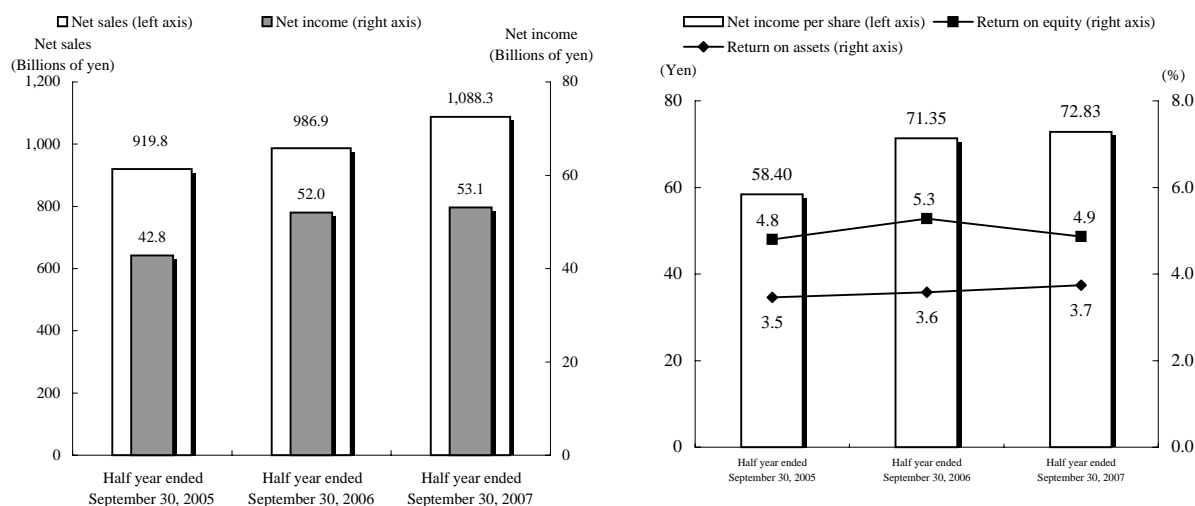
The effective tax rate was 35.1%.

As a result, net income from continuing operations increased by 14.2% from the previous corresponding period, to ¥53.1 billion.

Net income increased by 2.1% from the previous corresponding period, to ¥53.1 billion while a gain from the sale of the discontinued operations was recognized in the previous corresponding period.

Ricoh Company, Ltd. decided to increase its interim dividend by ¥3.00 from the previous corresponding period, to ¥16.00 per share.

### Consolidated performance



\*Consolidated Sales by Product Line

**Office Solutions (Sales up 10.3% to ¥924.6 billion)**

Net sales in the Office Solutions segment which consists of image solutions and network system solutions increased by 10.3% from the previous corresponding period, to ¥924.6 billion despite stiff competition against other manufacturers regarding the color equipment and solution business.

The breakdown of sales for Imaging Solutions and Network System Solutions is as shown below.

The sales would have increased by 5.5% excluding the effects of foreign currency fluctuations.

**Imaging Solutions (Sales up 11.3% to ¥827.3 billion)**

Sales of PPCs, MFPs and printers, mainly color equipment, increased both in Japan and overseas due to its expanding product lines and enhanced solution sales structures. The new color MFP products launched as a standard new-generation color model played a large role in this sales increase. Overall sales increased by 11.3% from the previous corresponding period, to ¥827.3 billion.

The sales would have increased by 5.9% excluding the effects of foreign currency fluctuations.

**Network System Solutions (Sales up 2.9% to ¥97.2 billion)**

The increase in sales of IT services was due to the expansion of solution business. The sales of personal computers and PC servers increased slightly in the domestic market. As a result, sales in this category increased by 2.9% from the previous corresponding period, to ¥97.2 billion.

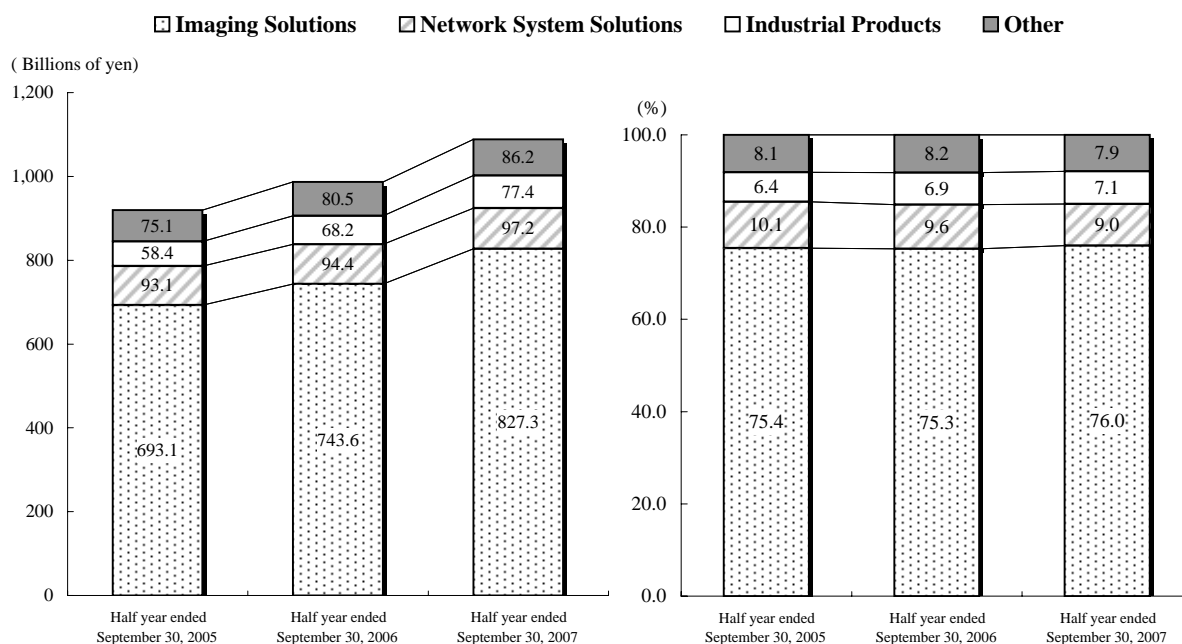
**Industrial Products (Sales up 13.5% to ¥77.4 billion)**

Net sales in the Industrial Products segment increased by 13.5% from the previous corresponding period, to ¥77.4 billion.

Sales in thermal media, semiconductors, electric components as well as measuring instruments increased.

**Other (Sales up 7.1% to ¥86.2 billion)**

Net sales in this category increased by 7.1% from the previous corresponding period, to ¥86.2 billion. Sales of digital cameras in both the Japanese and overseas markets increased in addition to good performance of the financing services in Japan.



\* Consolidated Sales by Geographic Area

Japan (Sales up 2.4% to ¥504.4 billion)

While the Japanese economy was on the upswing, consumer spending remained flat. In this market circumstances, Ricoh launched its new products and offered a wide range of solutions in an effort to cultivate a growing customers' needs for solutions and color products in the office solutions market. This effort resulted in a significant sales increase in color MFPs as compared to the previous corresponding period.

In the Industrial Products, sales in thermal media, electronic components and measuring instruments increased. Sales in the Other segment increased due to the favorable performance in financing business as well as digital cameras. Overall sales in Japan increased by 2.4% from the previous corresponding period.

The Americas (Sales up 6.0% to ¥215.7 billion)

In the U.S., a competition in our product market become more intensified while the weakened demand in housing market and concerns to the subprime loans arise.

Under such circumstances, the Office Solutions segment focused on strengthening sales structures and expanding product lines in order to provide the best solutions to meet the diverse range of customer needs for color, networking and high-speed products.

Sales of Office Solutions increased owing to color MFPs and printers as compared to the previous corresponding period.

As a result, sales in the Americas increased by 6.0% as compared to the previous period.

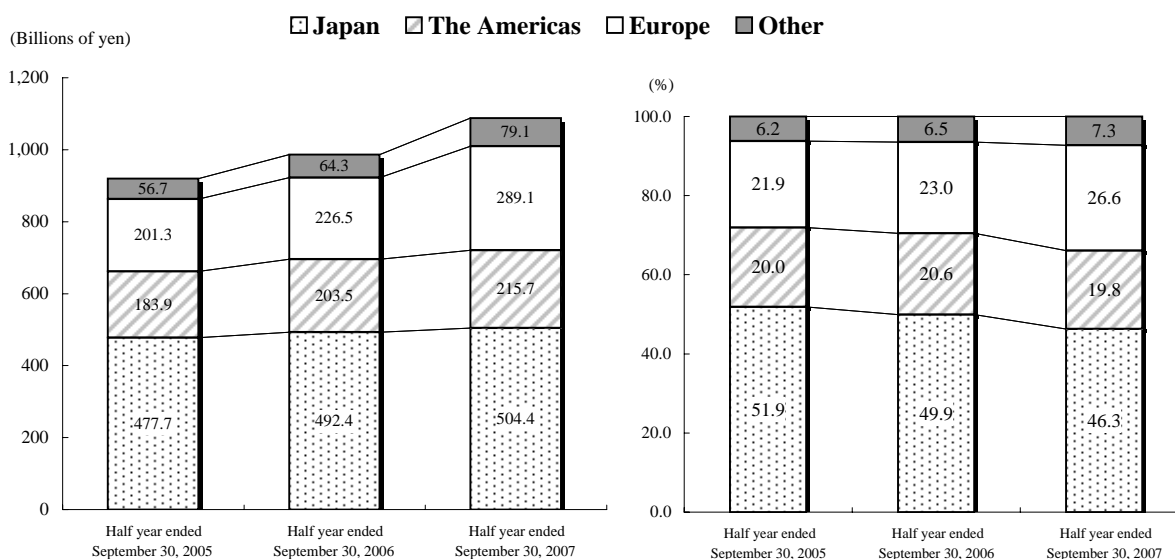
The increase in sales in this area would have increased by 2.5% excluding the effects of foreign currency fluctuations.

Europe (Sales up 27.6% to ¥289.1 billion)

As the European economy remaining on a steady footing, its Office Solutions segment proceeded with further strengthening sales structures and expanding product lines in order to provide the best solutions to meet a diverse range of customer needs through the acquisition of Infotec Europe B.V. As a result, sales of PPCs, MFPs and printers exceeded last year's level in both color and black/white product categories, bringing overall sales in Office Solutions segment up 26.8% over the previous corresponding period. Sales in the Industrial Products also increased due to the favorable performance of the thermal media and semiconductor businesses. These factors all resulted in a 27.6% increase in sales in Europe. The increase in sales in this area would have increased by 15.5% excluding the effects of foreign currency fluctuations.

Other (Sales up 23.0% to ¥79.1 billion)

Other including China, other Asian countries and Oceania generally experienced economic evolution, with the Chinese economic continuous rapid growth despite a slight slowdown in some areas. Against this backdrop, its Office Solutions segment achieved higher sales of PPCs, MFPs and printers, largely for color products, in comparison with the previous corresponding period due to the increasing demand for both color and monochrome products. As for the Industrial Products segment, the sales for thermal media, semiconductor and electronic component increased as compared to the previous corresponding period. These factors all resulted in a 23.0% increase in overall sales in this area. The sales increase in this area would have increased by 10.7% excluding the effects of foreign currency fluctuations.



\*Segment Information

Business Segment

Office Solutions

Ricoh expanded product lines in the office equipment market as well as in the production printing and low-end markets. Ricoh also strengthened sales structures for solutions business. This resulted in increased sales of PPCs, MFPs and printers, mainly for color products, both in Japan and overseas in addition to increased sales in service and support including IT services. Consequently, overall sales in this segment increased by 10.3% from the previous corresponding period, to ¥924.6 billion.

In terms of operating expenses, R&D expenses remain high level due to its focus on developing new products. Additionally due to its accelerated efforts in implementing measures for enhancing our capabilities to provide solutions and expanding business spheres, expenses increased. Ricoh has started to see the positive effect of its structural reform initiatives such as enhancing the efficiency of the core operations. As a result, operating income increased by 12.2% to ¥110.8 billion from the previous corresponding period.

Total assets increased from the previous corresponding period due to increases in its accounts receivables and inventory assets resulted from the sales increase as well as the investment to a joint venture company with IBM Corporation and the other business acquisitions.

Industrial Products

Sales in semiconductor, thermal media and electronic component remained steady.

As a result in the Industrial Products, the sales increased by 12.8% from the previous period, to ¥79.6 billion.

Operating income increased from the previous corresponding period due to an increase in its sales volume. Net assets increased from the previous period as a result of increased sales as well as construction of a new thermal media production facility in China.

Other

Sales in financing service and digital camera businesses increased. However, this increase in sales did not have a significant effect on the overall profit. While net sales in Other segment increased by 7.1%, operating income decreased from the previous corresponding period.

	(Billions of yen)		
	Half year ended September 30, 2006	Half year ended September 30, 2007	Change (%)
<b>Office Solutions:</b>			
Net sales	838.0	924.6	10.3
Operating income	98.7	110.8	12.2
<i>Operating income on sales(%)</i>	<i>11.8</i>	<i>12.0</i>	<i>0.2point</i>
Identifiable assets	1,474.2	1,681.7	14.1
Capital expenditures	34.4	34.9	1.4
Depreciation	29.4	30.4	3.3
<b>Industrial Products:</b>			
Net sales	70.5	79.6	12.8
Operating income	0.8	2.6	201.3
<i>Operating income on sales(%)</i>	<i>1.3</i>	<i>3.4</i>	<i>2.1points</i>
Identifiable assets	86.5	97.2	12.4
Capital expenditures	2.8	3.3	18.5
Depreciation	2.7	3.2	20.2
<b>Other:</b>			
Net sales	80.5	86.2	7.1
Operating income	1.8	1.1	-38.6
<i>Operating income on sales(%)</i>	<i>2.4</i>	<i>1.4</i>	<i>-1.0points</i>
Identifiable assets	114.1	113.3	-0.7
Capital expenditures	1.4	0.8	-38.5
Depreciation	0.9	1.1	21.7

## Geographic Segment

### Japan

Sales in the Japan increased in the Office Solutions, Industrial Products and Other. Additionally exports, mainly consisting of color MFPs and high-speed MFPs increased. Due to these factors as well as the effect of the appreciation of both the U.S. Dollar and the Euro in relation to the Japanese Yen, overall sales in Japan increased by 2.6% from the previous corresponding period, to ¥769.9 billion. Operating expenses increased by 2.9% due to an increase in the net sales as well as increases in R&D for new products, reinforcement for solution initiatives and further development on business expansion. Consequently, operating income decreased by 2.1% to ¥50.5 billion and operating income on net sales decreased by 0.3 percentage point to 6.6%.

### The Americas

Sales of PPCs, MFPs and printers increased from the previous corresponding period, both for color MFP and printer products. Net sales in the Americas increased by 5.2% to ¥215.9 billion. Operating income decreased by 39.1% to ¥5.4 billion due to an increase in expenses for development on business expansion. Operating income as a percentage of net sales decreased by 1.9 percentage point to 2.5%.

### Europe

Sales significantly increased for both color and black/white PPCs and MFPs as compared to the previous corresponding period. As a result net sales in Europe increased by 27.3% to ¥291.0 billion. Operating income increased by 65.1% from the previous corresponding period, to ¥15.8 billion due primarily to the sales increase. Operating income as a percentage of net sales also increased 1.2 percentage point from the previous corresponding period, to 5.4%.

### Other

Sales in the Chinese, Asian and Oceania markets increased from the previous corresponding period, mainly for color PPCs, MFPs and printers. A large number of products primarily including color MFPs manufactured in its Chinese production base were supplied on a global basis, significantly boosting the value of exports in China. Consequently, net sales in these areas were up 24.3% to ¥154.7 billion on a year-on-year basis. Operating income rose 38.7% to ¥12.2 billion due to increased production volume in these markets. The ratio of operating income to net sales also increased by 0.8 percentage point compared with the previous corresponding period, to 7.9%.

	(Billions of yen)		
	Half year ended September 30, 2006	Half year ended September 30, 2007	Change (%)
Japan:			
Net sales	750.4	769.9	2.6%
Operating income	51.6	50.5	-2.1%
<i>Operating income on sales(%)</i>	6.9	6.6	-0.3point
Identifiable assets	1,246.6	1,294.9	3.9%
The Americas:			
Net sales	205.2	215.9	5.2%
Operating income	8.9	5.4	-39.1%
<i>Operating income on sales(%)</i>	4.4	2.5	-1.9points
Identifiable assets	249.4	355.1	42.4%
Europe:			
Net sales	228.5	291.0	27.3%
Operating income	9.5	15.8	65.1%
<i>Operating income on sales(%)</i>	4.2	5.4	1.2points
Identifiable assets	262.5	307.2	17.0%
Other:			
Net sales	124.5	154.7	24.3%
Operating income	8.8	12.2	38.7%
<i>Operating income on sales(%)</i>	7.1	7.9	0.8point
Identifiable assets	93.5	112.8	20.7%



\*Forecast for the entire fiscal year

### Economic projections and Ricoh Group's strategies for fiscal year 2008

The global economy is expected to continue its gradual expansion although remain sluggish in some countries. The US economy is likely to remain stagnant due to the deterioration in the housing market while the economy in Europe and Asian countries other than China will slow down. The Chinese economy is expected to continue growing at a fast rate. The Japanese economy is likely to continue expanding at a gradual pace although consumer spending trends cannot be accurately predicted.

Customer needs will become increasingly diversified in the Ricoh Group's markets. Competition is expected to heat up in the area of office solutions, especially the area of color products and solution business. Competition is expected to be fierce in both the Industrial Products and Other segments as companies try to respond to ever-diversifying customer needs.

Working against this backdrop, the Ricoh Group aims to enhance its competitive edge by creating new value and developing a highly efficient management that will promote grow and further development. We will launch new products and services throughout fiscal year 2008 with an aim to creating new value. We will also step up our efforts to implement structural reforms and strengthening our business foundation in order to further enhance our operational efficiency.

Our performance forecast for fiscal year 2008 is as follows:

Exchange Rate Assumptions for the 2nd half year

US\$ 1 = ¥115.00 (¥119.37 in 1st half year)

EURO 1 = ¥155.00 (¥162.36 in 1st half year)

Exchange Rate Assumptions for the full year ended March 31, 2008

US\$ 1 = ¥117.19 (¥117.02 in previous fiscal year)

EURO 1 = ¥158.68 (¥150.08 in previous fiscal year)

	Year ended March 31, 2007 (Results)	Year ending March 31, 2008 (Forecast)	(Billions of yen) Change
Domestic sales	1,002.2	1,040.0	3.8%
Overseas sales	1,066.6	1,210.0	13.4%
Net sales	2,068.9	2,250.0	8.8%
Gross profit	862.4	940.0	9.0%
Operating income	174.3	195.0	11.8%
Income before income taxes	174.5	192.0	10.0%
Net income	111.7	117.0	4.7%

Notes:

\* Ricoh bases the forecast estimates for the year ending March 31, 2008 above upon information currently available to management, which involves risks and uncertainties that could cause actual results to differ materially from those projected.

## (2) Financial Position

A) Assets, Liabilities, and Shareholders' Investment at Year-End	(Billions of yen)		
	September 30, 2006	September 30, 2007	Change
Total Assets	2,090.9	2,299.8	208.8
Shareholders' Investment	1,001.9	1,114.5	112.6
Equity Ratio	47.9%	48.5%	0.6 point

In assets, trade receivables, inventories and financial receivables increased along with the expansion of business from the end of the previous corresponding period. Other investments increased due to the increase in goodwill resulted from the commencement of the joint venture (InfoPrint Solutions company, LLC) with IBM and the acquisition of European operations acquired from Danka Business Systems PLC. As a result, total assets increased by ¥208.8 billion to ¥2,299.8 billion.

As for Liabilities, trade payables and other current liabilities increased from the end of the previous corresponding period. Despite our effort to reduce interest-bearing debt through the enhancement of cash management in Japan, the Americas and Europe, the financing for business investments exceeded the reduction. As a result, total liabilities increased by ¥92.0 billion to ¥1,126.1 billion.

In Shareholders' Investment, there was no major change in common stock or additional paid-in capital. Accumulated other comprehensive income increased due to the increase in cumulative translation adjustments. As a result, total Shareholders' Investment increased by ¥112.6 billion to ¥1,114.5 billion due to the increase in retained earnings resulting from earning profit.

B) Cash Flows	(Billions of yen)		
	Half year ended September 30, 2006	Half year ended September 30, 2007	Change
Cash flows from operating activities	51.6	78.8	27.2
Cash flows from investing activities	-39.2	-137.1	-97.8
Cash flows from financing activities	1.1	-7.2	-8.3
Cash and Cash Equivalents at end of period	203.8	190.1	-13.7

Net cash provided by operating activities increased by ¥27.2 billion from the previous corresponding period, to ¥78.8 billion due to increase in net income and depreciation increased.

Net cash used in investing activities increased by ¥97.8 billion from the previous corresponding period, to ¥137.1 billion, due primarily to the commencement of the joint venture (InfoPrint Solutions company, LLC) with IBM.

As a result, free cash flow generated by operating activities and investment activities decreased by ¥70.6 billion from the previous corresponding period, to ¥58.2 billion.

Net cash used in financing activities consisted primarily of repayment of long-term indebtedness, increase in short-term borrowings and dividend payments, to ¥7.2 billion.

As a result of the above, the ending balance of cash and cash equivalents decreased by ¥65.6 billion from the end of the previous corresponding period, to ¥190.1 billion.

C) Cash Flow Indices	Half year ended September 30, 2003	Half year ended September 30, 2004	Half year ended September 30, 2005	Half year ended September 30, 2006	Half year ended September 30, 2007
Shareholders' investment / Total assets	36.8%	44.2%	46.5%	47.9%	48.5%
Market capitalization / Total assets	77.3%	81.7%	66.8%	82.0%	77.1%
Interest bearing debt / Operating cash flow	8.2	7.8	5.2	7.6	5.3
Operating cash flow / Interest expense	20.8	24.1	32.7	15.9	29.0

### Notes:

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

### **(3) 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.

Ricoh Company, Ltd. decided to increase its interim dividend by ¥3.00 from the previous corresponding period, to ¥16.00 per share, and expect to increase its annual dividend by ¥5.00 from the previous year, to ¥33.00 per share.

### **(4) Risk Factors**

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
- Inadvertent or accidental leakage or disclosure of confidential or sensitive information
- Catastrophic disaster, information technology problems or infectious diseases

## 2. Group Position

The Ricoh Group comprises 324 subsidiaries and 15 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 integrate 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...Ricoch UK Products Ltd., Ricoch Industrie France S.A.S.

Other regions...Ricoch Asia Industry (Shenzhen) Ltd., Shanghai Ricoch Facsimile Co., Ltd., and Sindo Ricoch Co., Ltd. (affiliated company)

##### Sales and Service

Japan ...Hokkaido Ricoh Co., Ltd., Ricoh Tohoku Co., Ltd., Ricoh Sales Co., Ltd. Ricoh Chubu Co., Ltd., Ricoh Kansai Co., Ltd., Ricoh Chugoku Co., Ltd., Ricoh Kyushu Co., Ltd., and 32 other sales companies nationwide  
Ricoch Technosystems Co., Ltd., Ricoch Leasing Co., Ltd., and Ricoch Logistics System Co., Ltd

The Americas...Ricoch Americas Corporation, InfoPrint Solutions Company

Europe...Ricoch Europe Ltd., Ricoch Deutschland GmbH, Ricoch UK Ltd., Ricoch France S.A., Ricoch Espana S.A., Ricoch Italia S.p.A., NRG Group PLC and Infotec Europe B.V.

Other regions...Ricoch China Co., Ltd., Ricoch Hong Kong Ltd., Ricoch Asia Pacific Pte. Ltd., Ricoch Australia Pty, Ltd., and Ricoch New Zealand Ltd.

### <Industrial Products>

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

#### [Main Subsidiaries and Affiliates]

##### Production and Sales

Japan...Ricoch Optical Industries Co., Ltd., Ricoch Elemex Corporation, and Ricoch Microelectronics Co., Ltd.

The Americas...Ricoch Electronics, Inc.

Europe...Ricoch Industrie France S.A.S.

### <Other>

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

#### [Main Subsidiaries and Affiliates]

##### Sales

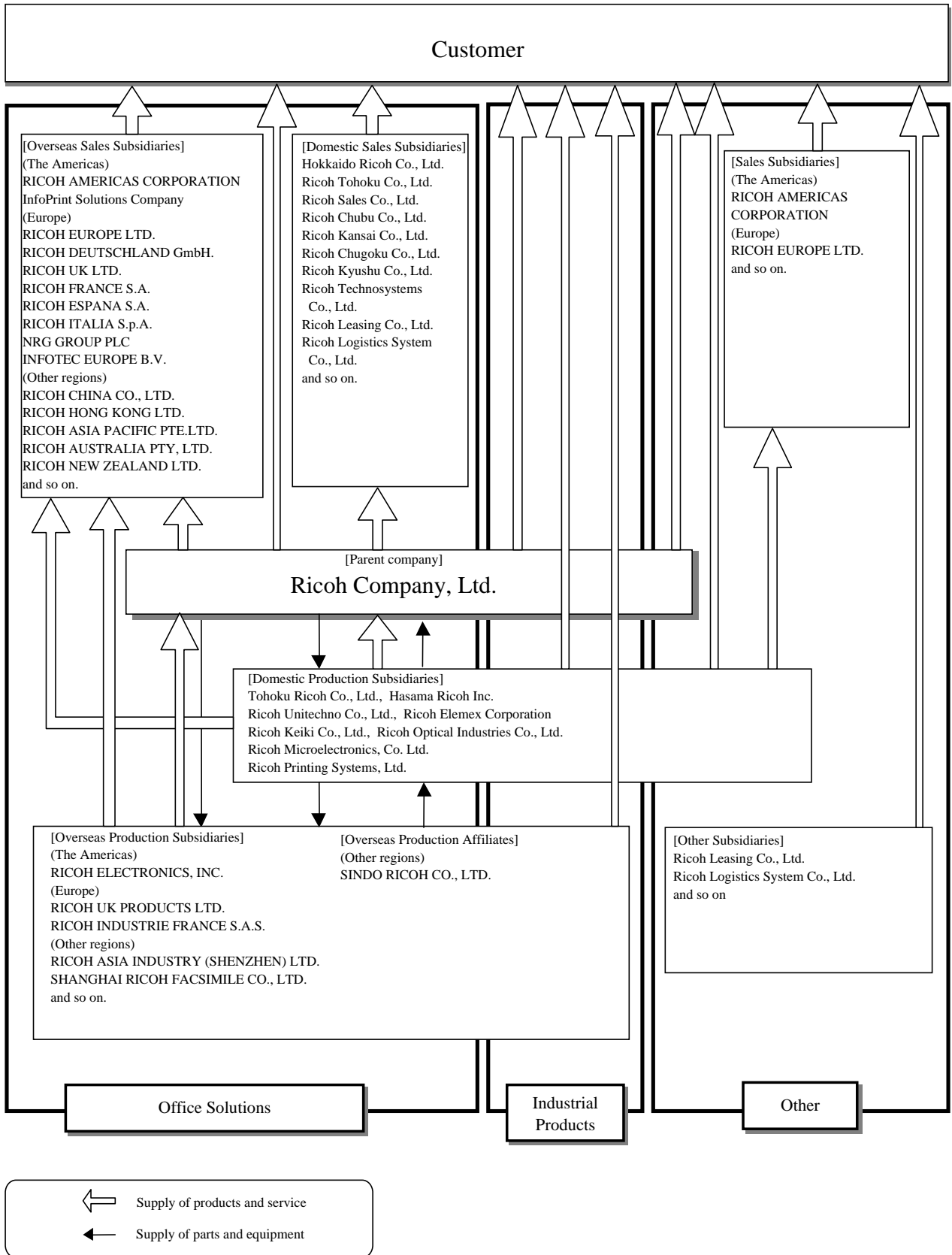
Ricoch Americas Corporation, Ricoch Europe Ltd.

##### Other

Ricoch Leasing Co., Ltd., Ricoch Logistics System Co., Ltd

### <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

### 3. 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
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 Solution business – our core competence – we in the Ricoh Group have made every possible effort since the inception of our 13th medium-term management plan to move beyond the manufacture and retail of equipment such as copiers and printers so that we may overhaul our operational structure, thus enabling us to support our customers in their efforts to improve or enhance productivity through our offering.

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

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 customer's standpoint and continuing to provide values that meet 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 addition, we have identified "printing" as an 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 such printing solutions 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 expand gel jet printers to expand the business domain and size.

Furthermore, we will revamp our sales system solutions and solutions platform in order to promote document solution, which enables improved document workflow, and to capture a greater share of major customers, particularly major global accounts. In June, 2007, Ricoh and International Business Machines Corporation ("IBM") completed formation of a joint venture company (named InfoPrint Solutions Company ("IPS")) based on IBM's Printing Systems Division to enlarge business in production printing area. IPS will be a wholly owned subsidiary of Ricoh in three years. IPS unites the development and productivity of hard and software that is the strong point of Ricoh group and service, software and IT solution power that IBM possesses, and offers higher customer value.

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

As technological differentiation is the key to realizing customer value in each business and increasing profitability, we will continue our aggressive R&D activities to boost our technical power.

This fiscal year is the final year of 15th medium-term management plan. Ricoh group achieve the plan by executing steadily the above main strategy.

### (3) Challenges

As customers' needs become ever more diverse, customers are no longer satisfied with purchasing products or receiving ordinary service. The competition has also intensified in the transition to color and in 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 values for customers and improving managerial efficiency.

Our effort will also continue in improving the efficiency of management to enhance our profitability. Structural reform will streamline operational processes and improve the earnings from each project. Furthermore, we will more carefully select projects and concentrate resources to the selected projects to improve managerial efficiency. In addition, we will make sure that our priority investment for the group's growth up to now contributes to the company's earnings and will work towards strengthening business foundation further.

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. Consolidated Financial Statements

##### (1) Consolidated Balance Sheets

(March 31, 2007 and September 30, 2007)

Assets	(Millions of yen)		
	March 31, 2007	September 30, 2007	Change
<b>Current Assets</b>			
Cash and time deposits	257,154	191,331	-65,823
Trade receivables	693,237	704,020	10,783
Marketable securities	177	228	51
Inventories	184,354	203,303	18,949
Other current assets	65,170	65,582	412
<b>Total Current Assets</b>	<b>1,200,092</b>	<b>1,164,464</b>	<b>-35,628</b>
<b>Fixed Assets</b>			
Tangible fixed assets	264,668	261,703	-2,965
Finance receivables	435,874	442,128	6,254
Other investments	342,772	431,550	88,778
<b>Total Fixed Assets</b>	<b>1,043,314</b>	<b>1,135,381</b>	<b>92,067</b>
<b>Total Assets</b>	<b>2,243,406</b>	<b>2,299,845</b>	<b>56,439</b>

Note:

Contents of cash and time deposits:

Cash and cash equivalents	255,737	190,136
Time deposits	1,417	1,195

Liabilities and Shareholders' Investment	(Millions of yen)		
	March 31, 2007	September 30, 2007	Change
<b>Current Liabilities</b>			
Trade payables	367,211	377,054	9,843
Short-term borrowings	178,847	175,116	-3,731
Other current liabilities	189,554	180,960	-8,594
<b>Total Current Liabilities</b>	<b>735,612</b>	<b>733,130</b>	<b>-2,482</b>
<b>Fixed Liabilities</b>			
Long-term indebtedness	236,801	245,379	8,578
Accrued pension and severance costs	99,028	99,221	193
Other fixed liabilities	44,183	48,398	4,215
<b>Total Fixed Liabilities</b>	<b>380,012</b>	<b>392,998</b>	<b>12,986</b>
<b>Total Liabilities</b>	<b>1,115,624</b>	<b>1,126,128</b>	<b>10,504</b>
<b>Minority Interest</b>	<b>56,869</b>	<b>59,146</b>	<b>2,277</b>
<b>Shareholders' Investment</b>			
Common stock	135,364	135,364	-
Additional paid-in capital	186,454	186,457	3
Retained earnings	752,398	793,613	41,215
Accumulated other comprehensive income (loss)	26,998	29,895	2,897
Treasury stock	-30,301	-30,758	-457
<b>Total Shareholders' Investment</b>	<b>1,070,913</b>	<b>1,114,571</b>	<b>43,658</b>
<b>Total Liabilities and Shareholders' Investment</b>	<b>2,243,406</b>	<b>2,299,845</b>	<b>56,439</b>

Note: Other comprehensive income;

Net unrealized holding gains on available-for-sale securities	9,001	9,059	58
Pension liability adjustments	-9,406	-12,917	-3,511
Net unrealized gains (losses) on derivative instruments	-28	-11	17
Cumulative translation adjustments	27,431	33,764	6,333

Reference: Exchange rate	March 31, 2007	September 30, 2007
US\$ 1	¥118.05	¥115.43
EURO 1	¥157.33	¥163.38



**(2) Consolidated Statements of Income**

(Three months ended September 30, 2006 and 2007)

(Millions of yen)

	Three months ended September 30, 2006	Three months ended September 30, 2007	Change	%
Net sales	502,346	558,260	55,914	11.1
Cost of sales	296,995	335,777	38,782	13.1
<i>Percentage of net sales (%)</i>	59.1	60.1		
Gross Profit	205,351	222,483	17,132	8.3
<i>Percentage of net sales (%)</i>	40.9	39.9		
Selling, general and administrative expenses	172,835	184,531	11,696	6.8
<i>Percentage of net sales (%)</i>	34.4	33.1		
Operating income	32,516	37,952	5,436	16.7
<i>Percentage of net sales (%)</i>	6.5	6.8		
Other (income) expense				
Interest and dividend income	884	1,855	971	109.8
<i>Percentage of net sales (%)</i>	0.2	0.3		
Interest expense	1,654	1,572	-82	-5.0
<i>Percentage of net sales (%)</i>	0.3	0.3		
Other, net	-3,818	6,457	10,275	-
<i>Percentage of net sales (%)</i>	-0.7	1.1		
Income before income taxes, equity income and minority interests	35,564	31,778	-3,786	-10.6
<i>Percentage of net sales (%)</i>	7.1	5.7		
Provision for income taxes	11,654	11,686	32	0.3
<i>Percentage of net sales (%)</i>	2.3	2.1		
Minority interests in earnings of subsidiaries	1,542	1,337	-205	-13.3
<i>Percentage of net sales (%)</i>	0.3	0.2		
Equity in earnings of affiliates	552	550	-2	-0.4
<i>Percentage of net sales (%)</i>	0.1	0.1		
Net income	22,920	19,305	-3,615	-15.8
<i>Percentage of net sales (%)</i>	4.6	3.5		
Reference : Exchange rate				
US\$ 1	¥116.26	¥117.98		
EURO 1	¥148.16	¥162.00		

(Half year ended September 30, 2006 and 2007 and Year ended March 31, 2007)

(Millions of yen)

	Half year ended September 30, 2006	Half year ended September 30, 2007	Change	%	Year ended March 31, 2007
Net sales	986,922	1,088,373	101,451	10.3	2,068,925
Cost of sales	579,006	637,120	58,114	10.0	1,206,519
<i>Percentage of net sales (%)</i>	58.7	58.5			58.3
Gross Profit	407,916	451,253	43,337	10.6	862,406
<i>Percentage of net sales (%)</i>	41.3	41.5			41.7
Selling, general and administrative expenses	334,753	366,685	31,932	9.5	688,026
<i>Percentage of net sales (%)</i>	33.9	33.7			33.3
Operating income	73,163	84,568	11,405	15.6	174,380
<i>Percentage of net sales (%)</i>	7.4	7.8			8.4
Other (income) expense					
Interest and dividend income	1,981	3,160	1,179	59.5	5,501
<i>Percentage of net sales (%)</i>	0.2	0.3			0.3
Interest expense	3,238	2,721	-517	-16.0	7,350
<i>Percentage of net sales (%)</i>	0.3	0.3			0.4
Other, net	-2,362	-35	2,327	-	-1,988
<i>Percentage of net sales (%)</i>	-0.2	0.0			-0.1
Income before income taxes, equity income and minority interests	74,268	85,042	10,774	14.5	174,519
<i>Percentage of net sales (%)</i>	7.5	7.8			8.4
Provision for income taxes	25,880	29,878	3,998	15.4	64,326
<i>Percentage of net sales (%)</i>	2.6	2.7			3.1
Minority interests in earnings of subsidiaries	2,881	2,959	78	2.7	5,508
<i>Percentage of net sales (%)</i>	0.3	0.3			0.3
Equity in earnings of affiliates	1,038	955	-83	-8.0	1,539
<i>Percentage of net sales (%)</i>	0.1	0.1			0.1
Income from continuing operations	46,545	53,160	6,615	14.2	106,224
<i>Percentage of net sales (%)</i>	4.7	4.9			5.1
Income from discontinued operations, net of tax	5,500	-	-5,500	-	5,500
<i>Percentage of net sales (%)</i>	0.6	-			0.3
Net income	52,045	53,160	1,115	2.1	111,724
<i>Percentage of net sales (%)</i>	5.3	4.9			5.4
Reference : Exchange rate					
US\$ 1	¥115.40	¥119.37			¥117.02
EURO 1	¥145.98	¥162.36			¥150.08

**(3)-1. Consolidated Sales by Product Category**

(Three months ended September 30, 2006 and 2007)

(Millions of yen)

	Three months ended September 30, 2006	Three months ended September 30, 2007	Change	%
<Office Solutions>				
Imaging Solutions	370,871	415,209	44,338	12.0
<i>Percentage of net sales (%)</i>	73.8	74.4		
Network System Solutions	55,417	56,580	1,163	2.1
<i>Percentage of net sales (%)</i>	11.1	10.1		
Total Office Solutions	426,288	471,789	45,501	10.7
<i>Percentage of net sales (%)</i>	84.9	84.5		
<Industrial Products>				
Industrial Products	33,547	41,940	8,393	25.0
<i>Percentage of net sales (%)</i>	6.7	7.5		
<Other>				
Other	42,511	44,531	2,020	4.8
<i>Percentage of net sales (%)</i>	8.4	8.0		
Grand Total	502,346	558,260	55,914	11.1
<i>Percentage of net sales (%)</i>	100.0	100.0		
Reference : Exchange rate				
US\$ 1	¥116.26	¥117.98		
EURO 1	¥148.16	¥162.00		

(Half year ended September 30, 2006 and 2007 and Year ended March 31, 2007)

(Millions of yen)

	Half year ended September 30, 2006	Half year ended September 30, 2007	Change	%	Year ended March 31, 2007
<Office Solutions>					
Imaging Solutions	743,626	827,392	83,766	11.3	1,580,155
<i>Percentage of net sales (%)</i>	75.3	76.0			76.4
Network System Solutions	94,464	97,235	2,771	2.9	194,312
<i>Percentage of net sales (%)</i>	9.6	9.0			9.4
Total Office Solutions	838,090	924,627	86,537	10.3	1,774,467
<i>Percentage of net sales (%)</i>	84.9	85.0			85.8
<Industrial Products>					
Industrial Products	68,256	77,476	9,220	13.5	133,387
<i>Percentage of net sales (%)</i>	6.9	7.1			6.4
<Other>					
Other	80,576	86,270	5,694	7.1	161,071
<i>Percentage of net sales (%)</i>	8.2	7.9			7.8
Grand Total	986,922	1,088,373	101,451	10.3	2,068,925
<i>Percentage of net sales (%)</i>	100.0	100.0			100.0
Reference : Exchange rate					
US\$ 1	¥115.40	¥119.37			¥117.02
EURO 1	¥145.98	¥162.36			¥150.08

\* 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

Other

Optical discs and digital camera

**(3)-2. Consolidated Sales by Geographic Area**

(Three months ended September 30, 2006 and 2007)

(Millions of yen)

	Three months ended September 30, 2006	Three months ended September 30, 2007	Change	%
<Domestic>	252,060	259,705	7,645	3.0
<i>Percentage of net sales (%)</i>	50.2	46.5		
<Overseas>	250,286	298,555	48,269	19.3
<i>Percentage of net sales (%)</i>	49.8	53.5		
The Americas	102,949	112,527	9,578	9.3
<i>Percentage of net sales (%)</i>	20.5	20.2		
Europe	112,994	142,267	29,273	25.9
<i>Percentage of net sales (%)</i>	22.5	25.5		
Other	34,343	43,761	9,418	27.4
<i>Percentage of net sales (%)</i>	6.8	7.8		
Grand Total	502,346	558,260	55,914	11.1
<i>Percentage of net sales (%)</i>	100.0	100.0		
Reference : Exchange rate				
US\$ 1	¥116.26	¥117.98		
EURO 1	¥148.16	¥162.00		

(Half year ended September 30, 2006 and 2007 and Year ended March 31, 2007)

(Millions of yen)

	Half year ended September 30, 2006	Half year ended September 30, 2007	Change	%	Year ended March 31, 2007
<Domestic>	492,491	504,439	11,948	2.4	1,002,251
<i>Percentage of net sales (%)</i>	49.9	46.3			48.4
<Overseas>	494,431	583,934	89,503	18.1	1,066,674
<i>Percentage of net sales (%)</i>	50.1	53.7			51.6
The Americas	203,584	215,701	12,117	6.0	426,453
<i>Percentage of net sales (%)</i>	20.6	19.8			20.6
Europe	226,504	289,116	62,612	27.6	507,158
<i>Percentage of net sales (%)</i>	23.0	26.6			24.5
Other	64,343	79,117	14,774	23.0	133,063
<i>Percentage of net sales (%)</i>	6.5	7.3			6.5
Grand Total	986,922	1,088,373	101,451	10.3	2,068,925
<i>Percentage of net sales (%)</i>	100.0	100.0			100.0
Reference : Exchange rate					
US\$ 1	¥115.40	¥119.37			¥117.02
EURO 1	¥145.98	¥162.36			¥150.08

#### (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 (loss)	Treasury stock	Total Shareholders' Investment
Beginning balance	135,364	186,450	665,394	4,099	-31,062	960,245
Cumulative effect of adjustment resulted from applying SAB No.108	-	-	-6,464	-	-	-6,464
Beginning balance (after adjustment)	135,364	186,450	658,930	4,099	-31,062	953,781
Gain (Loss) 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 gains on available-for-sale securities				-2,485		-2,485
Minimum pension liability adjustments				830		830
Net unrealized gains 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	702,211	9,331	-31,409	1,001,948

Half year ended September 30, 2007

(Millions of yen)

	Common stock	Additional paid-in capital	Retained earnings	Accumulated other comprehensive income (loss)	Treasury stock	Total Shareholders' Investment
Beginning balance	135,364	186,454	752,398	26,998	-30,301	1,070,913
Cumulative effect of adjustment resulted from applying EITF No.06-2	-	-	-995	-	-	-995
Beginning balance (after adjustment)	135,364	186,454	751,403	26,998	-30,301	1,069,918
Gain (Loss) on disposal of treasury stock		3				3
Dividends declared and approved			-10,950			-10,950
Comprehensive income						
Net income			53,160			53,160
Net unrealized holding gains on available-for-sale securities				58		58
Pension liability adjustments				-3,511		-3,511
Net unrealized gains on derivative instruments				17		17
Cumulative translation adjustments				6,333		6,333
Total comprehensive income						56,057
Purchase of treasury stocks, net					-457	-457
Ending balance	135,364	186,457	793,613	29,895	-30,758	1,114,571

Year ended March 31, 2007

(Millions of yen)

	Common stock	Additional paid-in capital	Retained earnings	Accumulated other comprehensive income (loss)	Treasury stock	Total Shareholders' Investment
Beginning balance	135,364	186,450	665,394	4,099	-31,062	960,245
Cumulative effect of adjustment resulted from applying SAB No.108	-	-	-6,464	-	-	-6,464
Beginning balance (after adjustment)	135,364	186,450	658,930	4,099	-31,062	953,781
Gain (Loss) on disposal of treasury stock		4				4
Dividends declared and approved			-18,256			-18,256
Comprehensive income						
Net income			111,724			111,724
Net unrealized holding gains on available-for-sale securities				73		73
Minimum pension liability adjustments				970		970
Net unrealized gains on derivative instruments				-185		-185
Cumulative translation adjustments				24,774		24,774
Total comprehensive income						137,356
Adjustment to initially apply SFAS No.158				-2,733		-2,733
Purchase of treasury stocks, net					761	761
Ending balance	135,364	186,454	752,398	26,998	-30,301	1,070,913

**(5) Consolidated Statements of Cash Flows**

(Half year ended September 30, 2006 and 2007 and Year ended March 31, 2007)

(Millions of yen)

	Half year ended September 30, 2006	Half year ended September 30, 2007	Year ended March 31, 2007
<b>I. Cash Flows from Operating Activities:</b>			
Net income	52,045	53,160	111,724
Income from discontinued operations, net of tax	-5,500	-	-5,500
Income from continuing operations	46,545	53,160	106,224
Adjustments to reconcile net income to net cash provided by operating activities—			
Depreciation and amortization	42,851	46,662	89,632
Equity in earnings of affiliates, net of dividends received	-209	-380	-711
Deferred income taxes	-2,755	1,965	-2,197
Loss on disposal and sales of tangible fixed assets	988	936	3,722
Pension and severance costs, less payments	-701	-3,352	-773
Changes in assets and liabilities—			
(Increase)decrease in trade receivables	7,057	-2,705	-15,919
Increase in inventories	-12,693	-1,895	-1,494
Increase in finance receivables	-14,045	-7,357	-28,047
(Decrease)increase in trade payables	-20,354	-2,363	2,199
(Decrease)increase in accrued income taxes and accrued expenses and other	4,608	-11,396	11,175
Other, net	332	5,561	3,486
<b>Net cash provided by operating activities</b>	<b>51,624</b>	<b>78,836</b>	<b>167,297</b>
<b>II. Cash Flows from Investing Activities:</b>			
Proceeds from sales of property, plant and equipment	265	36	463
Expenditures for tangible fixed assets	-39,089	-39,677	-85,747
Payments for purchases of available-for-sale securities	-49,036	-48,486	-97,158
Proceeds from sales of available-for-sale securities	48,006	49,930	96,087
(Increase) decrease in time deposits, net	-43	242	64
Proceeds from sales of discontinued operations	12,000	-	12,000
Purchase of business, net of cash acquired	-	-89,863	-23,200
Other, net	-11,362	-9,306	-17,941
<b>Net cash used in investing activities</b>	<b>-39,259</b>	<b>-137,124</b>	<b>-115,432</b>
<b>III. Cash Flows from Financing Activities:</b>			
Proceeds from long-term indebtedness	42,885	44,521	60,157
Repayment of long-term indebtedness	-20,861	-46,972	-49,115
Increase in short-term borrowings, net	6,633	17,194	8,362
Proceeds from issuance of long-term debt securities	-	-	65,274
Repayment of long-term debt securities	-18,000	-10,000	-55,000
Dividends paid	-8,764	-10,950	-18,240
Payment for purchase of treasury stock	-355	-469	-799
Other, net	-437	-580	-1,357
<b>Net cash provided by (used in) financing activities</b>	<b>1,101</b>	<b>-7,256</b>	<b>9,282</b>
<b>IV. Net Increase in Cash and Cash Equivalents from discontinued operations</b>	<b>825</b>	<b>-</b>	<b>825</b>
<b>V. Effect of Exchange Rate Changes on Cash and Cash Equivalents</b>	<b>2,530</b>	<b>-57</b>	<b>6,710</b>
<b>VI. Net (Increase)Decrease in Cash and Cash Equivalents</b>	<b>16,821</b>	<b>-65,601</b>	<b>68,682</b>
<b>VII. Cash and Cash Equivalents at Beginning of Year</b>	<b>187,055</b>	<b>255,737</b>	<b>187,055</b>
<b>VIII. Cash and Cash Equivalents at End of Period</b>	<b>203,876</b>	<b>190,136</b>	<b>255,737</b>

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

### **A) Changes in the scale of consolidation and the application of the equity method from April 1, 2007 to September 30, 2007.**

Consolidated subsidiaries:

- 22 Additions
- 5 Removals

Companies accounted for by the equity method:

- No Addition
- No Removal

### **B) Consolidated Accounting Policies (Summary)**

#### **a. 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.

#### **b. 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.

#### **c. Inventories**

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

#### **d. 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."

#### **e. 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.

#### **f. Pension and Retirement Allowances Plans**

The measurement of pension costs and liabilities is determined in accordance with SFAS No.87, "Employers' Accounting for Pensions" and SFAS No.158, "Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans."

#### **g. Use of Estimates**

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

## **(7) Changes in Significant Accounting Policies (Consolidated)**

In June 2006, the FASB ratified the EITF consensus on EITF Issue No.06-2, "Accounting for sabbatical Leave and Other Similar Benefits Pursuant to FASB Statement No.43". Accordingly, Ricoh recorded an increase in accrued expenses of ¥ 1,680 million as of April 1, 2007, with a reduction of the beginning balance of retained earnings of ¥995 million.

## (8) Notes to Consolidated Financial Statements

### A) Segment Information

#### a. Operating Segment Information

(Three months ended September 30, 2006 and 2007)

(Millions of yen)

	Three months ended September 30, 2006	Three months ended September 30, 2007	Change	%
<b>Office Solutions:</b>				
Net sales:				
Unaffiliated customers	426,288	471,789	45,501	10.7
Intersegment	-	-	-	-
Total	426,288	471,789	45,501	10.7
Operating expenses	378,862	421,691	42,829	11.3
Operating income	47,426	50,098	2,672	5.6
<i>Operating income on sales in Office Solutions (%)</i>	<i>11.1</i>	<i>10.6</i>		
<b>Industrial Products:</b>				
Net sales:				
Unaffiliated customers	33,547	41,940	8,393	25.0
Intersegment	1,120	1,036	-84	-7.5
Total	34,667	42,976	8,309	24.0
Operating expenses	35,007	41,383	6,376	18.2
Operating income	-340	1,593	1,933	-
<i>Operating income on sales in Industrial Products (%)</i>	<i>-1.0</i>	<i>3.7</i>		
<b>Other:</b>				
Net sales:				
Unaffiliated customers	42,511	44,531	2,020	4.8
Intersegment	-	-	-	-
Total	42,511	44,531	2,020	4.8
Operating expenses	41,296	44,208	2,912	7.1
Operating income	1,215	323	-892	-73.4
<i>Operating income on sales in Other (%)</i>	<i>2.9</i>	<i>0.7</i>		
<b>Corporate and Eliminations:</b>				
Net sales:				
Intersegment	-1,120	-1,036	84	-
Total	-1,120	-1,036	84	-
Operating expenses:				
Intersegment	-1,120	-1,039	81	-
Corporate	15,785	14,065	-1,720	-
Total	14,665	13,026	-1,639	-
Operating income	-15,785	-14,062	1,723	-
<b>Consolidated:</b>				
Net sales:				
Unaffiliated customers	502,346	558,260	55,914	11.1
Intersegment	-	-	-	-
Total	502,346	558,260	55,914	11.1
Operating expenses	469,830	520,308	50,478	10.7
Operating income	32,516	37,952	5,436	16.7
<i>Operating income on consolidated net sales (%)</i>	<i>6.5</i>	<i>6.8</i>		

#### Capital expenditures: (Millions of yen)

	Three months ended September 30, 2006	Three months ended September 30, 2007	Change	%
Office Solutions	20,085	19,831	-254	-1.3
Industrial Products	2,124	1,799	-325	-15.3
Other	616	465	-151	-24.5
Corporate	399	476	77	19.3
Total	23,224	22,571	-653	-2.8

#### Depreciation: (Millions of yen)

	Three months ended September 30, 2006	Three months ended September 30, 2007	Change	%
Office Solutions	15,648	16,045	397	2.5
Industrial Products	1,385	1,802	417	30.1
Other	427	567	140	32.8
Corporate	313	399	86	27.5
Total	17,773	18,813	1,040	5.9

#### Identifiable assets: (Millions of yen)

	September 30, 2006	September 30, 2007	Change	%
Office Solutions	1,474,258	1,681,781	207,523	14.1
Industrial Products	86,565	97,262	10,697	12.4
Other	114,145	113,320	-825	-0.7
Eliminations	-1,924	-1,185	739	-
Corporate assets	417,930	408,667	-9,263	-2.2
Total	2,090,974	2,299,845	208,871	10.0



(Half year ended September 30, 2006 and 2007 and Year ended March 31, 2007) (Millions of yen)

	Half year ended September 30, 2006	Half year ended September 30, 2007	Change	%	Year ended March 31, 2007
<b>Office Solutions:</b>					
Net sales:					
Unaffiliated customers	838,090	924,627	86,537	10.3	1,774,467
Intersegment	-	-	-	-	-
Total	838,090	924,627	86,537	10.3	1,774,467
Operating expenses	739,320	813,772	74,452	10.1	1,549,156
Operating income	98,770	110,855	12,085	12.2	225,311
<i>Operating income on sales in Office Solutions (%)</i>	<i>11.8</i>	<i>12.0</i>			<i>12.7</i>
<b>Industrial Products:</b>					
Net sales:					
Unaffiliated customers	68,256	77,476	9,220	13.5	133,387
Intersegment	2,325	2,155	-170	-7.3	4,725
Total	70,581	79,631	9,050	12.8	138,112
Operating expenses	69,687	76,937	7,250	10.4	135,164
Operating income	894	2,694	1,800	201.3	2,948
<i>Operating income on sales in Industrial products (%)</i>	<i>1.3</i>	<i>3.4</i>			<i>2.1</i>
<b>Other:</b>					
Net sales:					
Unaffiliated customers	80,576	86,270	5,694	7.1	161,071
Intersegment	-	-	-	-	-
Total	80,576	86,270	5,694	7.1	161,071
Operating expenses	78,678	85,105	6,427	8.2	158,868
Operating income	1,898	1,165	-733	-38.6	2,203
<i>Operating income on sales in Other (%)</i>	<i>2.4</i>	<i>1.4</i>			<i>1.4</i>
<b>Corporate and Eliminations:</b>					
Net sales:					
Intersegment	-2,325	-2,155	170	-	-4,725
Total	-2,325	-2,155	170	-	-4,725
Operating expenses:					
Intersegment	-2,370	-2,156	214	-	-4,727
Corporate	28,444	30,147	1,703	-	56,084
Total	26,074	27,991	1,917	-	51,357
Operating income	-28,399	-30,146	-1,747	-	-56,082
<b>Consolidated:</b>					
Net sales:					
Unaffiliated customers	986,922	1,088,373	101,451	10.3	2,068,925
Intersegment	-	-	-	-	-
Total	986,922	1,088,373	101,451	10.3	2,068,925
Operating expenses	913,759	1,003,805	90,046	9.9	1,894,545
Operating income	73,163	84,568	11,405	15.6	174,380
<i>Operating income on consolidated net sales (%)</i>	<i>7.4</i>	<i>7.8</i>			<i>8.4</i>

Capital expenditures: (Millions of yen)

	Half year ended September 30, 2006	Half year ended September 30, 2007	Change	%	Year ended March 31, 2007
Office Solutions	34,429	34,925	496	1.4	72,465
Industrial Products	2,855	3,383	528	18.5	8,580
Other	1,411	868	-543	-38.5	2,630
Corporate	483	502	19	3.9	2,125
Total	39,178	39,678	500	1.3	85,800

Depreciation: (Millions of yen)

	Half year ended September 30, 2006	Half year ended September 30, 2007	Change	%	Year ended March 31, 2007
Office Solutions	29,439	30,417	978	3.3	62,862
Industrial Products	2,715	3,264	549	20.2	6,099
Other	980	1,193	213	21.7	2,072
Corporate	604	819	215	35.6	1,399
Total	33,738	35,693	1,955	5.8	72,432

Identifiable assets: (Millions of yen)

	September 30, 2006	September 30, 2007	Change	%	March 31, 2007
Office Solutions	1,474,258	1,681,781	207,523	14.1	1,570,757
Industrial Products	86,565	97,262	10,697	12.4	93,346
Other	114,145	113,320	-825	-0.7	112,255
Eliminations	-1,924	-1,185	739	-	-1,327
Corporate assets	417,930	408,667	-9,263	-2.2	468,375
Total	2,090,974	2,299,845	208,871	10.0	2,243,406

b. Geographic Segment Information

(Three months ended September 30, 2006 and 2007)

(Millions of yen)

	Three months ended September 30, 2006	Three months ended September 30, 2007	Change	%
<b>Japan:</b>				
Net sales:				
External customers	258,289	269,226	10,937	4.2
Intersegment	122,964	106,946	-16,018	-13.0
Total	381,253	376,172	-5,081	-1.3
Operating expenses	361,781	360,737	-1,044	-0.3
Operating income	19,472	15,435	-4,037	-20.7
<i>Operating income on sales in Japan(%)</i>	5.1	4.1		
<b>The Americas:</b>				
Net sales:				
External customers	102,935	111,314	8,379	8.1
Intersegment	742	1,271	529	71.3
Total	103,677	112,585	8,908	8.6
Operating expenses	96,748	108,970	12,222	12.6
Operating income	6,929	3,615	-3,314	-47.8
<i>Operating income on sales in the Americas(%)</i>	6.7	3.2		
<b>Europe:</b>				
Net sales:				
External customers	113,314	142,690	29,376	25.9
Intersegment	842	521	-321	-38.1
Total	114,156	143,211	29,055	25.5
Operating expenses	109,194	134,146	24,952	22.9
Operating income	4,962	9,065	4,103	82.7
<i>Operating income on sales in Europe(%)</i>	4.3	6.3		
<b>Other:</b>				
Net sales:				
External customers	27,808	35,030	7,222	26.0
Intersegment	40,055	43,479	3,424	8.5
Total	67,863	78,509	10,646	15.7
Operating expenses	63,357	71,935	8,578	13.5
Operating income	4,506	6,574	2,068	45.9
<i>Operating income on sales in Other(%)</i>	6.6	8.4		
<b>Corporate and Eliminations:</b>				
Net sales:				
Intersegment	-164,603	-152,217	12,386	-
Total	-164,603	-152,217	12,386	-
Operating expenses:	-161,250	-155,480	5,770	-
Operating income	-3,353	3,263	6,616	-
<b>Consolidated:</b>				
Net sales:				
External customers	502,346	558,260	55,914	11.1
Intersegment	-	-	-	-
Total	502,346	558,260	55,914	11.1
Operating expenses	469,830	520,308	50,478	10.7
Operating income	32,516	37,952	5,436	16.7
<i>Operating income on consolidated net sales(%)</i>	6.5	6.8		

Identifiable assets:

(Millions of yen)

	September 30, 2006	September 30, 2007	Change	%
Japan	1,246,639	1,294,958	48,319	3.9
The Americas	249,432	355,155	105,723	42.4
Europe	262,571	307,204	44,633	17.0
Other	93,550	112,876	19,326	20.7
Eliminations	-179,148	-179,015	133	-
Corporate assets	417,930	408,667	-9,263	-2.2
Total	2,090,974	2,299,845	208,871	10.0

(Half year ended September 30, 2006 and 2007 and Year ended March 31, 2007)

(Millions of yen)

	Half year ended September 30, 2006	Half year ended September 30, 2007	Change	%	Year ended March 31, 2007
<b>Japan:</b>					
Net sales:					
External customers	504,429	521,352	16,923	3.4	1,026,663
Intersegment	246,032	248,573	2,541	1.0	495,304
Total	750,461	769,925	19,464	2.6	1,521,967
Operating expenses	698,853	719,417	20,564	2.9	1,411,653
Operating income	51,608	50,508	-1,100	-2.1	110,314
<i>Operating income on sales in Japan(%)</i>	6.9	6.6			7.2
<b>The Americas:</b>					
Net sales:					
External customers	203,560	213,825	10,265	5.0	426,009
Intersegment	1,731	2,100	369	21.3	3,253
Total	205,291	215,925	10,634	5.2	429,262
Operating expenses	196,341	210,474	14,133	7.2	408,150
Operating income	8,950	5,451	-3,499	-39.1	21,112
<i>Operating income on sales in the Americas(%)</i>	4.4	2.5			4.9
<b>Europe:</b>					
Net sales:					
External customers	226,823	289,308	62,485	27.5	508,200
Intersegment	1,740	1,731	-9	-0.5	3,595
Total	228,563	291,039	62,476	27.3	511,795
Operating expenses	218,977	275,209	56,232	25.7	478,380
Operating income	9,586	15,830	6,244	65.1	33,415
<i>Operating income on sales in Europe(%)</i>	4.2	5.4			6.5
<b>Other:</b>					
Net sales:					
External customers	52,110	63,888	11,778	22.6	108,053
Intersegment	72,402	90,905	18,503	25.6	160,990
Total	124,512	154,793	30,281	24.3	269,043
Operating expenses	115,687	142,549	26,862	23.2	251,486
Operating income	8,825	12,244	3,419	38.7	17,557
<i>Operating income on sales in Other(%)</i>	7.1	7.9			6.5
<b>Corporate and Eliminations:</b>					
Net sales:					
Intersegment	-321,905	-343,309	-21,404	-	-663,142
Total	-321,905	-343,309	-21,404	-	-663,142
Operating expenses:	-316,099	-343,844	-27,745	-	-655,124
Operating income	-5,806	535	6,341	-	-8,018
<b>Consolidated:</b>					
Net sales:					
External customers	986,922	1,088,373	101,451	10.3	2,068,925
Intersegment	-	-	-	-	-
Total	986,922	1,088,373	101,451	10.3	2,068,925
Operating expenses	913,759	1,003,805	90,046	9.9	1,894,545
Operating income	73,163	84,568	11,405	15.6	174,380
<i>Operating income on consolidated net sales(%)</i>	7.4	7.8			8.4

Identifiable assets:

(Millions of yen)

	September 30, 2006	September 30, 2007	Change	%	March 31, 2007
Japan	1,246,639	1,294,958	48,319	3.9	1,282,085
The Americas	249,432	355,155	105,723	42.4	256,049
Europe	262,571	307,204	44,633	17.0	314,815
Other	93,550	112,876	19,326	20.7	101,550
Eliminations	-179,148	-179,015	133	-	-179,468
Corporate assets	417,930	408,667	-9,263	-2.2	468,375
Total	2,090,974	2,299,845	208,871	10.0	2,243,406

**B) Fair Value of Marketable Securities**

The securities and the respective cost, gross unrealized holding gains, gross unrealized holding losses and fair value as of March 31 2007 and September 30, 2007 are as follows:

(Millions of yen)

March 31, 2007				
	Cost	Gross unrealized holding gains	Gross unrealized holding losses	Fair value
Current:				
Corporate debt securities	176	-	-	176
Other	1	-	-	1
	177	-	-	177
Noncurrent:				
Equity securities	49,261	14,991	142	64,110
Corporate debt securities	6,000	10	-	6,010
Other	242	-	-	242
Nonmarketable securities (at cost)	4,474	-	-	4,474
	59,977	15,001	142	74,836

(Millions of yen)

September 30, 2007				
	Cost	Gross unrealized holding gains	Gross unrealized holding losses	Fair value
Current:				
Equity securities	227	-	-	227
Corporate debt securities	-	-	-	-
Other	1	-	-	1
	228	-	-	228
Noncurrent:				
Equity securities	50,810	14,685	238	65,257
Corporate debt securities	6,000	-	122	5,878
Other	-	-	-	0
Nonmarketable securities (at cost)	3,034	-	-	3,034
	59,844	14,685	360	74,169

**C) Derivatives**

The Company and certain of its subsidiaries enter into various financial instrument contracts in the normal course of business and in connection with the management of their assets and liabilities. The outstanding agreements, carrying amount and estimated fair value of derivative financial instruments as of March 31, 2007 and September 30, 2007 are as follows:

(Millions of yen)

March 31, 2007		
	Carrying amount	Estimated Fair value
Interest rate swap agreements, net	751	751
Foreign currency contracts-net credit	633	633
Currency options-net credit	-2	-2
Total	1,382	1,382

(Millions of yen)

September 30, 2007		
	Carrying amount	Estimated Fair value
Interest rate swap agreements, net	602	602
Foreign currency contracts-net credit	2,537	2,537
Currency options	-1,625	-1,625
Total	1,514	1,514

**D) Transactions of Ricoh with affiliates**

(Millions of yen)

	March 31, 2007	September 30, 2007
Account balances:		
Receivables	3,541	2,499
Payables	2,611	3,426

(Millions of yen)

	Year ended March 31, 2007	Half year ended September 30, 2007
Transactions:		
Sales	16,158	8,845
Purchases	28,993	10,240
Dividend income	828	575

**E) Per Share Data**

	(Yen)	
	March 31, 2007	September 30, 2007
Shareholders' equity per share	1,467.03	1,527.18
Net income per share-basic	153.10	72.83
Net income per share-diluted	151.89	70.90

A reconciliation of the numerator and the denominators of the basic and diluted per share computations for income is as follows:

	(Millions of yen)	
	March 31, 2007	September 30, 2007
Net income	111,724	53,160
Effect of dilutive securities	-8	-13
Diluted net income	111,716	53,147

	(Shares)	
	March 31, 2007	September 30, 2007
Weighted average common shares outstanding	729,744,656	729,901,240
Effect of dilutive securities	5,757,813	19,741,071
Diluted common shares outstanding	735,502,469	749,642,311

## 9. Non-consolidated Performance

### (1) Balance Sheets (Non-consolidated)

(September 30, 2007 and March 31, 2007)

Assets	(Millions of yen)		
	March 31, 2007	September 30, 2007	Change
Current Assets	548,362	451,395	-96,967
Cash on hand and in banks	23,602	10,545	-13,057
Notes receivable-trade	7,221	8,362	1,141
Accounts receivable-trade	244,754	219,078	-25,676
Marketable securities	118,046	39,988	-78,058
Inventories	41,999	40,985	-1,014
Accounts receivable-other	16,678	15,634	-1,044
Short-term loans receivable	74,131	94,801	20,670
Other current assets	22,166	22,101	-65
Allowance for doubtful accounts	-239	-105	134
Fixed Assets	527,927	603,747	75,820
Tangible Fixed Assets	132,457	134,438	1,981
Buildings	50,073	50,613	540
Machinery and equipment	24,721	23,125	-1,596
Land	29,274	29,272	-2
Other fixed assets	28,388	31,427	3,039
Intangible Fixed Assets	31,764	43,083	11,319
Investments and Other Assets	363,705	426,225	62,520
Investment securities	216,459	208,867	-7,592
Contribution to subsidiaries and affiliates	27,488	79,628	52,140
Long-term loans receivable	106,858	121,070	14,212
Other investments	13,400	16,999	3,599
Allowance for doubtful accounts	-501	-341	160
<b>Total Assets</b>	<b>1,076,290</b>	<b>1,055,142</b>	<b>-21,148</b>

Reference:

Exchange rate

	March 31, 2007	September 30, 2007
US\$ 1	¥118.05	¥115.43
EURO 1	¥157.33	¥163.38

### Notes:

	(Millions of yen)	
	March 31, 2007	September 30, 2007
1. Accumulated depreciation on tangible fixed assets	363,469	373,332
2. Trade notes receivable discounted with banks	2	5
3. Guarantee obligations	85	103

(September 30, 2007 and March 31, 2007)

Liabilities	(Millions of yen)		
	March 31, 2007	September 30, 2007	Change
Current Liabilities	250,134	213,857	-36,277
Notes payable-trade	5,017	4,187	-830
Accounts payable-trade	146,776	126,309	-20,467
Accrued expenses	17,331	12,109	-5,222
Accounts payable-other	35,954	37,507	1,553
Accrued corporate tax	24,939	12,619	-12,320
Accrued bonuses	14,154	13,910	-244
Accrued directors' bonuses	185	92	-93
Warranty reserve	612	656	44
Other current liabilities	5,163	6,463	1,300
Fixed Liabilities	81,339	81,404	65
Bonds	25,000	25,000	-
Convertible Bond	55,256	55,229	-27
Retirement benefit obligation	616	677	61
Reserve for directors' retirement allowances	466	-	-466
Other fixed liabilities	-	498	498
<b>Total Liabilities</b>	<b>331,474</b>	<b>295,262</b>	<b>-36,212</b>

Net assets	(Millions of yen)		
	March 31, 2007	September 30, 2007	Change
Stockholders' equity	738,727	755,217	16,490
Common Stock	135,364	135,364	-
Additional paid-in-capital	180,808	180,811	3
Legal capital reserve	180,804	180,804	-
Other additional paid-in-capital	3	7	3
Retained earnings	452,669	469,613	16,944
Legal reserve	14,955	14,955	-
Other retained earnings	437,714	454,658	16,944
Reserve for deferral of capital gain on property	506	496	-10
Reserve for special depreciation	1,147	921	-225
Reserve for warranty on computer programs	124	106	-17
Reserve for social contribution	104	146	42
General reserve	362,350	411,350	49,000
Retained earnings brought forward	73,482	41,637	-31,844
Treasury stock	-30,114	-30,572	-457
Difference of appreciation and conversion	6,088	4,661	-1,426
Net unrealized holding gains on securities	6,088	4,661	-1,426
<b>Total Net assets</b>	<b>744,815</b>	<b>759,879</b>	<b>15,063</b>
<b>Total Liabilities and Net assets</b>	<b>1,076,290</b>	<b>1,055,142</b>	<b>-21,148</b>

Reference:

Exchange rate

	March 31, 2007	September 30, 2007
US\$ 1	¥118.05	¥115.43
EURO 1	¥157.33	¥163.38

**(2) Statement of Income (Non-consolidated)**

(For the half years ended September 30, 2006, 2007 and year ended March 31, 2007)

(Millions of yen)

	Half year ended September 30, 2006	Half year ended September 30, 2007	Change	%	Year ended March 31, 2007
Net sales	503,692	516,033	12,341	2.5	1,033,302
Cost of sales	345,458	358,964	13,506	3.9	712,757
<i>Percentage of net sales (%)</i>	68.6	69.6			69.0
Gross profit	158,234	157,069	-1,165	-0.7	320,545
<i>Percentage of net sales (%)</i>	31.4	30.4			31.0
Selling, general and administrative expenses	117,171	121,721	4,550	3.9	233,571
<i>Percentage of net sales (%)</i>	23.3	23.6			22.6
Operating income	41,062	35,348	-5,714	-13.9	86,974
<i>Percentage of net sales (%)</i>	8.2	6.9			8.4
Non-operating income	11,635	11,089	-546	-4.7	24,707
<i>Percentage of net sales (%)</i>	2.3	2.1			2.4
Non-operating expenses	2,513	4,168	1,655	65.9	6,450
<i>Percentage of net sales (%)</i>	0.5	0.8			0.6
Ordinary income	50,185	42,269	-7,916	-15.8	105,231
<i>Percentage of net sales (%)</i>	10.0	8.2			10.2
Extraordinary income	3,693	-	-3,693	-	3,632
<i>Percentage of net sales (%)</i>	0.7	-			0.4
Income before income taxes	53,879	42,269	-11,610	-21.5	108,864
<i>Percentage of net sales (%)</i>	10.7	8.2			10.5
Provision for income taxes	18,400	11,050	-7,350	-39.9	38,800
<i>Percentage of net sales (%)</i>	3.7	2.1			3.8
Corporate and other tax adjustments	255	3,325	3,070	1,203.9	-1,844
<i>Percentage of net sales (%)</i>	0.1	0.6			-0.2
Interim (net) income	35,224	27,894	-7,330	-20.8	71,908
<i>Percentage of net sales (%)</i>	7.0	5.4			7.0

Reference:

Exchange rate

	Half year ended September 30, '06	Half year ended September 30, '07	Year ended March 31, '07
US\$ 1	¥115.36	¥119.69	¥117.08
EURO 1	¥145.98	¥161.97	¥150.12

**Notes:**

(Millions of yen)

	Half year ended September 30, '06	Half year ended September 30, '07	Year ended March 31, '07
1. Material components of Non-operating income:			
Interest income	2,265	4,153	4,970
Dividend income	6,668	5,132	14,893
2. Material components of Non-operating expenses:			
Interest on bonds	321	167	619
Foreign currency exchange rate	791	2,510	1,550
Loss on disposal of fixed assets	639	556	2,904
3. Material components of Extraordinary income:			
Reversal of allowance for doubtful accounts	3,693	-	3,632
4. Depreciation			
Tangible fixed assets	10,363	13,091	23,562
Intangible fixed assets	3,858	4,031	7,740



(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	-	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	-	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

**Results for the Period from April 1 to September 30, 2007**

(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
		Legal capital reserve	Other additional paid-in-capital	Legal reserve	Other retained earnings (*)		Net unrealized holding gains on securities		
Balance of March 31,2007	135,364	180,804	3	14,955	437,714	-30,114	738,727	6,088	744,815
Changes in the term									
Dividends from surplus					-10,950		-10,950		-10,950
Net income					27,894		27,894		27,894
Purchase of treasury stock						-468	-468		-468
Disposal of treasury stock			3			11	14		14
Net change of items other than stockholders' equity								-1,426	-1,426
Total changes in the term	-	-	3	-	16,944	-457	16,490	-1,426	15,063
Balance of September 30,2007	135,364	180,804	7	14,955	454,658	-30,572	755,217	4,661	759,879

(\*) 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 retained earnings
Balance of March 31,2007	506	1,147	124	104	362,350	73,482	437,714
Changes in the term							
Dividends from surplus						-10,950	-10,950
Reversal of reserve for deferral of capital gain on property	-10					10	-
Transfer to reserve for special depreciation		12				-12	-
Reversal of reserve for special depreciation		-238				238	-
Reversal of reserve for warranty on computer programs			-17			17	-
Transfer to reserve for social contribution				95		-95	-
Reversal of reserve for social contribution				-53		53	-
Transfer to general reserve					49,000	-49,000	-
Net income						27,894	27,894
Total changes in the term	-10	-225	-17	42	49,000	-31,844	16,944
Balance of September 30,2007	496	921	106	146	411,350	41,637	454,658

**Treasury stock**

Class of shares	Number of shares held at March 31, 2007	Increase	Decrease	Number of shares held at September 30, 2007
Common shares (shares)	14,904,395	172,212	5,591	15,071,016

**Reason for the Changes**

Increase: Purchase of odd lot shares of common stock 172,212 shares

Decrease: Release of treasury stock to allow shareholders with less than a full lot to complete their holdings 5,591 shares

**Results for the Period from April 1, 2006 to March 31, 2007**

(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
		Legal capital reserve	Other additional paid-in-capital	Legal reserve	Other retained earnings (*1)		Net unrealized holding gains on securities		
Balance of March 31,2006	135,364	180,804	-	14,955	384,198	-29,339	685,982	8,769	694,752
Changes in the term									
Dividends from surplus(*2)					-8,763		-8,763		-8,763
Dividends from surplus					-9,492		-9,492		-9,492
Bonus of directors(*2)					-135		-135		-135
Net income					71,908		71,908		71,908
Purchase of treasury stock						-798	-798		-798
Disposal of treasury stock			3			23	27		27
Net change of items other than stockholders' equity								-2,681	-2,681
Total changes in the term	-	-	3	-	53,516	-775	52,744	-2,681	50,063
Balance of March 31,2007	135,364	180,804	3	14,955	437,714	-30,114	738,727	6,088	744,815

(\*1) 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 retained earnings
Balance of March 31,2006	550	1,272	167	117	326,350	55,740	384,198
Changes in the term							
Dividends from surplus(*2)						-8,763	-8,763
Dividends from surplus						-9,492	-9,492
Reversal of reserve for deferral of capital gain on property(*2)	-22					22	-
Reversal of reserve for deferral of capital gain on property	-21					21	-
Transfer to reserve for special depreciation(*2)		736				-736	-
Reversal of reserve for special depreciation(*2)		-393				393	-
Transfer to reserve for special depreciation		52				-52	-
Reversal of reserve for special depreciation		-521				521	-
Reversal of reserve for warranty on computer programs(*2)			-28			28	-
Reversal of reserve for warranty on computer programs			-14			14	-
Transfer to reserve for social contribution(*2)				83		-83	-
Reversal of reserve for social contribution				-95		95	-
Transfer to general reserve(*2)					36,000	-36,000	-
Bonus of directors (*2)						-135	-135
Net income						71,908	71,908
Total changes in the term	-44	-125	-43	-12	36,000	17,741	53,516
Balance of March 31,2007	506	1,147	124	104	362,350	73,482	437,714

(\*2) Earnings appropriation items from Ordinary General Meeting of Shareholders in June 2006.

**Treasury stock**

Class of shares	Number of shares held at March 31, 2006	Increase	Decrease	Number of shares held at March 31, 2007
Common shares (shares)	14,579,522	336,711	11,838	14,904,395

**Reason for the Changes**

Increase: Purchase of odd lot shares of common stock 336,711 shares

Decrease: Release of treasury stock to allow shareholders with less than a full lot to complete their holdings 11,838 shares

## Significant Accounting Policies (Non-consolidated)

### 1. Accounting policy for assets

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

(2) Securities

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

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: 5-50 years

Machinery and equipment: 2-12 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. Accounting for deferred assets

Expences of new stock issued are accounted for as the full amount at the time of the expenditure.

Expences of new stock issued at the end of the year is included in "Non-operating expenses".

Discounts on bond issues are deferred and amortized uniformly over a period(5years) up to the maturity of the relevant bond.

### 4. 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)

### 5. Leasing

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

### 6. 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.

### 7. 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.

## Notes to Changes in Significant Accounting Policies (Non-consolidated)

(Change of Depreciation Method for fixed assets)

Effective as of April 1, 2007, in accordance with the revised Japanese Corporate Tax Law in 2007, Ricoh changed method of depreciation of tangible fixed assets acquired on or after April 1, 2007.

There is no material impact on profit(loss) for the current half of fiscal year attributable to this change.

### Additional Information

(Change of Depreciation Method for fixed assets)

Effective as of April 1, 2007, in accordance with the revised Japanese Corporate Tax Law in 2007, Ricoh changed method of depreciation of tangible fixed assets acquired on or before March 31, 2007.

Attributable to this change, its fixed assets are further depreciable up to JPY 1yen over five years after they have been depreciated up to the depreciable limit(95% of the acquisition price).

There is no material impact on profit(loss) for the current half of fiscal year attributable to this change.

(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 Financial Instruments and Exchange Law No.27.

(Securities)

Fair values of subsidiaries and affiliates

1. 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

2. Half year ended September 30, 2007

(Millions of yen)

	Balance Sheets	Fair value	Difference
Securities of consolidated companies	7,229	48,695	41,465
Securities of affiliated companies	6,935	65,663	58,727
Total	14,165	114,358	100,193

3. Year ended March 31, 2007

(Millions of yen)

	Balance Sheets	Fair value	Difference
Securities of consolidated companies	7,229	58,406	51,177
Securities of affiliated companies	6,935	55,898	48,962
Total	14,165	114,304	100,139

**-APPENDIX-** (Half year ended September 30, 2007)

**1. Consolidated Sales by Product Category**

(Three months ended September 30, 2006 and 2007)

(Millions of yen)

	Three months ended September 30, 2006	Three months ended September 30, 2007	Change	%	Change excluding exchange impact	%
<Office Solutions>						
Imaging Solutions	370,871	415,209	44,338	12.0	28,678	7.7
<i>Percentage of net sales (%)</i>	73.8	74.4				
Domestic	142,871	144,975	2,104	1.5	2,104	1.5
Overseas	228,000	270,234	42,234	18.5	26,574	11.7
Network System Solutions	55,417	56,580	1,163	2.1	854	1.5
<i>Percentage of net sales (%)</i>	11.1	10.1				
Domestic	52,405	53,592	1,187	2.3	1,187	2.3
Overseas	3,012	2,988	-24	-0.8	-333	-11.1
Office Solutions Total	426,288	471,789	45,501	10.7	29,532	6.9
<i>Percentage of net sales (%)</i>	84.9	84.5				
Domestic	195,276	198,567	3,291	1.7	3,291	1.7
Overseas	231,012	273,222	42,210	18.3	26,241	11.4
The Americas	97,889	107,636	9,747	10.0	8,021	8.2
Europe	106,863	133,351	26,488	24.8	16,537	15.5
Other	26,260	32,235	5,975	22.8	1,683	6.4
<Industrial Products>						
Industrial Products	33,547	41,940	8,393	25.0	7,772	23.2
<i>Percentage of net sales (%)</i>	6.7	7.5				
Domestic	19,667	23,591	3,924	20.0	3,924	20.0
Overseas	13,880	18,349	4,469	32.2	3,848	27.7
The Americas	4,752	4,519	-233	-4.9	-319	-6.7
Europe	4,681	5,558	877	18.7	524	11.2
Other	4,447	8,272	3,825	86.0	3,643	81.9
<Other>						
Other	42,511	44,531	2,020	4.8	1,669	3.9
<i>Percentage of net sales (%)</i>	8.4	8.0				
Domestic	37,117	37,547	430	1.2	430	1.2
Overseas	5,394	6,984	1,590	29.5	1,239	23.0
The Americas	308	372	64	20.8	61	19.8
Europe	1,450	3,358	1,908	131.6	1,644	113.4
Other	3,636	3,254	-382	-10.5	-466	-12.8
Grand Total	502,346	558,260	55,914	11.1	38,973	7.8
<i>Percentage of net sales (%)</i>	100.0	100.0				
Domestic	252,060	259,705	7,645	3.0	7,645	3.0
<i>Percentage of net sales (%)</i>	50.2	46.5				
Overseas	250,286	298,555	48,269	19.3	31,328	12.5
<i>Percentage of net sales (%)</i>	49.8	53.5				
The Americas	102,949	112,527	9,578	9.3	7,763	7.5
<i>Percentage of net sales (%)</i>	20.5	20.2				
Europe	112,994	142,267	29,273	25.9	18,705	16.6
<i>Percentage of net sales (%)</i>	22.5	25.5				
Other	34,343	43,761	9,418	27.4	4,860	14.2
<i>Percentage of net sales (%)</i>	6.8	7.8				
Reference: Exchange rate						
US\$ 1	¥116.26	¥117.98	¥1.72			
EURO 1	¥148.16	¥162.00	¥13.84			

Notes:

\* 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 2007 and Year ended March 31, 2007)

(Millions of yen)

	Half year ended September 30, 2006	Half year ended September 30, 2007	Change	%	Change excluding exchange impact	%
<Office Solutions>						
Imaging Solutions	743,626	827,392	83,766	11.3	44,212	5.9
<i>Percentage of net sales (%)</i>	75.3	76.0				
Domestic	294,392	296,648	2,256	0.8	2,256	0.8
Overseas	449,234	530,744	81,510	18.1	41,956	9.3
Network System Solutions	94,464	97,235	2,771	2.9	2,141	2.3
<i>Percentage of net sales (%)</i>	9.6	9.0				
Domestic	89,647	91,630	1,983	2.2	1,983	2.2
Overseas	4,817	5,605	788	16.4	158	3.3
Office Solutions Total	838,090	924,627	86,537	10.3	46,353	5.5
<i>Percentage of net sales (%)</i>	84.9	85.0				
Domestic	384,039	388,278	4,239	1.1	4,239	1.1
Overseas	454,051	536,349	82,298	18.1	42,114	9.3
The Americas	190,930	206,293	15,363	8.0	8,540	4.5
Europe	214,173	271,610	57,437	26.8	31,404	14.7
Other	48,948	58,446	9,498	19.4	2,170	4.4
<Industrial Products>						
Industrial Products	68,256	77,476	9,220	13.5	7,787	11.4
<i>Percentage of net sales (%)</i>	6.9	7.1				
Domestic	38,497	44,251	5,754	14.9	5,754	14.9
Overseas	29,759	33,225	3,466	11.6	2,033	6.8
The Americas	12,091	8,013	-4,078	-33.7	-4,344	-35.9
Europe	9,381	11,526	2,145	22.9	1,232	13.1
Other	8,287	13,686	5,399	65.2	5,145	62.1
<Other>						
Other	80,576	86,270	5,694	7.1	4,819	6.0
<i>Percentage of net sales (%)</i>	8.2	7.9				
Domestic	69,955	71,910	1,955	2.8	1,955	2.8
Overseas	10,621	14,360	3,739	35.2	2,864	27.0
The Americas	563	1,395	832	147.8	809	143.7
Europe	2,950	5,980	3,030	102.7	2,471	83.8
Other	7,108	6,985	-123	-1.7	-416	-5.9
Grand Total	986,922	1,088,373	101,451	10.3	58,959	6.0
<i>Percentage of net sales (%)</i>	100.0	100.0				
Domestic	492,491	504,439	11,948	2.4	11,948	2.4
<i>Percentage of net sales (%)</i>	49.9	46.3				
Overseas	494,431	583,934	89,503	18.1	47,011	9.5
<i>Percentage of net sales (%)</i>	50.1	53.7				
The Americas	203,584	215,701	12,117	6.0	5,005	2.5
<i>Percentage of net sales (%)</i>	20.6	19.8				
Europe	226,504	289,116	62,612	27.6	35,107	15.5
<i>Percentage of net sales (%)</i>	23.0	26.6				
Other	64,343	79,117	14,774	23.0	6,899	10.7
<i>Percentage of net sales (%)</i>	6.5	7.3				

Reference: Exchange rate

US\$ 1	¥115.40	¥119.37	¥3.97
EURO 1	¥145.98	¥162.36	¥16.38

Notes:

\* 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, 2007	Change	Dec. 31, 2007	Change	Mar. 31, 2008	Change	Mar. 31, 2008	Change
	Results	%	Forecast	%	Forecast	%	Forecast	%
Net sales	1088.3	10.3	537.0	6.2	1,161.6	7.4	2,250.0	8.8
Gross profit	451.2	10.6	232.3	5.9	488.7	7.5	940.0	9.0
Operating income	84.5	15.6	49.0	0.7	110.4	9.1	195.0	11.8
Income before income taxes	85.0	14.5	49.0	0.4	106.9	6.7	192.0	10.0
Net income	53.1	2.1	31.3	0.2	63.8	7.0	117.0	4.7
Net income per share-basic (yen)	72.83	-	42.88	-	87.47	-	160.30	-
Net income per share-diluted (yen)	70.90	-	41.74	-	85.14	-	156.04	-
Capital expenditures	39.6	-	18.0	-	50.4	-	90.0	-
Depreciation for tangible fixed assets	35.6	-	19.5	-	40.4	-	76.0	-
R&D expenditures	61.5	-	30.0	-	66.5	-	128.0	-
Exchange rate (Yen/US\$)	119.37	-	115.00	-	115.00	-	117.19	-
Exchange rate (Yen/EURO)	162.36	-	155.00	-	155.00	-	158.68	-

## 3. Forecast of Consolidated Sales by Product Category

(Billions of yen)

	Half year ending March 31, 2008				Year ending March 31, 2008			
	Forecast	Change	Forecast(*)	Change	Forecast	Change	Forecast(*)	Change
		%		%		%		%
<Office Solutions>								
Imaging Solutions	908.2	8.6	914.5	9.3	1,735.6	9.8	1,702.3	7.7
Domestic	330.3	6.7	330.3	6.7	627.0	3.8	627.0	3.8
Overseas	577.9	9.7	584.2	10.9	1,108.6	13.6	1,075.3	10.2
Network System Solutions	104.5	4.7	104.5	4.7	201.7	3.8	201.1	3.5
Domestic	99.5	4.7	99.5	4.7	191.1	3.5	191.1	3.5
Overseas	5.0	4.6	5.0	4.6	10.6	10.5	10.0	4.0
Office Solutions Total	1,012.8	8.2	1,019.1	8.8	1,937.4	9.2	1,903.5	7.3
Domestic	429.8	6.2	429.8	6.2	818.1	3.7	818.1	3.7
Overseas	582.9	9.6	589.2	10.8	1,119.2	13.5	1,085.4	10.1
The Americas	231.0	7.7	238.4	11.1	437.2	7.9	437.8	8.0
Europe	292.5	10.1	291.4	9.7	564.1	17.6	536.9	11.9
Other	59.4	15.5	59.4	15.5	117.8	17.4	110.5	10.1
<Industrial Products>								
Industrial Products	69.6	6.9	69.7	7.0	147.0	10.3	145.7	9.3
Domestic	37.7	-0.0	37.7	-0.0	81.9	7.5	81.9	7.5
Overseas	31.9	16.3	32.0	16.7	65.1	13.9	63.7	11.6
The Americas	8.2	12.4	8.4	15.1	16.2	-16.4	16.1	-16.7
Europe	10.1	1.0	10.0	0.0	21.6	11.6	20.6	6.4
Other	13.6	34.2	13.6	34.2	27.2	48.1	27.0	46.8
<Other>								
Other	79.2	-1.6	79.3	-1.4	165.4	2.7	164.7	2.3
Domestic	68.0	0.9	68.0	0.9	139.9	1.9	139.9	1.9
Overseas	11.2	-14.6	11.3	-13.6	25.5	7.7	24.8	4.6
The Americas	0.9	-13.9	1.0	-1.4	2.2	42.7	2.4	49.4
Europe	4.2	-15.5	4.2	-15.5	10.1	28.5	9.6	21.5
Other	6.1	-14.0	6.1	-14.0	13.1	-7.9	12.8	-9.9
Grand Total	1,161.6	7.4	1,168.1	8.0	2,250.0	8.8	2,214.0	7.0
Domestic	535.5	5.1	535.5	5.1	1,040.0	3.8	1,040.0	3.8
Overseas	626.0	9.4	632.5	10.5	1,210.0	13.4	1,174.0	10.1
The Americas	240.1	7.7	247.8	11.2	455.8	6.9	456.4	7.0
Europe	306.8	9.3	305.6	8.9	595.9	17.5	567.2	11.8
Other	79.1	15.2	79.1	15.2	158.2	19.0	150.4	13.0

\* Excluding foreign exchange impact