

QUARTERLY REPORT

First Quarter ended June 30, 2007
(Results for the Period from April 1, 2007 to June 30, 2007)

Performance Outline (Consolidated)

				(Billions of yen)	
	Three months ended June 30, 2006 Results	Three months ended June 30, 2007 Results	Change	Year ending March 31, 2008 Forecast	Change
Domestic sales	240.4	244.7	1.8%	1,040.0	3.8%
Overseas sales	244.1	285.3	16.9%	1,210.0	13.4%
Net sales	484.5	530.1	9.4%	2,250.0	8.8%
Gross profit	202.5	228.7	12.9%	940.0	9.0%
Operating income	40.6	46.6	14.7%	195.0	11.8%
Income from continuing operations before income taxes	38.7	53.2	37.6%	192.0	10.0%
Net income	29.1	33.8	16.2%	117.0	4.7%
Exchange rate (Yen/US\$)	114.53	120.77	6.24	116.44	-0.58
Exchange rate (Yen/EURO)	143.78	162.72	18.94	156.93	6.85
Net income per share (yen)	39.92	46.38	6.46	160.28	7.18
Net income per share-diluted (yen)	39.92	45.15	5.23	156.03	4.14
Cash flows from operating activities	26.3	21.4	-4.9	-	-
Cash flows from investing activities	-5.0	-107.2	-102.1	-	-
Cash flows from financing activities	-17.4	-2.8	14.5	-	-
Cash and cash equivalents at end of period	189.1	171.6	-17.5	-	-
Capital expenditures	15.9	17.1	1.1	90.0	4.2
Depreciation for tangible fixed assets	15.9	16.8	0.9	76.0	3.5
R&D expenditures	25.3	27.2	1.8	128.0	13.0
	March 31, 2007	June 30, 2007	Change		
Total assets	2,243.4	2,313.5	70.1		
Shareholders' equity	1,070.9	1,111.0	40.1		
Interest-bearing debt	415.6	429.0	13.3		
Equity ratio (%)	47.7	48.0	0.3		
Shareholders' equity per share (yen)	1,467.03	1,522.12	55.09		

Ricoh Company, Ltd.

* The Company bases the forecast estimates for the fiscal 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.

Ricoh Company, Ltd. and Consolidated Subsidiaries

Financial Highlights for the First Quarter Ended June 30, 2007 (U.S. GAAP Financial Information)

1 Results for the Period from April 1, 2007 to June 30, 2007

	(Millions of yen)		
	Three months ended June 30, 2006	Three months ended June 30, 2007	Year ended March 31, 2007
Net sales	484,576	530,113	2,068,925
<i>(% change from the previous corresponding period)</i>	7.3	9.4	-
Operating income	40,647	46,616	174,380
<i>(% change from the previous corresponding period)</i>	11.7	14.7	-
Income from continuing operations before income taxes	38,704	53,264	174,519
<i>(% change from the previous corresponding period)</i>	4.0	37.6	-
Net income	29,125	33,855	111,724
<i>(% change from the previous corresponding period)</i>	22.8	16.2	-
Net income per share-basic (yen)	39.92	46.38	153.10
Net income per share-diluted (yen)	39.92	45.15	151.89

	(Millions of yen)		
	June 30, 2006	June 30, 2007	March 31, 2007
Total assets	2,048,349	2,313,588	2,243,406
Shareholders' Investment	973,758	1,111,025	1,070,913
Equity ratio (%)	47.5	48.0	47.7
Equity per share (yen)	1,334.83	1,522.12	1,467.03

	(Millions of yen)		
	Three months ended June 30, 2006	Three months ended June 30, 2007	Year ended March 31, 2007
Cash flows from operating activities	26,345	21,425	167,297
Cash flows from investing activities	-5,086	-107,242	-115,432
Cash flows from financing activities	-17,482	-2,882	9,282
Cash and cash equivalents at end of period	189,173	171,602	255,737

	(Millions of yen)	
	Half year ending September 30, 2007	Year ending March 31, 2008
Net sales	1,067,700	2,250,000
Operating income	83,000	195,000
Income from continuing operations before income taxes	89,000	192,000
Net income	56,000	117,000
Net income per share (yen)	76.72	160.28

* 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.

3. Others

(1) Significant changes to consolidated subsidiaries:

Consolidated subsidiaries: 1 removal (Lanier Worldwide, Inc.)

(2) Changes in accounting method:

Not applicable

Consolidated Performance

1. Operating results

*Overview

Consolidated net sales for the first quarter of fiscal year 2008 (the three months period from April 1, 2007 to June 30, 2007) increased by 9.4% as compared to the previous corresponding period, to ¥530.1 billion. During this quarter, the average yen exchange rates were ¥120.77 against the U.S. dollar (down ¥6.24) and ¥162.72 against the Euro (down ¥18.94). Net sales would have increased by 4.1% excluding impact of such foreign currency exchange fluctuation.

As for Japan, sales of product categories such as PPCs (plain paper copiers), MFPs (multifunctional printers) and laser printers, especially color models, and sales in the solutions business, such as support and services relating to Ricoh's imaging solutions products, increased. Sales in the Industrial Products and Other segments also increased. Consequently, overall domestic sales increased by 1.8% as compared to the previous corresponding period.

As for overseas, the increase in sales of color MFPs and color laser printers contributed to the favorable performance in each geographic area. Although sales in the Americas increased slightly by 2.5% (-2.7%, excluding foreign currency exchange fluctuation) due to a special pronouncement in the Industrial Products segment, sales in Europe, including Infotec Europe increased significantly by 29.4% (14.4%, excluding foreign currency exchange fluctuation) and sales in Other, comprised of China, Asia and Oceania, continued to increase by 17.9% (6.8%, excluding foreign currency exchange fluctuation). As a result, sales in the overseas market increased by 16.9% as compared to the previous corresponding period. Excluding effects of foreign currency fluctuations, net sales in overseas would have increased by 6.4% as compared to the previous corresponding period.

Gross profit increased by 12.9% as compared to the previous corresponding period, to ¥228.7 billion. This increase primarily reflects the increase in sales derived from the value-added high-margin products in the Office Solutions segment and depreciation of yen in exchange rate. Gross profit as a percentage of net sales increased by 1.4 percentage points as compared to the previous corresponding period, to 43.2%.

Selling, general and administrative expenses increased by 12.5% as compared to the previous corresponding period, to ¥182.1 billion due to the increase in personnel expenses resulting from merit increase, as well as increased R&D expenses and depreciation of yen.

As a result, operating income increased by 14.7% as compared to the previous corresponding period, to ¥46.6 billion.

Other (income) expenses improved significantly as compared to the previous corresponding period due to a gain on foreign exchange as opposed to a loss on foreign exchange in the previous corresponding period. As a result, income from continuing operations before income taxes increased by 37.6% as compared to the previous corresponding period, to ¥53.2 billion.

As a result, income from continuing operations increased by 43.3% as compared to the previous corresponding period.

Net income increased by 16.2% as compared to the previous corresponding period, to ¥33.8 billion, despite the fact that income from discontinued operations ¥5.5 billion recorded in the previous corresponding period.

*Conditions by Product Line

Office Solutions (Sales up 10.0% to ¥452.8 billion)

Imaging Solutions (Sales up 10.6% to ¥412.1 billion)

As for PPCs and MFPs, decreased sales of monochrome products were offset completely the increased sales of color products mainly in the overseas market. As a result, overall sales of PPCs and MFPs increased as compared to the previous corresponding period.

As for printers, sales of color laser printers and color GELJET printers increased and sales of monochrome products increased in the overseas market as well.

Network System Solutions (Sales up 4.1% to ¥40.6 billion)

Sales of PC servers mainly in Japan market and sales of support and services in Japan and the overseas market increased.

As a result, sales in the Office Solutions segment increased by 10.0% as compared to the previous corresponding period, to ¥452.8 billion. Operating income increased by 18.3% as compared to the previous corresponding period, to ¥60.7 billion due to the increase in sales of color products, as well as continuous cost reduction and depreciation of yen.

Industrial Products (Sales up 2.4% to ¥35.5 billion)

Sales in the Industrial Products segment increased by 2.4% as compared to the previous corresponding period, to ¥35.5 billion. Although sales of electronic components in the Americas decreased significantly, sales of thermal media and semiconductor devices increased. Sales of measuring equipment increased due primarily to the recovery in demand for such products.

As a result, operating income in the Industrial Products segment was ¥1.1 billion (¥1.2 billion for the previous corresponding period).

Other (Sales up 9.7% to ¥41.7 billion)

Net sales in the Other segment increased by 9.7% as compared to the previous corresponding period, to ¥41.7 billion. Sales of optical discs increased in the overseas market and sales of digital cameras increased mainly in Japan market.

As a result operating income in the Other segment was ¥0.8 billion (¥0.6 billion for the previous corresponding period).

2. Financial Position

***Assets, Liabilities and Shareholders' Investment**

For Assets, cash and cash equivalents decreased and other investments including goodwill increased due primarily to the formation of a joint venture company, InfoPrint Solutions Company, LLC, with IBM Corporation. Assets denominated in foreign currency increased due primarily to the foreign currency exchange fluctuations. As a result, total assets increased by ¥70.1 billion, to ¥2,313.5 billion.

For Liabilities, short-term borrowings temporarily increased and other fixed liabilities increased due primarily to the joint venture as well as foreign currency exchange fluctuations. As a result, total liabilities increased by ¥22.4 billion, to ¥1,138.0 billion.

Stockholders' investment increased by ¥40.1 billion, to ¥1,111.0 billion due primarily to retained earnings decreased by dividends payment and increased by earning profit, and an increase in cumulative translation adjustments for foreign currency exchange fluctuations.

***Cash Flows (Three months from April 1, 2007 to June 30, 2007)**

As compared to the previous corresponding period, net cash provided by operating activities in this period decreased by ¥4.9 billion, to ¥21.4 billion. Net cash provided by operating activities consisted primarily of an increase in net income and depreciation and amortization, a decrease in trade receivables and other of which were partially offset by an increase in inventories and a decrease in trade payables.

As compared to the previous corresponding period, net cash used in investing activities in this period decreased by ¥102.1 billion, to ¥107.2 billion. Net cash used in investing activities consisted primarily of a payment for the formation of a joint venture company with IBM Corporation.

As a result, free cash flows generated by operating and investing activities decreased by ¥107.0 billion as compared to the previous corresponding period, to cash outflows of ¥85.8 billion.

Net cash used in financing activities amounted to ¥2.8 billion due primarily to a decrease in long-term indebtedness and dividends payment and other of which were partially offset by an increase in short-term borrowings.

As a result, cash and cash equivalents at the end of this first quarter decreased by ¥84.1 billion as compared to the end of the preceding fiscal year, to ¥171.6 billion.

3. Forecast for the entire fiscal year

Ricoh has not changed its fiscal forecast for the year ending March 31, 2008 that previously announced in April 2007 although the exchange rate fluctuations would effect its financial statements as with this first quarter results.

Ricoh assumes that exchange rates of ¥115.00 against the U.S. dollar and of ¥155.00 against the Euro in and after the second quarter, which were the same forecast that announced in April 2007. The actual exchange rates during the first quarter were incorporated in annual exchange rates assumption.

Our performance forecast for fiscal year 2008 is as follows:

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

US\$ 1 = ¥116.44 (¥117.02 in previous fiscal year)

EURO 1 = ¥156.93 (¥150.08 in previous fiscal year)

(Billions of yen)

	Year ended March 31, 2007 (Results)	Year ending March 31, 2008 (Forecast)	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 from continuing operations before income taxes	174.5	192.0	10.0%
Net income	111.7	117.0	4.7%

* 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.

4. Other

(1) Significant changes to consolidated subsidiaries:

As of April 1, 2007, Ricoh Corporation ("RC"), a wholly-owned subsidiary of the Company, completed the merger with Lanier Worldwide, Inc. ("Lanier"), a wholly-owned subsidiary of RC. In associated with the merger, RC changed its name to Ricoh Americas Corporation while Lanier was liquidated.

(2) Changes in accounting method:

Not applicable

5. Consolidated Financial Statements

(1) Consolidated Balance Sheets

Assets	(Millions of yen)		
	March 31, 2007	June 30, 2007	Change
Current Assets			
Cash and time deposits	257,154	173,211	-83,943
Trade receivables	693,237	704,335	11,098
Marketable securities	177	212	35
Inventories	184,354	203,565	19,211
Other current assets	65,170	68,222	3,052
Total Current Assets	1,200,092	1,149,545	-50,547
Fixed Assets			
Tangible fixed assets	264,668	264,730	62
Finance receivables	435,874	441,411	5,537
Other investments	342,772	457,902	115,130
Total Fixed Assets	1,043,314	1,164,043	120,729
Total Assets	2,243,406	2,313,588	70,182

Note:

Contents of cash and time deposits;

Cash and cash equivalents	255,737	171,602
Time deposits	1,417	1,609

Liabilities and Shareholders' Investment	(Millions of yen)		
	March 31, 2007	June 30, 2007	Change
Current Liabilities			
Trade payables	367,211	357,723	-9,488
Short-term borrowings	178,847	197,283	18,436
Other current liabilities	189,554	193,944	4,390
Total Current Liabilities	735,612	748,950	13,338
Fixed Liabilities			
Long-term indebtedness	236,801	231,717	-5,084
Accrued pension and severance costs	99,028	100,503	1,475
Other fixed liabilities	44,183	56,900	12,717
Total Fixed Liabilities	380,012	389,120	9,108
Total Liabilities	1,115,624	1,138,070	22,446
Minority Interest	56,869	64,493	7,624
Shareholders' Investment			
Common stock	135,364	135,364	-
Additional paid-in capital	186,454	186,455	1
Retained earnings	752,398	775,303	22,905
Accumulated other comprehensive income (loss)	26,998	44,389	17,391
Treasury stock	-30,301	-30,486	-185
Total Shareholders' Investment	1,070,913	1,111,025	40,112
Total Liabilities and Shareholders' Investment	2,243,406	2,313,588	70,182

Note:

Other comprehensive income;

Net unrealized holding gains on available-for-sale securities	9,001	12,843	3,842
Pension liability adjustments	-9,406	-12,789	-3,383
Net unrealized gains (losses) on derivative instruments	-28	-39	-11
Cumulative translation adjustments	27,431	44,374	16,943

Reference: Exchange rate

	March 31, 2007	June 30, 2007
US\$ 1	¥118.05	¥123.26
EURO 1	¥157.33	¥165.64

(2) Consolidated Statements of Income

(Millions of yen)

	Three months ended June 30, 2006	Three months ended June 30, 2007	Change	%
Net sales	484,576	530,113	45,537	9.4
Cost of sales	282,011	301,343	19,332	6.9
<i>Percentage of net sales (%)</i>	58.2	56.8		
Gross Profit	202,565	228,770	26,205	12.9
<i>Percentage of net sales (%)</i>	41.8	43.2		
Selling, general and administrative expenses	161,918	182,154	20,236	12.5
<i>Percentage of net sales (%)</i>	33.4	34.4		
Operating income	40,647	46,616	5,969	14.7
<i>Percentage of net sales (%)</i>	8.4	8.8		
Other (income) expenses				
Interest and dividend income	1,097	1,305	208	19.0
<i>Percentage of net sales (%)</i>	0.2	0.2		
Interest expense	1,584	1,149	-435	-27.5
<i>Percentage of net sales (%)</i>	0.3	0.2		
Other, net	1,456	-6,492	-7,948	-
<i>Percentage of net sales (%)</i>	0.3	-1.2		
Income from continuing operations before income taxes, equity income and minority interests	38,704	53,264	14,560	37.6
<i>Percentage of net sales (%)</i>	8.0	10.0		
Provision for income taxes	14,226	18,192	3,966	27.9
<i>Percentage of net sales (%)</i>	2.9	3.4		
Minority interests in earnings of subsidiaries	1,339	1,622	283	21.1
<i>Percentage of net sales (%)</i>	0.3	0.3		
Equity in earnings of affiliates	486	405	-81	-16.7
<i>Percentage of net sales (%)</i>	0.1	0.1		
Income from continuing operations	23,625	33,855	10,230	43.3
<i>Percentage of net sales (%)</i>	4.9	6.4		
Income from discontinued operations, net of tax	5,500	-	-5,500	-
<i>Percentage of net sales (%)</i>	1.1	-		
Net Income	29,125	33,855	4,730	16.2
<i>Percentage of net sales (%)</i>	6.0	6.4		

Reference : Exchange rate

US\$ 1	¥114.53	¥120.77
EURO 1	¥143.78	¥162.72

(3)-1 Consolidated Sales by Product Category

(Millions of yen)

	Three months ended June 30, 2006	Three months ended June 30, 2007	Change	%
<Office Solutions>				
Imaging Solutions	372,755	412,183	39,428	10.6
<i>Percentage of net sales (%)</i>	76.9	77.8		
Network System Solutions	39,047	40,655	1,608	4.1
<i>Percentage of net sales (%)</i>	8.1	7.6		
Office Solutions Total	411,802	452,838	41,036	10.0
<i>Percentage of net sales (%)</i>	85.0	85.4		
<Industrial Products>				
Industrial Products	34,709	35,536	827	2.4
<i>Percentage of net sales (%)</i>	7.2	6.7		
<Other>				
Other	38,065	41,739	3,674	9.7
<i>Percentage of net sales (%)</i>	7.8	7.9		
Grand Total	484,576	530,113	45,537	9.4
<i>Percentage of net sales (%)</i>	100.0	100.0		

(3)-2 Consolidated Sales by Geographic Area

(Millions of yen)

	Three months ended June 30, 2006	Three months ended June 30, 2007	Change	%
<Domestic>	240,431	244,734	4,303	1.8
<i>Percentage of net sales (%)</i>	49.6	46.2		
<Overseas>	244,145	285,379	41,234	16.9
<i>Percentage of net sales (%)</i>	50.4	53.8		
The Americas	100,635	103,174	2,539	2.5
<i>Percentage of net sales (%)</i>	20.8	19.5		
Europe	113,510	146,849	33,339	29.4
<i>Percentage of net sales (%)</i>	23.4	27.7		
Other	30,000	35,356	5,356	17.9
<i>Percentage of net sales (%)</i>	6.2	6.6		
Grand Total	484,576	530,113	45,537	9.4
<i>Percentage of net sales (%)</i>	100.0	100.0		

(4) Consolidated Statements of Shareholders' Investment

Three month ended June 30, 2006

(Millions of yen)

	Common stock	Additional paid-in capital	Retained earnings	Accumulated other comprehensive income	Treasury stock	Total Shareholders' Investment
Balance at March 31, 2006	135,364	186,450	665,394	4,099	-31,062	960,245
Cumulative effect of adjustment from applying SAB 108	-	-	-6,464	-	-	-6,464
Balance at April 1, 2006 as adjusted	135,364	186,450	658,930	4,099	-31,062	953,781
Gain on disposal of treasury stock		0				0
Dividends declared and approved			-8,764			-8,764
Comprehensive income						
Net income			29,125			29,125
Net unrealized holding losses on available-for-sale securities				-804		-804
Pension liability adjustments				557		557
Net unrealized losses on derivative instruments				-36		-36
Cumulative translation adjustments				20		20
Total comprehensive income						28,862
Net changes in treasury stocks					-121	-121
Balance at June 30, 2006	135,364	186,450	679,291	3,836	-31,183	973,758

Three month ended June 30, 2007

(Millions of yen)

	Common stock	Additional paid-in capital	Retained earnings	Accumulated other comprehensive income	Treasury stock	Total Shareholders' Investment
Balance at March 31, 2007	135,364	186,454	752,398	26,998	-30,301	1,070,913
Gain on disposal of treasury stock		1				1
Dividends declared and approved			-10,950			-10,950
Comprehensive income						
Net income			33,855			33,855
Net unrealized holding gains on available-for-sale securities				3,842		3,842
Pension liability adjustments				-3,383		-3,383
Net unrealized losses on derivative instruments				-11		-11
Cumulative translation adjustments				16,943		16,943
Total comprehensive income						51,246
Net changes in treasury stocks					-185	-185
Balance at June 30, 2007	135,364	186,455	775,303	44,389	-30,486	1,111,025

(5) Consolidated Statements of Cash Flows

(Millions of yen)

	Three months ended June 30, 2006	Three months ended June 30, 2007
I. Cash Flows from Operating Activities:		
Net income	29,125	33,855
Income from discontinued operations, net of tax	-5,500	-
Income from continuing operations	23,625	33,855
Adjustments to reconcile net income to net cash provided by operating activities—		
Depreciation and amortization	20,776	21,652
Equity in earnings of affiliates, net of dividends received	7	170
Deferred income taxes	-1,232	1,236
Loss on disposals and sales of tangible fixed assets	116	126
Pension and severance costs, less payments	134	-3,074
Changes in assets and liabilities—		
Decrease in trade receivables	3,233	4,886
Increase in inventories	-14,205	-14,148
Increase in finance receivables	-7,217	-4,068
Decrease in trade payables	-9,533	-13,989
Increase in accrued income taxes and accrued expenses and other	7,970	-32
Other, net	2,671	-5,189
Net cash provided by operating activities	26,345	21,425
II. Cash Flows from Investing Activities:		
Proceeds from sales of property, plant and equipment	42	56
Expenditures for property, plant and equipment	-15,954	-17,104
Payments for purchases of available-for-sale securities	-24,739	-24,261
Proceeds from sales of available-for-sale securities	24,019	24,421
Increase in time deposits	-38	-131
Proceeds from sales of discontinued operations	12,000	-
Other, net	-416	-90,223
Net cash used in investing activities	-5,086	-107,242
III. Cash Flows from Financing Activities:		
Proceeds from long-term indebtedness	36,069	9,683
Repayment of long-term indebtedness	-13,845	-22,562
Increase (Decrease) in short-term borrowings, net	-12,526	31,441
Repayment of long-term debt securities	-18,000	-10,000
Dividends paid	-8,764	-10,950
Payment for purchase of treasury stock	-125	-186
Other, net	-291	-308
Net cash used in financing activities	-17,482	-2,882
IV. Net Increase in Cash and Cash Equivalents from discontinued operations	825	-
V. Effect of Exchange Rate Changes on Cash and Cash Equivalents	-2,484	4,564
VI. Net Increase (Decrease) in Cash and Cash Equivalents	2,118	-84,135
VII. Cash and Cash Equivalents at Beginning of Year	187,055	255,737
VIII. Cash and Cash Equivalents at End of Period	189,173	171,602

(6) Segment Information**(a) Operating Segments Information**

(Millions of yen)

	Three months ended June 30, 2006	Three months ended June 30, 2007	Change	%
Office Solutions:				
Net sales:				
Unaffiliated customers	411,802	452,838	41,036	10.0
Intersegment	-	-	-	-
Total	411,802	452,838	41,036	10.0
Operating expenses	360,458	392,081	31,623	8.8
Operating income	51,344	60,757	9,413	18.3
<i>Operating income on sales in Office Solutions (%)</i>	12.5	13.4		
Industrial Products:				
Net sales:				
Unaffiliated customers	34,709	35,536	827	2.4
Intersegment	1,205	1,119	-86	-7.1
Total	35,914	36,655	741	2.1
Operating expenses	34,680	35,554	874	2.5
Operating income	1,234	1,101	-133	-10.8
<i>Operating income on sales in Industrial Products (%)</i>	3.4	3.0		
Other:				
Net sales:				
Unaffiliated customers	38,065	41,739	3,674	9.7
Intersegment	-	-	-	-
Total	38,065	41,739	3,674	9.7
Operating expenses	37,382	40,897	3,515	9.4
Operating income	683	842	159	23.3
<i>Operating income on sales in Other (%)</i>	1.8	2.0		
Corporate and Eliminations:				
Net sales:				
Intersegment	-1,205	-1,119	86	-
Total	-1,205	-1,119	86	-
Operating expenses:				
Intersegment	-1,250	-1,117	133	-
Corporate	12,659	16,082	3,423	-
Total	11,409	14,965	3,556	-
Operating income	-12,614	-16,084	-3,470	-
Consolidated:				
Net sales:				
Unaffiliated customers	484,576	530,113	45,537	9.4
Intersegment	-	-	-	-
Total	484,576	530,113	45,537	9.4
Operating expenses	443,929	483,497	39,568	8.9
Operating income	40,647	46,616	5,969	14.7
<i>Operating income on consolidated net sales (%)</i>	8.4	8.8		

(b) Geographic Segments Information

(Millions of yen)

	Three months ended June 30, 2006	Three months ended June 30, 2007	Change	%
Japan:				
Net sales:				
External customers	246,140	252,126	5,986	2.4
Intersegment	123,068	141,627	18,559	15.1
Total	369,208	393,753	24,545	6.6
Operating expenses	337,072	358,680	21,608	6.4
Operating income	32,136	35,073	2,937	9.1
<i>Operating income on sales in Japan (%)</i>	8.7	8.9		
The Americas:				
Net sales:				
External customers	100,625	102,511	1,886	1.9
Intersegment	989	829	-160	-16.2
Total	101,614	103,340	1,726	1.7
Operating expenses	99,593	101,504	1,911	1.9
Operating income	2,021	1,836	-185	-9.2
<i>Operating income on sales in the Americas (%)</i>	2.0	1.8		
Europe:				
Net sales:				
External customers	113,509	146,618	33,109	29.2
Intersegment	898	1,210	312	34.7
Total	114,407	147,828	33,421	29.2
Operating expenses	109,783	141,063	31,280	28.5
Operating income	4,624	6,765	2,141	46.3
<i>Operating income on sales in Europe (%)</i>	4.0	4.6		
Other:				
Net sales:				
External customers	24,302	28,858	4,556	18.7
Intersegment	32,347	47,426	15,079	46.6
Total	56,649	76,284	19,635	34.7
Operating expenses	52,330	70,614	18,284	34.9
Operating income	4,319	5,670	1,351	31.3
<i>Operating income on sales in Other (%)</i>	7.6	7.4		
Corporate and Eliminations:				
Net sales:				
Intersegment	-157,302	-191,092	-33,790	-
Total	-157,302	-191,092	-33,790	-
Operating expenses	-154,849	-188,364	-33,515	-
Operating income	-2,453	-2,728	-275	-
Consolidated:				
Net sales:				
External customers	484,576	530,113	45,537	9.4
Intersegment	-	-	-	-
Total	484,576	530,113	45,537	9.4
Operating expenses	443,929	483,497	39,568	8.9
Operating income	40,647	46,616	5,969	14.7
<i>Operating income on consolidated net sales (%)</i>	8.4	8.8		

-APPENDIX- (Three months ended June 30, 2007)

1. Consolidated Sales by Product Category

	(Millions of yen)					
	Three months ended June 30, 2006	Three months ended June 30, 2007	Change	%	Change excluding exchange impact	%
<Office Solutions>						
Imaging Solutions	372,755	412,183	39,428	10.6	15,534	4.2
<i>Percentage of net sales (%)</i>	76.9	77.8				
Domestic	151,521	151,673	152	0.1	152	0.1
Overseas	221,234	260,510	39,276	17.8	15,382	7.0
Network System Solutions	39,047	40,655	1,608	4.1	1,287	3.3
<i>Percentage of net sales (%)</i>	8.1	7.6				
Domestic	37,242	38,038	796	2.1	796	2.1
Overseas	1,805	2,617	812	45.0	491	27.2
Office Solutions Total	411,802	452,838	41,036	10.0	16,821	4.1
<i>Percentage of net sales (%)</i>	85.0	85.4				
Domestic	188,763	189,711	948	0.5	948	0.5
Overseas	223,039	263,127	40,088	18.0	15,873	7.1
The Americas	93,041	98,657	5,616	6.0	519	0.6
Europe	107,310	138,259	30,949	28.8	14,867	13.9
Other	22,688	26,211	3,523	15.5	487	2.1
<Industrial Products>						
Industrial Products	34,709	35,536	827	2.4	15	0.0
<i>Percentage of net sales (%)</i>	7.2	6.7				
Domestic	18,830	20,660	1,830	9.7	1,830	9.7
Overseas	15,879	14,876	-1,003	-6.3	-1,815	-11.4
The Americas	7,339	3,494	-3,845	-52.4	-4,025	-54.8
Europe	4,700	5,968	1,268	27.0	708	15.1
Other	3,840	5,414	1,574	41.0	1,502	39.1
<Other>						
Other	38,065	41,739	3,674	9.7	3,150	8.3
<i>Percentage of net sales (%)</i>	7.8	7.9				
Domestic	32,838	34,363	1,525	4.6	1,525	4.6
Overseas	5,227	7,376	2,149	41.1	1,625	31.1
The Americas	255	1,023	768	301.2	748	293.3
Europe	1,500	2,622	1,122	74.8	827	55.1
Other	3,472	3,731	259	7.5	50	1.4
Grand Total	484,576	530,113	45,537	9.4	19,986	4.1
<i>Percentage of net sales (%)</i>	100.0	100.0				
Domestic	240,431	244,734	4,303	1.8	4,303	1.8
<i>Percentage of net sales (%)</i>	49.6	46.2				
Overseas	244,145	285,379	41,234	16.9	15,683	6.4
<i>Percentage of net sales (%)</i>	50.4	53.8				
The Americas	100,635	103,174	2,539	2.5	-2,758	-2.7
<i>Percentage of net sales (%)</i>	20.8	19.5				
Europe	113,510	146,849	33,339	29.4	16,402	14.4
<i>Percentage of net sales (%)</i>	23.4	27.7				
Other	30,000	35,356	5,356	17.9	2,039	6.8
<i>Percentage of net sales (%)</i>	6.2	6.6				
Reference: Exchange rate						
US\$ 1	¥114.53	¥120.77	¥6.24			
EURO 1	¥143.78	¥162.72	¥18.94			

*Each category includes the following product line:

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

2. Forecast of Consolidated Performance

(Billions of yen)

	Three months ended		Three months ending		Half year ending		Year ending	
	June 30, 2007	Change	Sept. 30, 2007	Change	Sept. 30, 2007	Change	March 31, 2008	Change
	Results	%	Forecast	%	Forecast	%	Forecast	%
Net sales	530.1	9.4	537.5	7.0	1,067.7	8.2	2,250.0	8.8
Gross profit	228.7	12.9	222.4	8.3	451.2	10.6	940.0	9.0
Operating income	46.6	14.7	36.3	11.9	83.0	13.4	195.0	11.8
Income from continuing operations								
before income taxes	53.2	37.6	35.7	0.5	89.0	19.8	192.0	10.0
Net income	33.8	16.2	22.1	-3.4	56.0	7.6	117.0	4.7
Net income per share (yen)	46.38	-	30.34	-	76.72	-	160.28	-
Net income per share-diluted (yen)	45.15	-	29.53	-	74.68	-	156.03	-
Capital expenditures	17.1	-	22.8	-	40.0	-	90.0	-
Depreciation for tangible fixed assets	16.8	-	19.1	-	36.0	-	76.0	-
R&D expenditures	27.2	-	33.7	-	61.0	-	128.0	-
Exchange rate (Yen/US\$)	120.77	-	115.00	-	117.89	-	116.44	-
Exchange rate (Yen/EURO)	162.72	-	155.00	-	158.86	-	156.93	-

3. Forecast of Consolidated Sales by Product Category

(Billions of yen)

	Half year ending September 30, 2007				Year ending March 31, 2008			
	Forecast	Change	Forecast(*)	Change	Forecast	Change	Forecast(*)	Change
		%		%		%		%
<Office Solutions>								
Imaging Solutions	813.0	9.3	784.9	5.6	1,735.2	9.8	1,714.0	8.5
Domestic	299.2	1.7	299.2	1.7	625.6	3.6	625.6	3.6
Overseas	513.7	14.4	485.6	8.1	1,109.5	13.7	1,088.3	11.5
Network System Solutions	99.2	5.1	98.9	4.7	206.1	6.1	205.8	5.9
Domestic	93.4	4.2	93.4	4.2	195.1	5.7	195.1	5.7
Overseas	5.8	20.8	5.4	13.1	11.0	14.3	10.6	11.0
Office Solutions Total	912.2	8.9	883.8	5.5	1,941.4	9.4	1,919.9	8.2
Domestic	392.7	2.3	392.7	2.3	820.8	4.1	820.8	4.1
Overseas	519.5	14.4	491.0	8.2	1,120.5	13.7	1,099.0	11.5
The Americas	204.6	7.2	200.8	5.2	458.6	13.1	462.7	14.1
Europe	261.9	22.3	240.3	12.2	555.7	15.8	533.1	11.1
Other	52.9	8.1	49.8	1.9	106.2	5.8	103.1	2.7
<Industrial Products>								
Industrial Products	71.8	5.2	70.7	3.7	141.5	6.1	140.5	5.4
Domestic	42.0	9.3	42.0	9.3	79.3	4.1	79.3	4.1
Overseas	29.7	0.1	28.7	-3.5	62.1	8.7	61.2	7.0
The Americas	7.7	-35.5	7.6	-37.0	16.5	-14.4	16.6	-14.3
Europe	11.1	19.0	10.3	10.4	21.7	12.3	20.8	7.6
Other	10.8	30.5	10.7	29.6	23.8	29.3	23.7	28.9
<Other>								
Other	83.5	3.7	83.0	3.0	167.0	3.7	166.5	3.4
Domestic	69.9	-0.1	69.9	-0.1	139.8	1.8	139.8	1.8
Overseas	13.6	28.8	13.1	23.4	27.2	14.6	26.7	12.6
The Americas	1.6	188.3	1.6	193.6	2.5	56.9	2.6	65.0
Europe	4.7	60.1	4.3	46.7	9.6	21.5	9.2	16.5
Other	7.3	3.1	7.1	0.2	15.0	6.0	14.8	4.6
Grand Total	1,067.7	8.2	1,037.5	5.1	2,250.0	8.8	2,227.0	7.6
Domestic	504.7	2.5	504.7	2.5	1,040.0	3.8	1,040.0	3.8
Overseas	563.0	13.9	532.8	7.8	1,210.0	13.4	1,187.0	11.3
The Americas	214.0	5.2	210.0	3.2	477.7	12.0	481.9	13.0
Europe	277.8	22.7	255.0	12.6	587.1	15.8	563.2	11.1
Other	71.0	10.4	67.7	5.3	145.1	9.1	141.7	6.6

* Excluding foreign exchange impact