

May 15, 2008

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**RICOH COMPANY, LTD. to make RICOH ELEMEX CORP. a Wholly Owned Subsidiary
through a Share Exchange**

RICOH COMPANY, LTD. (TSE: 7752, “Ricoh”) and RICOH ELEMEX CORPORATION (TSE: 7765, “Elemex”), in accordance with the decisions today by their respective boards of directors, announced that they have signed a Share Exchange Agreement (hereafter the “Share Exchange Agreement”) through which Elemex will become a wholly owned subsidiary of Ricoh by means of an exchange of shares (hereafter the “Share Exchange”). This agreement is outlined below.

Subject to approval at Elemex's annual shareholders' meeting on June 26, 2008, the Share Exchange is scheduled to take effect on August 1, 2008. In accordance with Article 796, Section 3 of the Company Law, Ricoh does not plan to seek approval for the Share Exchange at its annual shareholders' meeting.

As a result of the Share Exchange, Ricoh will become the wholly owning parent company of Elemex on August 1, 2008 and, as a wholly owned subsidiary, Elemex is scheduled to be de-listed on July 28, 2008, with July 25, 2008 as the final trading day for its stock.

1. Objective for making Elemex a wholly owned subsidiary through the Share Exchange

(1) The Objective for the Share Exchange

Ricoh Group announced a group vision “To be a leader in the 21st Century” (Build a strong global RICOH brand), and aims to develop rock-solid customer relationships by continually creating innovative solutions, based on RICOH values (*) and thus become an enterprise that continues growth and development. To achieve this vision, we believe that development of “the world class products and services” is essential; thereby we are sharpening our technological

strengths aiming at “the world No.1 manufacturing”.

As one of the core entities of Ricoh Group, Elemex has been making full efforts to meet our shareholders’ expectation as a public company while aggressively implementing the group strategies in their management. However, the competition is even intensifying in the office solution market, which is the core business of Ricoh Group, along with the development of color machines and the expansion of solution business itself.

Ricoh Group aims to expand its business spheres by "Active investment to Production printing & Low-end Printer Business Area " and "High efficiency management".

For further growth and development in such environment, Ricoh and Elemex have reached the conclusion that it is necessary to reinforce our competitiveness by reviewing the functions of development, design and manufacturing of both companies under the integrated strategy. In this regard, the both companies entered into the Share Exchange Agreement to turn Elemex into a wholly-owned subsidiary of Ricoh.

Elemex is expected to take an important role in strengthening and expanding solution business including the image equipment, while continuing the effort to develop its own business in precision component processing, etc. as a wholly owned subsidiary of Ricoh.

(*)Ricoh values: Ricoh Group announced Ricoh's three unique “Outstanding Customer values” of "Harmonize with the environment", "Simplify your life & work", and "Support knowledge management".

(2) De-listing schedule and reason

As a result of the Share Exchange, Ricoh will become the wholly owning parent company of Elemex on August 1, 2008, and, as a wholly owned subsidiary, Elemex is scheduled to be de-listed on July 28, 2008, with July 25, 2008 as the final trading day for its stock. The shares of Elemex will not be traded on Tokyo Stock Exchange and Nagoya Stock Exchange after the de-listing.

(3) Reasons for seeking de-listing and alternative measures examined

Ricoh intends to create additional corporate value to both Ricoh and Elemex through the Share Exchange. As a result of Ricoh becoming the sole shareholder of Elemex upon the Share Exchange, Elemex’s common stock is scheduled to be de-listed pursuant to the Share Delisting Rules, although the Share Exchange is not directly intended to de-list Elemex’s common stock. Since the shares of Ricoh’s common stock which are to be allotted and delivered in exchange upon the Share Exchange are listed on the Tokyo Stock Exchange, Osaka Stock Exchange, Nagoya Stock Exchange, Sapporo Stock Exchange and Fukuoka Stock Exchange, they may be traded on each Stock Exchange even after the Share Exchange. Since the Share Exchange intends to add corporate value of both companies, we believe the Share Exchange meets expectation of shareholders including shareholders of Elemex, scheduled to be allocated shares of Ricoh’s common stock.

Any shareholder who will own any shares less than one unit (i.e., 1,000 shares) of Ricoh as a

result of the Share Exchange will not be able to sell the shares of RICOH on any stock exchange. However, such shareholder is eligible to purchase additional shares to total 1,000 shares or request Ricoh to purchase his/her fractional shares. In addition, when there are fractional shares from the Share Exchange, Ricoh plans to pay for the value equivalent to the respective fractional shares in accordance with Article 234 of the Company Law.

(4) Measures to secure the fairness of the ratio of the Share Exchange

In examining the ratio of the Share Exchange, in light of the fact that Ricoh owns 56.74% of the total voting shares (including indirectly-held portion) of Elemex, we agreed when we determined to implement the Share Exchange that each of us would obtain an evaluation from a third party independent from us, in order to secure the fairness and appropriateness of such ratio. We referred to the results of such evaluation in examining the ratio of the Share Exchange and had mutual negotiations and discussions before we determined the Share Exchange on such ratio.

(5) Measures to prevent conflict of interest

To prevent conflict of interest, the director of Ricoh who is also director of Elemex was excluded from the deliberation and resolutions for the Share Exchange at the meetings of the board of directors of each company.

2. Share Exchange terms and conditions

(1) Schedule

March 31, 2008	(Elemex)	Record date for shareholders meeting
May 15, 2008	(Both companies)	Resolutions of board of directors for the Share Exchange
May 15, 2008	(Both companies)	Execution of the Share Exchange agreement
(The following are expected dates.)		
June 26, 2008	(Elemex)	Resolutions of annual shareholders' meeting for the Share Exchange*1
July 28, 2008	(Elemex)	Date of de-listing
August 1, 2008		Effective date of the Share Exchange*2
Late September, 2008		Delivery of certificate

Notes:

*1 Ricoh will not seek approval at a Shareholders Meeting in accordance with procedures of the "Share Exchange by Simplified Procedures" under Article 796, Paragraph 3 of the Company Law.

*2 The effective date of the Share Exchange above is subject to changes.

(2) Terms of share allocation

Company	Ricoh (wholly owning parent company)	Elemex (wholly owned subsidiary)
Share exchange ratio	1.000	0.500

Notes:

1) Share allocation ratio

There will be an allocation of 0.500 shares of Ricoh's common stock per share of Elemex's common stock. However, there will be no allocation of 12,545,826 shares (as of May 15, 2008) of Elemex's common stock owned by Ricoh.

2) Number of Ricoh shares to be allocated for the Share Exchange

Ricoh will allocate its treasury stock of 6,099,096 shares for shares to be exchanged and therefore will not issue any new shares.

Elemex decided to redeem treasury stock of 2,269,119 shares by the day before the effective date of the Share Exchange if the Share Exchange Agreement is approved at the shareholders meeting. In this case, number of Ricoh's shares for allocation will be reduced accordingly.

(3) The Basis of Calculation, etc. of the ratio of the Share Exchange

(i) Basis and Process of Calculation

Ricoh appointed Nomura Securities Co., Ltd (hereafter "Nomura Securities") and Elemex appointed Nikko Cordial Securities Inc. (hereafter "Nikko Cordial Securities") as their respective third party appraisers for the purpose of evaluation of the ratio of the Share Exchange with a view to ensuring the fairness of the ratio of the Share Exchange.

Nomura Securities provided to Ricoh an analysis of the ratio of the Share Exchange based on the Average Stock Price Analysis, the Comparable Companies Analysis and the Discounted Cash Flow Analysis (hereafter the "DCF Analysis") applied to both Ricoh and Elemex. As a result, the ratio of the value per share of Elemex's common stock to that of Ricoh's common stock when the latter is set at one was indicated as follows.

Range of the ratio of the Share Exchange	
Average Stock Price Analysis	0.404 to 0.412
Comparable Companies Analysis	0.586 to 0.734
DCF Analysis	0.466 to 0.659

The evaluation derived from the Average Stock Price Analysis was calculated based on (a) the closing price per share on May 13, 2008 and (b) the average closing price per

share for the period from April 28, 2008 (the next business day of the Elemex's announcement of the financial results for the fiscal year ended March 31, 2008) to May 13, 2008.

(Note) In evaluating the ratio of the Share Exchange, Nomura Securities assumed that the financial projections of both companies provided by Ricoh were duly prepared through use of the best possible predictions and judgments available at this moment by the management of both companies. Nomura Securities accept no responsibility for the accuracy, adequacy, feasibility, etc. of any such projections. Furthermore, Nomura Securities assume that all other data and information provided by Ricoh, along with publicly available information, and used in connection with its analyses were accurate and complete and Nomura Securities has not undertaken any independent investigation or verification of their accuracy or completeness. Nomura Securities has not itself undertaken any independent evaluation, appraisal or assessment nor has it entrusted any such appraisal or assessment to any third party, including analysis and evaluation of each specific asset and liability, with respect to the assets or liabilities (including contingent liabilities) of both companies. Nomura Securities based its evaluation of the ratio of the Share Exchange on information available at the evaluation base date, including certain data relating to economic, market and other conditions, along with its own internal assumptions. Nomura Securities also assumed that the content of such information was appropriate, accurate and complete. Hence, the evaluation result provided by Nomura Securities is subject to change should circumstances differ from those that existed at the evaluation base date or should any related developments occur. Such factors notwithstanding, Nomura Securities bears no legal obligation to revise or alter its valuation, or otherwise to provide any supplementary information.

The evaluation made by Nomura Securities has been prepared and presented solely for Ricoh based on Ricoh's request to assist it in studying the ratio of the Share Exchange and should not be considered an external representation of the opinion of Nomura Securities concerning the fairness of the ratio of the Share Exchange as stated in 2. (2) above.

Nikko Cordial Securities provided to Elemex an analysis of the ratio of the Share Exchange based on the Market Stock Price Analysis, the Comparable Companies Analysis and the DCF Analysis applied to both Ricoh and Elemex. As a result, the ratio of the value per share of Elemex's common stock to that of Ricoh's common stock when the latter is set at one was indicated as follows.

Range of the ratio of the Share Exchange	
Market Stock Price Analysis	0.409 to 0.433
Comparable Companies Analysis	0.373 to 0.848
DCF Analysis	0.481 to 0.744

The evaluation derived from the Average Stock Price Analysis was calculated based on (a) the average closing price per share for the period from April 28, 2008 (the next business day of the Elemex's announcement of the financial results for the fiscal year ended March 31, 2008) to May 9, 2008 and (b) the average closing price per share for the period from April 10, 2008 to May 9, 2008 as for Elemex, and using (c) the average closing price per share for the period from April 25, 2008 (the next business day of the Ricoh's announcement of the financial results for the fiscal year ended March 31, 2008) to May 9, 2008 and (d) the average closing price per share for the period from April 10, 2008 to May 9, 2008 as for Ricoh.

(Note) In evaluating the ratio of the Share Exchange, Nikko Cordial Securities assumed that the financial projections of both companies provided by Elemex were duly prepared through use of the best possible predictions and judgments available at this moment by the management of both companies. Nikko Cordial Securities accept no responsibility for the accuracy, adequacy, feasibility, etc. of any such projections. Furthermore, Nikko Cordial Securities assume that all other data and information provided by Elemex, along with publicly available information, and used in connection with its analyses were accurate and complete and Nikko Cordial Securities has not undertaken any independent investigation or verification of their accuracy or completeness. Nikko Cordial Securities has not itself undertaken any independent evaluation, appraisal or assessment nor has it entrusted any such appraisal or assessment to any third party, including analysis and evaluation of each specific asset and liability, with respect to the assets or liabilities (including contingent liabilities) of both companies. Nikko Cordial Securities based its evaluation of the ratio of the Share Exchange on information available at the evaluation base date, including certain data relating to economic, market and other conditions, along with its own internal assumptions. Nikko Cordial Securities also assumed that the content of such information was appropriate, accurate and complete. Hence, the evaluation result provided by Nikko Cordial Securities is subject to change should circumstances differ from those that existed at the evaluation base date or should any related developments occur. Such factors notwithstanding, Nikko Cordial Securities bears no legal obligation to revise or alter its valuation, or otherwise to provide any supplementary information.

The evaluation made by Nikko Cordial Securities has been prepared and presented solely for Elemex based on Elemex's request to assist it in studying the ratio of the Share

Exchange and should not be considered an external representation of the opinion of Nikko Cordial Securities concerning the fairness of the ratio of the Share Exchange as stated in 2. (2) above.

With reference to the results of the ratio of the Share Exchange evaluations provided by the independent third party appraisers, and taking into full consideration factors such as the financial conditions and financial projections of both companies, the business environment of both companies, price trends in the stock market and the level of the premiums paid in precedent similar transactions, Ricoh and Elemex entered into extensive consultations and negotiations. As a result of the foregoing, both companies concluded that the ratio of the Share Exchange as stated in 2. (2) above represents fair ratio and is beneficial to the interests of the shareholders of both companies. On this basis, the boards of directors of both companies approved resolutions at meetings held on May 15, 2008 and signed the Share Exchange Agreement on the same day. Ricoh decided the ratio of the Share Exchange as stated in 2. (2) above within the range of DCF analysis presented by Securities, while Elemex decided within the ranges of DCF Analysis and Comparable Companies Analysis presented by Nikko Cordial Securities.

However such ratio of the Share Exchange may be changed upon consultations between both companies in the event that significant changes occur in the conditions based on which the evaluation of the ratio of the Share Exchange was made.

(ii) Relationships with Firms Used to Perform the Calculations

Neither Nomura nor Nikko is considered a related party to Ricoh or Elemex.

(4) Treatment of Share Warrants and Bonds with Warrant Attached Issued by Wholly Owned Subsidiary Involved in Share Exchange

This issue is not applicable because Elemex has not issued any share warrants or bonds with warrant attached.

3. Outline of each company

(As of March 31, 2008)

(1) Company name	RICOH COMPANY, LTD. (wholly owning parent company)	RICOH ELEMEX CORP. (wholly owned subsidiary)
(2) Business description	Manufacture, sales, research and development, and services of office automation equipment, photographic equipment, electronic devices and other.	Manufacture of photocopiers, peripheral equipment, scanners and air purifiers
(3) Date established	February 6, 1936	April 23, 1938
(4) Head Office	1-3-6, Naka-magome, Ota-ku, Tokyo, Japan	2-14-29, Uchiyama, Chikusa-ku, Nagoya, Aichi, Japan
(5) Representative	Shiro Kondo President and CEO	Makoto Hashimoto President and CEO
(6) Capital stock	135,364 million yen	3,456 million yen
(7) Shares issued	744,912,078 shares	24,744,017 shares
(8) Shareholders' equity*1	1,080,196 million yen (consolidated)	24,409 million yen (consolidated)
(9) Total assets	2,214,368 million yen (consolidated)	47,832 million yen (consolidated)
(10) End of fiscal year	March 31	March 31
(11) Number of employees	83,456 (consolidated)	3,449 (consolidated)
(12) Major business partners	Operating companies, and public offices	Ricoh Company, Ltd., operating companies, and public offices
(13) Major shareholders and shareholding ratios	The Master Trust Bank of Japan, Ltd 9.71% Japan Trustee Services Bank, Ltd. 5.52% The Bank of Tokyo-Mitsubishi UFJ, Ltd. 4.86% Nippon Life Insurance Company 4.82% Nipponkoa Insurance Co., Ltd. 2.44%	Ricoh Company, Ltd., 50.70% The Master Trust Bank of Japan, Ltd. 3.40% Goldman Sachs International 3.36% Nippon Life Insurance Company 2.38% Ricoh Elemex Business Partners Ownership 2.19%
(14) Major banks	The Bank of Tokyo-Mitsubishi UFJ, Ltd. Mizuho Corporate Bank, Ltd.	The Bank of Tokyo-Mitsubishi UFJ, Ltd. Mizuho Corporate Bank, Ltd.
(15) Relationship of the Companies	Capital relationship	Ricoh holds 56.74% of the total voting shares (including indirectly-held portion) of Elemex

	Personnel relationship	Part time director of Elemex concurrently accidence to the Ricoh as a director.
	Business relationship	Ricoh out sources one of the manufacturing operation to Elemex., and in the fiscal year ended March 31, 2008, the ratio of the Elemex's sales amount for Ricoh group to the Elemex's consolidated net sales is nearly 66.0%.
	Related party relationship	Elemex is a consolidated subsidiary of Ricoh.

Notes:

*1 Shareholders' Equity of Ricoh is calculated in accordance with U.S. GAAP.

4. Consolidated Financial Results (for the three most recent fiscal years)

(In million yen)

Fiscal year	RICOH COMPANY, LTD. (wholly owning parent company)			RICOH ELEMEX. CORP. (wholly owned subsidiary)		
	March 31, 2006	March 31, 2007	March 31, 2008	March 31, 2006	March 31, 2007	March 31, 2008
Net sales *1	1,909,238	2,068,925	2,219,989	66,438	78,233	77,335
Operating profit *1	148,584	174,380	181,506	201	1,694	3,545
Net income before tax *1	152,766	174,519	174,669	-300	1,088	3,135
Net income	97,057	111,724	106,463	-409	620	2,081
Net income per share (yen)	132.33 Fully diluted basis 132.33	153.10 Fully diluted basis 151.89	146.04 Fully diluted basis 142.15	-18.18	27.56	92.56
Annual dividends per share (yen) *2	24.00	28.00	33.00	5.00	5.00	10.00
Shareholders' equity per share (yen) *3	1,316.21	1,467.03	1,498.29	986.37	1,010.16	1,086.05

Notes:

*1 Net Sales, Operating Income, and Income before Income tax of Ricoh (Results for year ended March 31, 2006) have been reclassified in accordance with Statements of Financial Accounting

Standards ("SFAS") No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets".

*2 Annual dividends per share of both Ricoh and Elemex in the fiscal year of March 31, 2008 is a forecast which is subject to the approval at the annual shareholders' meeting scheduled on June 26, 2008.

*3 Shareholders' equity per share of Ricoh is calculated in accordance with U.S. GAAP.

5. Information after Share Exchange

(1) Company name	RICOH COMPANY, LTD.
(2) Business description	Manufacture, sales, research and development, and services of office automation equipment, photographic equipment, electronic devices and other.
(3) Head Office	1-3-6, Naka-magome Ota-ku, Tokyo, Japan
(4) Representative	Shiro Kondo, President and CEO
(5) Capital stock	135,364 million yen
(6) Shareholders' Equity*1	1,080,196 million yen (consolidated)
(7) Total assets	2,214,368 million yen (consolidated)
(8) End of fiscal year	March 31
(9) Outline of accounting treatment	In accordance with the provisions of the Statements of Financial Accounting Standards (SFAS) No. 141 "Business Combinations", the Share Exchange will be accounted for using the purchase method. The amount of negative goodwill, which is expected to arise as a result of the Share Exchange, has not been decided at this time; however, we assume only a minor impact on consolidated business results of Ricoh.
(10) Expected impact on business results due to Share Exchange	Since Elemex is already a consolidated subsidiary of Ricoh, we assume there is no material effect on both consolidated and non-consolidated Ricoh's business results of fiscal year ending March 31, 2009.

Note:

*1 Shareholders' Equity of Ricoh is calculated in accordance with U.S. GAAP.