

June 5, 2003

NOTICE OF 103RD ORDINARY GENERAL MEETING OF SHAREHOLDERS

Dear Shareholder,

Ricoh Company, Ltd. will hold its 103rd ordinary general meeting of shareholders, which we cordially invite you to attend.

If you cannot be there, you can exercise your voting right in writing or through the Internet (at <http://www.web54.net>). In that case, please peruse the attached documents and exercise your right by Wednesday, June 25, 2003.

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|--------------------------------|---|
| 1. Date and time of gathering: | Thursday, June 26, 2003, from 10:00 a.m. |
| 2. Venue: | Ricoh's registered head office: 3-6,
Nakamagome 1-chome, Ohta-ku, Tokyo |
| 3. Meeting agenda: | |
| • Reporting | The Balance Sheets as of March 31, 2003, The
Statements of Income for fiscal 2003 (April 1,
2002, through March 31, 2003), and the
Business Report for that period |
| • Resolutions | |
| Agenda 1: | Approval of the proposed appropriation of
retained earnings for fiscal 2003 |
| Agenda 2: | Acquisition of treasury stock
An outline of this proposal is on page 18,
Documents for Reference in Exercising Voting
Rights |
| Agenda 3: | Partial change to Articles of Incorporation
An outline of this proposal is on pages 18
through 19, Documents for Reference in
Exercising Voting Rights |
| Agenda 4: | Election of three (3) directors |
| Agenda 5: | Election of two (2) Corporate Auditors |

Request: When attending the meeting, please fill out and submit to reception the appended voting form.

Masamitsu Sakurai, President
Ricoh Company, Ltd.
3-6, Nakamagome 1-chome, Ohta-ku, Tokyo

BUSINESS REPORT
(April 1, 2002, to March 31, 2003)

1. Operating Conditions

(1) Operating Progress and Results

(a) Overview

Fiscal 2003, ended March 31, 2003, was yet another very difficult year. It was still impossible to see signs of a Japanese economic turnaround amid concerns about prospects for the United States and other economies around the world and stagnant share prices. While the American economy remained strong in the first half of the year, the picture became cloudy in the second half amid slowing personal consumption and deteriorating business conditions. European economies were generally slow. In contrast, the Chinese economy continued to expand solidly on growing domestic demand and higher exports.

Against this backdrop, the Ricoh Group pursued its vision of being a winner in the 21st century. Under that banner, we aim to continue to provide high reliability and build new value so that we can contribute to productivity improvement and knowledge creation for individuals working anytime, anywhere, providing high reliability and new value creation. Our proactive approach covers not only products and services for traditional office setups but also customers working at any time and place in a broadband environment.

Our three-year 14th medium-term management plan, which ends in March 2005, has five basic objectives:

- i. Realize a vital and motivated culture
- ii. Strengthen technologies to become the world's No. 1 product-engineering company
- iii. Build a customer-friendly and environmentally friendly company
- iv. Strengthen each business unit and revolutionize the Group business structures
- v. Strengthen management constitution for competitive advantage

We are meeting the challenges of digital networking in our core competence of office equipment. We have accordingly endeavored since our 13th medium-term management plan to not only manufacture such equipment as copiers and printers but also overhaul our operational structure to help our customers improve or enhance productivity through our offerings.

In the years ahead, demand should continue to rise for productivity enhancement. At the same time, further advances in digital networking will generate greater reliance on color-based documents and expand the amount of information, making it increasingly critical for customers to more efficiently manage their Total Document Volume (TDV) from copiers and printers.

Our 14th medium-term management plan thus focuses on building TDV (which includes increasing added value per page) and thereby broadening our revenues and earnings base. Our basic strategy has three goals:

- i. Replacing monochrome products with color models
Provide a full lineup of compact color machines at prices comparable to those of monochrome models, thus securing new markets by meeting new demand for color.
- ii. Expanding sales of high-speed models
Attract more customers through fast machines providing competitive advantages in terms of purchase price, maintenance charges, and reliability.
- iii. Deploying printing solutions
Suggest ways for customers to optimize the total output costs of their copiers and printers, thus expanding equipment sales and building total document volume.

Following are Ricoh's major basic strategic achievements in fiscal 2003.

In terms of replacing monochrome products with color models, the Company continued to win top marks in Japan and abroad for its IPSiO Color 8000 series (Aficio AP 3800C overseas) of fast color laser printers, which deliver color performance at monochrome speed and price. During the term, we released the Imagio Neo C240/C320 series of multifunctional printers (MFPs) for regular offices, which helped expand our share of the domestic color copier market. We also started selling this series overseas as the Aficio 1224C/1232C.

In high-speed models, the Imagio MF105Pro (Aficio 1050 overseas) digital copier was very well received domestically and abroad for its affordable pricing and maintenance fees and reliability. This machine attracted more customers seeking high-volume copying and output.

We continued to make progress in printing solutions. In the European and U.S. markets in particular, we drew on a global service and support structure that optimizes total printing costs for copiers and printers to steadily increase the number of major accounts worldwide.

During the term, we established Ricoh China Co., Ltd., as a holding company to broaden our operations in the highly promising Chinese market. Ricoh has already achieved impressive results to date in China, and the new subsidiary is strategically expanding our business by integrating sales, production, and development.

Ricoh is striving to bolster its technological capabilities to become the world's No. 1 product-engineering company, providing the most competitive products and services. Specific focuses include technologies to develop next-generation, high-speed color imaging equipment and designing and developing hardware and software that allow users to freely and simply connect and operate various office machines. We are also pursuing the creation of environmentally friendly offerings. In the year under review, we set up four research centers within the Research and Development Division to support the development of basic technologies, including one specializing in photonics and another concentrating on environmental technologies. We also established operations within the Software Research and Development Division.

During the term, we decided to make Tohoku Ricoh Co., Ltd., a wholly owned subsidiary. This was in line with our goal of reinforcing Group development and design capabilities to ensure an integrated strategic approach while delivering cost-competitive offerings.

In fiscal 2003, nonconsolidated domestic sales were down 6.5%, while exports rose 8.4%. As a result, net sales dropped 0.6%, to ¥855.0 billion. Operating income rose 2.8%, to ¥71.8 billion, while ordinary income increased 1.8%, to ¥68.8 billion, on the strength of cost reductions and a shift to high-value-added products. Net income improved 7.0%, to a record ¥42.8 billion.

(b) Segment Performance

Sales by Category

Category	Main Products	Sales (Billions of yen)	Percentage of Total	Change
Imaging Solutions	Digital PPCs, color PPCs, digital duplicators, Facsimile machines, analog PPCs, diazo copiers, supplies and services, and thermal paper	474.9	55.5%	-8.5%
Network Input/Output Systems	Multifunctional printers (MFPs), printers and other equipment, supplies, service, and software, and optical discs and systems and scanners	237.7	27.8%	26.0%
Network System Solutions	Personal computers, servers, network systems, networking software, applications software, and services and support	89.6	10.5%	-10.6%
Office Equipment Total	-	802.3	93.8%	-0.7%
Other Businesses	Including photographic equipment and semiconductors	52.7	6.2%	1.1%
Total	-	855.0	100.0%	-0.6%
Domestic	-	484.1	56.6%	-6.5%
Exports	-	370.8	43.4%	8.4%

Note: Until fiscal 2002, the Company maintained four categories, which were Copiers and Related Supplies, Communications and Information Systems, Photographic Equipment, and Other Businesses. The above categories came into effect from fiscal 2003. Accordingly, the Company has calculated year on year changes on the basis of the new categories.

Office Equipment

To support customers more efficiently manage their TDV, the Ricoh Group offers solution proposals for these customers to optimize their total printing costs. To realize this business target, Ricoh is pushing ahead with digitization, networking, colorization, and multifunctionality. As a result of these efforts, sales of imaging solutions, which focus on standalone equipment, were down 8.5% from a year earlier, to ¥474.9 billion. In contrast, sales of network input/output solutions rose 26.0%, to ¥237.7 billion, reflecting the popularity of MFPs and laser printers. Sales of network system solutions declined 10.6%, to ¥89.6 billion. This was mainly because sales of personal computers and servers continued to decline in Japan, reflecting sluggish information technology spending.

Other Businesses

Here, sales were up 1.1%, to ¥52.7 billion, on solid demand for the Company's semiconductors overseas.

(2) Plant and Equipment Investment

In fiscal 2003, we invested ¥18.3 billion in plant and equipment, as follows:

(a) Major equipment and facilities expansions completed during the year:

- Electronic components plant (Ya shiro Plant)
- Related supplies plant (Numazu Plant)
- Related supplies plant (Fukui Plant)

(b) Major expansions in progress during the year:

- Electronic components plant (Yashiro Plant)
- Related supplies plant (Numazu Plant)
- Related supplies plant (Fukui Plant)

(3) Funding

During the year, Ricoh neither raised capitalization nor procured finance through the issue of corporate bonds or other instruments.

(4) Summary of Nonconsolidated Operating Results

(Billions of yen)

	Year ended March 31, 2000	Year ended March 31, 2001	Year ended March 31, 2002	Year ended March 31, 2003
Net sales	777.5	855.4	860.1	855.0
Ordinary income	50.1	65.9	67.6	68.8
Net income	22.6	34.4	40.0	42.8
Net income per share (yen)	32.69	49.67	57.42	58.75
Total assets	763.0	824.1	908.0	933.3
Shareholders' equity	457.9	489.1	553.6	596.6

Notes:

1. Net income per share is based on the average number of shares of common stock outstanding during the fiscal year.
2. From fiscal 2002, net income per share was calculated after deducting the number of shares of treasury stock from the average number of shares of common stock outstanding.
3. From fiscal 2003, the Company applied Accounting Standards for Net Income per Share (Corporate Accounting Standard No. 2) and Policies Applied to Accounting Standards Related to Net Income per Share (Corporate Accounting Standard Application Policy No. 4) in calculating net income per share.

2. Profile (As of March 31, 2003)**(1) Principal Sales Offices and Plants**

(a) Head office: 3-6, Nakamagome 1-chome, Ohta-ku, Tokyo

(b) Sales Offices:

Name	Location
Principal Executive Office	Minato-ku, Tokyo
Ginza Office	Chuo-ku, Tokyo
Shinyokohama Office	Yokohama, Kanagawa
Sapporo Branch	Sapporo, Hokkaido
Sendai Branch	Sendai, Miyagi
Kanto Branch	Saitama, Saitama
Tokyo Branch	Chuo-ku, Tokyo
Nagoya Branch	Nagoya, Aichi
Osaka Branch	Suita, Osaka
Hiroshima Branch	Hiroshima, Hiroshima
Fukuoka Branch	Fukuoka, Fukuoka

(c) Laboratories and Plants:

Name	Location
Research and Development Center	Yokohama, Kanagawa
Software Research Center	Bunkyo-ku, Tokyo
Applied Electronics Institute	Natori, Miyagi
Ohmori Office	Ohta-ku, Tokyo
Ohmori Office 2	Ohta-ku, Tokyo
Atsugi Plant	Atsugi, Kanagawa
Hatano Plant	Hatano, Kanagawa
Gotemba Plant	Gotemba, Shizuoka
Numazu Plant	Numazu, Shizuoka
Fukui Plant	Sakai-gun, Fukui
Ikeda Plant	Ikeda, Osaka
Yashiro Plant	Kato-gun, Hyogo

(2) Shareholders' Equity

(a) Total number of shares:

Authorized	993,000,000
Issued	744,912,078

(b) Number of shareholders at year-end: 45,620

(c) Major shareholders:

Name	Interest in Ricoh		Ricoh's Interest in Shareholder	
	Thousands of shares	Percentage of total	Thousands of shares	Percentage of total
Japan Trustee Services Bank, Ltd. (Trust Account)	73,075	9.92%	-	-
Master Trust Bank of Japan, Ltd. (Trust Account)	65,178	8.85%	-	-
Nippon Life Insurance Company	31,692	4.30%	-	-
UFJ Bank, Ltd.	24,400	3.31%	-	-
The Bank of Tokyo-Mitsubishi, Ltd.	21,545	2.92%	-	-
NIPPONKOA Insurance Co., Ltd.	19,015	2.58%	55	0.01%
UFJ Trust Bank, Ltd. (Trust Account)	16,890	2.29%	-	-
The New Technology Development Foundation	15,636	2.12%	-	-
Mizuho Corporate Bank, Ltd.	14,278	1.93%	-	-
THE CHASE MANHATTAN BANK N.A. LONDONS.L. OMNIBUS ACCOUNT	11,666	1.58%	-	-

Note: In addition to the above, stakes in the Company include 1,000,000 shares (0.13%) that NIPPONKOA Insurance Co., Ltd., owns and has entrusted with the Master Trust Bank of Japan, Ltd. The Master Trust Bank of Japan, Ltd., is the nominal owner, but NIPPONKOA Insurance Co., Ltd., reserves the right to instruct on exercising voting rights on these shares.

(d) Acquisition, disposal, and ownership of shares of treasury stock:

1) Treasury stock acquired

Acquisitions based on resolution under Article 210-1 of the Commercial Code

Number of shares of common stock 8,000,000 shares

Acquisition cost ¥15,038 million

Acquisitions through purchases of share packages less than one unit (tan-gen)

Number of shares of common stock 1,111,925 shares

Acquisition cost ¥2,242 million

2) Treasury stock disposed of

Number of treasury shares of common stock 7,000,000 shares

3) Number of treasury stocks at year-end

Number of treasury shares of common stock 2,303,443 shares

(3) Employees

	Number of Employees	Change from Previous Year	Average Age	Average Years of Service
Male	10,429	-66	41.7	19.0
Female	1,656	-10	33.6	12.9
Total	12,085	-76	40.6	18.1

(4) Directors and Corporate Auditors

Position or Principal Duty	Name
Chairman and Representative Director	Hiroshi Hamada
President and Representative Director	Masamitsu Sakurai
Deputy President and Representative Director (SCM Structural Reform, CS & Quality, Environment, Social Contribution, Public Relations, etc.)	Haruo Kamimoto
Deputy President and Representative Director (Corporate Planning, IR, Accounting, Personnel, etc.)	Tatsuo Hirakawa
Executive Managing Director (Legal Affairs, Intellectual Property, Corporate Social Responsibilities)	Naoto Shibata
Executive Managing Director (Production, Materials Procurement, and Information Technology Solutions; General Manager of Production Business Division)	Kohichi Endo
Executive Managing Director (Overseas Marketing; General Manager of International Marketing Group)	Masami Takeiri
Executive Managing Director (Domestic marketing and Ricoh Venture Program; General Manager of Marketing Group)	Masayuki Matsumoto
Managing Director (Planning, Development, and Engineering of Personal Multimedia System; President of Personal Multimedia Company)	Makoto Hashimoto
Managing Director (Sales in the Americas)	Katsumi Yoshida
Managing Director (Research and Development; General Manager of Research and Development; Head of Group Technology Planning Office; Head of New Business Promotion Center; Leader of Alpha Taskforce)	Kiyoshi Sakai
Director (Comprehensive Business Administration) (Chairman and Representative Director of Nippon Life Insurance Company)	Josei Itoh
Director (Information Communication Business and Technological Matters) (Managing Partner of Ignite Group)	Nobuo Mii
Corporate Auditor (Full-time)	Hisaaki Koga
Corporate Auditor (Full-time)	Hideyuki Takamatsu
Corporate Auditor (President of Matsuishi Law Office)	Kenji Matsuishi
Corporate Auditor (President and Representative Director of Sanai-oil Co., Ltd.)	Takehiko Wada

Notes:

1. In fiscal 2003, the Board of Directors changed as follows:

June 2002: Katsumi Yoshida and Kiyoshi Sakai were appointed as managing directors.

2. Directors Josei Itoh and Nobuo Mii are external directors appointed under Article 188-2-7 of the Commercial Code.

3. Corporate auditors Kenji Matsuishi and Takehiko Wada are outside auditors as stipulated in Paragraph 1, Article 18 of the Law Concerning the Special Measures Applicable to Auditing Practices under the Commercial Code.

(5) Status of Consolidation

(a) Major Consolidated Subsidiaries:

Name	Paid-in Capital (Millions of yen, except where indicated)	Percentage of Total	Principal Businesses
Tohoku Ricoh Co., Ltd.	2,272	66.14	Manufacturing copiers and information equipment
Ricoh Elemex Corporation	3,456	50.86	Manufacturing copiers and information equipment
NBS Ricoh Co., Ltd.	50	100.00	Marketing office supplies
Tokyo Ricoh Co., Ltd.	418	100.00	Marketing copiers and information equipment
Ricoh Technosystems Co., Ltd.	1,000	100.00	Marketing information equipment and maintaining copiers and information equipment
Ricoh Kansai Co., Ltd.	700	100.00	Marketing copiers and information equipment
Ricoh Leasing Co., Ltd.	6,340	51.07	General leasing
Ricoh Asia Industry Ltd.	180 (Millions of Hong Kong dollars)	90.00	Marketing copiers and information equipment
Ricoh Electronics, Inc.	27 (Millions of U.S. dollars)	100.00	Manufacturing copiers and information equipment and manufacturing and marketing office supplies
Ricoh Corporation	192 (Millions of U.S. dollars)	100.00	Marketing copiers and information and photographic equipment
Lanier Worldwide, Inc.	256 (Millions of U.S. dollars)	100.00	Marketing copiers and information equipment
Ricoh Europe B.V.	13 (Millions of euros)	100.00	Marketing copiers and information and photographic equipment
NRG Group Plc	49 (Millions of pounds sterling)	100.00	Marketing copiers and information and photographic equipment

Note: The shareholding ratios in Tohoku Ricoh Co., Ltd., Ricoh Elemex Corporation, Ricoh Leasing Co., Ltd., Ricoh Electronics, Inc., and Lanier Worldwide, Inc., include shares owned by subsidiaries.

(b) Consolidations

There were no specific transfers of subsidiaries to mention. Tohoku Ricoh Co., Ltd., became a wholly owned subsidiary following a share exchange on April 1, 2003.

(c) Consolidation Results

In fiscal 2003, the Ricoh Group had 334 consolidated subsidiaries and 61 affiliates accounted for under the equity method. Consolidated results were as follows:

	(Billions of yen)			
	Year ended March 31, 2000	Year ended March 31, 2001	Year ended March 31, 2002	Year ended March 31, 2003
Net sales (Overseas)	1,447.1 (573.9)	1,538.2 (607.8)	1,672.3 (769.6)	1,738.3 (842.3)
Income before income taxes, minority interests, and equity in earnings of affiliates	70.3	97.7	113.9	123.4
Net income	41.9	53.2	61.6	72.5
Net income per share (yen)	60.61	76.85	88.27	99.79
Total assets	1,543.3	1,704.7	1,832.9	1,884.9
Total shareholders' investment	541.5	556.7	633.0	657.5

Notes:

- The consolidated financial statements were prepared in conformity with accounting principles generally accepted in the United States.
- Net income per share is based on the average number of shares of common stock during the period under review.

In fiscal 2003, ended March 31, 2003, consolidated net sales increased 3.9%, to ¥1,738.3 billion. This was the ninth consecutive rise.

Domestic sales were down 0.7%, to ¥896.0 billion. On the positive side sales increased for printing systems such as MFPs and laser printers. Sales were also favorable for useware, document management, and other areas of the solutions business. In contrast, sales of standalone analog equipment fell amid the shift toward MFPs, while sales were off for personal computer and servers due primarily to the sluggish domestic information technology demand. Sales declined for measuring equipment as a result of slow demand cycle.

Overseas sales increased 9.4%, to ¥842.3 billion. Sales were steady despite an economic slowdown in the United States and the turmoil in the Middle East. The Company continued to perform well in Europe, where the economic environment stabilized, and in other areas. In terms of sales by product lines, sales of core digital equipment increased solidly, while sales of strategic focused printing systems increased significantly in Europe and the United States. Optical disc and semiconductors operations enjoyed favorable sales.

Gross profit increased 6.5%, to ¥745.3 billion. In both Japan and abroad, sales were up for high-margin, high-value-added products, notably MFPs and laser printers. Ongoing cost reductions also contributed to performance, while the yen's depreciation against the euro also affected operations. The Company incurred additional costs owing to cover quality problems on some metering equipment.

Selling, general and administrative expenses increased 7.3%, to ¥611.6 billion, reflecting strategic spending on research and development and on basic systems development.

As a result of the above factors, operating income increased 3.1%, to ¥133.6 billion.

Interest and dividend income decreased due primarily to sluggish financial markets. On the other hand, foreign exchange losses fell, while the Company constrained interest-bearing debt by reinforcing cash management systems in Japan, the United States, and Europe. Ricoh valued its holdings of marketable securities appropriately in accordance with generally accepted accounting principles. As the result, income before income taxes, minority interests and equity in earnings of affiliates increased 8.4%, to ¥123.4 billion.

Net income thus surged 17.7%, to ¥72.5 billion, the 11th consecutive increase and the ninth consecutive record high.

3. Challenges

Economic prospects remain unclear in the United States, which drives the global economy. At the same time, the Japanese equity markets remain in the doldrums, and we estimate that the global economy will continue to suffer low growth. On top of that, competition is very intense in the color and digital networking fields.

The Ricoh Group's prime priorities in continuing to achieve growth in such a tough operating environment are to create new customer value while further improving management efficiency, thereby bolstering corporate competitiveness.

It is critical for us to become the world's No. 1 product-engineering company so we can identify new needs and provide superior value. To that end, we will redouble efforts to provide new value through out customer satisfaction-oriented management while solidifying our technological clout so we can deliver new value through our products and services.

In building and providing such value, Ricoh aims to meet its goals of being people-friendly and environmentally friendly. In other words, we are pursuing ease of use so customers can take full advantage of products and services that are becoming increasingly complex as digital networking progresses. We are also endeavoring to reinforce our environmental management as part of our mission without compromising profitability.

We are making steady progress in streamlining efficiency through process reforms in all Group fields as part of a drive to improve capital efficiency and earnings. In addition, we aim to slash costs and thereby raise price competitiveness, thus realizing a low-cost management structure that can provide high efficiency in deflationary environments.

It is also a most important management challenge to prevent the sorts of scandals that have occurred in Japan and abroad recently that have shaken community trust.

The Group is addressing this issue in line with its commitment to its responsibilities as a member of society, striving to serve the interests of its customers and other stakeholders while strengthening its management organization.

4. Subsequent Events

The Company and Tohoku Ricoh Co., Ltd., agreed at their respective boards of directors held on December 17, 2002, the Company making Tohoku Ricoh a wholly owned subsidiary through a share exchange, after which share exchange contracts were concluded. The exchange was in accordance with the provisions of Paragraph 1 of Article 358 (Simplified Share Exchange) of the Commercial Code of Japan, and was effective on April 1, 2003. The allocation ratio was 0.345 shares of Ricoh stock per share of Tohoku Ricoh stock. Ricoh's treasury stock purchased prior to this transaction was used for the shares to be allocated for this share exchange, in accordance with Article 210 of the Commercial Code of Japan.

BALANCE SHEETS
(As of March 31)

(Millions of yen)

	Fiscal 2003	Fiscal 2002		Fiscal 2003	Fiscal 2002
<u>Assets</u>			<u>Liabilities</u>		
Current Assets:			Current Liabilities:		
Cash and time deposits	8,951	5,976	Notes payable-trade	6,822	6,944
Notes receivable-trade	6,287	8,805	Accounts payable-trade	100,348	97,242
Accounts receivable-trade	170,349	178,421	Convertible bonds maturing within one year	-	29,886
Marketable securities	132,096	170,847	Accounts payable-other	7,791	5,648
Finished goods	20,711	23,530	Accrued expenses	44,789	44,622
Raw materials	3,397	3,446	Accrued corporate tax and other	19,375	14,658
Work-in-process	5,572	7,115	Reserve for accrued bonuses	15,838	17,131
Supplies	5,680	6,156	Warranty reserve	202	333
Short-term loans receivable	3,323	3,286	Other current liabilities	6,090	9,022
Deferred tax assets	19,417	15,646	Total Current Liabilities	201,259	225,489
Accounts receivable-other	119,481	127,412	Long-term Liabilities:		
Other current assets	3,934	3,846	Bonds	100,000	100,000
Allowance for doubtful accounts	-1,049	-1,594	Accrued pension and severance costs	34,507	28,068
Total Current Assets	498,155	552,898	Reserve for directors' retirement allowances	879	758
Fixed Assets:			Total Fixed Liabilities	135,387	128,826
Property, Plant and Equipment:			Total Liabilities	336,646	354,315
Buildings	41,408	43,872	<u>Shareholders' Equity</u>		
Structures	1,797	1,937	Common Stock	135,364	120,461
Machinery and equipment	18,914	19,713	Capital Surplus:		
Vehicles and delivery equipment	17	20	Additional paid-in-capital	176,131	161,227
Tools, instruments and fixtures	17,898	18,748	Total Capital Surplus	176,131	161,227
Land	24,478	24,476	Retained Earnings:		
Construction in progress	2,669	676	Legal reserve	14,955	14,955
Total Tangible Fixed Assets	107,183	109,445	Reserve for deferral of capital gain on property	613	681
Intangible Assets:			Reserve for special depreciation	486	650
Premium and others	9,438	9,392	Reserve for warranty on computer programs	255	254
Software	11,907	9,179	Reserve for corporate citizenship promotion	119	140
Total Intangible Fixed Assets	21,346	18,572	General reserve	241,350	211,350
Investments and Other Assets:			Unappropriated retained earnings	30,248	40,790
Investment securities	76,143	32,652	[Net income for the period]	(42,880)	(40,085)
Stock of subsidiaries	126,622	125,295	Total Retained Earnings		
Investment in subsidiaries	18,158	13,479	Unrealized holding gains on available-for-sale securities	1,556	3,615
Long-term loans receivable	55,482	29,567	Treasury stock	-4,386	-433
Deferred tax assets	23,721	18,086	Total Shareholders' Equity	596,694	553,693
Guarantee deposits paid	5,709	5,749			
Other investments	3,595	4,713			
Allowance for doubtful accounts	-2,777	-2,451			
Total Investments and Other Assets	306,655	227,092			
Total Fixed Assets	435,186	355,111			
Total Assets	933,341	908,009	Total Liabilities and Shareholders' Equity	933,341	908,009

STATEMENTS OF INCOME
(For the years ended March 31)

(Millions of yen)

	Fiscal 2003	Fiscal 2002
Ordinary Income and Loss		
Operating income and expenses		
Operating income:		
Net sales	855,024	860,149
Operating expenses:		
Cost of sales	584,539	593,837
Selling, general and administrative expenses	198,628	196,400
Total operating expenses	783,167	790,237
Operating income	71,856	69,911
Non-operating income and expenses		
Non-operating income:		
Interest and dividends income	7,251	8,997
Other income	4,110	5,678
Total non-operating income	11,361	14,676
Non-operating expenses:		
Interest expenses	1,527	1,232
Other expenses	12,792	15,666
Total non-operating expenses	14,319	16,898
Ordinary income	68,898	67,688
Income before income taxes	68,898	67,688
Corporate tax, inhabitants tax and enterprise tax	33,880	31,100
Deferred income tax	-7,862	-3,497
Net income	42,880	40,085
Retained earnings at beginning of year	5,703	4,809
Reversal of reserve for corporate citizenship promotion	81	59
Retirement of Treasury stocks	13,328	-
Interim cash dividends	5,088	4,163
Unappropriated retained earnings at end of year	30,248	40,790

I. Significant Accounting Policies

1. Valuation method for securities

(1) Stocks of subsidiaries and affiliates

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

(2) Other securities

- Marketable 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 capital injection method; the cost of securities sold is valued at moving average cost).
- Non-marketable securities : Non-marketable securities are stated at cost based on the moving average method.

2. Valuation method for inventories

Inventories are stated at the lower of average cost.

3. Valuation standards and methods for derivatives

Derivatives are stated at market value.

4. Depreciation and amortization

(1) Property, Plant and Equipment

Depreciation of property, plant and equipment is computed principally by using the declining-balance method.

However buildings (excluding fixtures) acquired after April 1, 1998, are depreciated using the straight-line method.

However, buildings (excluding fixtures) acquired after April 1, 1998, are depreciated using the straight-line method. The depreciation periods are basically as the below;

Buildings: 5-50 years

Machinery and equipment: 2-12 years

(2) Intangible Assets

Amortization of intangible asset is computed by using the straight-line method.

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 based on a usable period of five years.

5. 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 irrecoverability.

(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) Warranty reserve

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

(4) Accrued pension and severance costs

To cover projected employee benefits, the Company records the estimated obligations at the end of the current fiscal year based on projected year-end benefit obligations and plan assets. Amortization of actuarial gains or losses is computed by the straight-line method over the averaged remaining employment term (15 years). Amortization of prior service cost is computed by the straight-line method over the averaged remaining employment term (15 years).

(Additional information)

On January 1, 2003, the Company obtained an approval for the exemption from the future benefit obligation of the Japanese government of the substitute portion in accordance with new law concerning the defined benefit plan. The Company has not adopted transitional measure as set forth in the "Practice Guideline Concerning Retirement Benefit Accounting (Interim Report)" (Report of the Accounting Standards Committee of The Japanese Institute of Certified Public Accountants No. 13), Item 47-2. The effect of the transitional measure as set forth in this Practice Guideline, Item 47-2 is expected to increase extra ordinary gain by ¥13,146 million.

(5) Reserve for Directors' Retirement Allowances

At year-end, Ricoh calculates the amounts required under internal rules to pay directors retirement allowances, in compliance with Article 287-2 of the Commercial Code prior to the changes of 2002.

6. Consumption Taxes

Consumption taxes are excluded from revenues and expenses.

7. Leasing

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

8. 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 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.

9. Accounting standard regarding treasury stock and reduction of legal reserve

The company adopted “Accounting standard regarding treasury stock and reduction of legal reserve” (Accounting Standard No. 1) from fiscal 2003. The new standard had immaterial effect on results of operations. Accounting in shareholders’ investment is in compliance with the implementation regulations of the Commercial Code prior to the 2003 revision (Finance Ministry ordinance 22 of March 29, 2002).

10. Earnings per share

The company adopted “Accounting standard for earning per share” (Accounting Standard No. 2) and “Application guideline for accounting standard for earnings per share” (Application guideline for accounting standard No. 4) from fiscal 2003. Earnings per share calculated under the method used in the previous fiscal year were ¥59.01.

II. Notes to Balance Sheets

1. Short-term receivable due from subsidiaries ¥245,668 million
Long-term receivable due from subsidiaries ¥55,868 million
2. Short-term payable due to subsidiaries ¥43,719 million
3. Accumulated depreciation on tangible fixed assets ¥319,167 million
4. Assets and liabilities denominated in foreign currency
Accounts receivable-trade: ¥84,299 million (US\$417,646 thousand; EURO 262,647 thousand, etc.)
Stocks of subsidiaries: ¥108,677 million (£282,610 thousand; US\$308,585 thousand, etc.)
Investments in subsidiaries: ¥17,934 million (EURO 122,411 thousand, etc.)
5. Guarantee obligation ¥1,115 million
6. Trade notes receivable discounted with banks ¥47 million
7. Shares of common stock issued and outstanding at year-end: 744,912,078 shares (common stock)
Shares of treasury stock held at year-end: 2,303,443 shares (common stock)
8. Net income per share ¥58.75
(Basis for calculation)
Net income ¥ 42,880 million
Money not distributable among shareholders of common stock: ¥ - 183 million
Net income distributable among shareholders of common stock: ¥ 42,697 million
Average number of shares outstanding during fiscal year (after deducting treasury stock): 726,659,698 shares
9. In addition to the fixed assets stated in the balance sheet, the Company uses computer and electronic component manufacturing facilities under lease agreements.
10. Net worth as prescribed in the sixth paragraph of Article 290-1 of the Commercial Law
¥1,556 million
11. Tax Effect Accounting
The prime components of deferred tax assets and liabilities are as follows:

(Millions of yen)	
Deferred tax assets:	
Inventory revaluation	2,239
Accrued bonus	5,397
Accrued enterprise tax	1,883
Retirement benefit obligation	21,251
Depreciation and amortization	1,958
Other	18,266
Total deferred tax assets	50,994

(Millions of yen)	
Deferred tax liabilities:	
Reserve for deferral of capital gain on property	-408
Reserve for special depreciation	-339
Reserve for warranty on computer programs	-207
Net unrealized holding gains on securities	-1,060
Retirement benefit trust establishment	-5,842
Total deferred tax liabilities	-7,856

(Millions of yen)	
Net deferred tax assets	43,138
Included in current assets	19,417
Included in investment and other assets	23,721

III. Notes to Statements of Income

1. Sales to subsidiaries ¥714,129 million
2. Purchases from subsidiaries ¥278,146 million
3. Non-operating transactions with subsidiaries ¥558,195 million
Transfer of assets ¥386,744 million
Transfer of liabilities ¥162,519 million
Others ¥8,932 million
4. Difference in normal effective statutory tax rate and effective tax rate after applying tax effective accounting
Normal effective statutory tax rate 41.9%
(Reconciliation)
Permanently non-deductible expenses 0.3%
Permanently non-taxable income -0.7%
Tax credit for foreign taxes -0.7%
Tax credit for increased research and development expenses -1.8%
Effect of change in enacted tax rate 1.2%
Other -2.4%
Effective tax rate 37.8%

5. The Local Tax Law has been amended and enacted, the and pro forma standard taxation will be effective from April 1, 2004. The statutory tax rate used to calculate current deferred tax assets and liabilities, based on temporary differences eliminated by March 31, 2003, was the rate before the amendment, and for long-term deferred tax assets and liabilities eliminated after April 1, 2004, was the rate after the amendment. Due to the tax rate change, deferred tax assets (net of deferred tax liabilities) decreased ¥803 million, while deferred taxes expensed during the fiscal year increased ¥838 million and the unrealized holding gains on available-for-sale securities increased ¥35 million.

IV. Retirement Allowance Plans

1. Explanation of retirement allowance plan adopted:
The Company maintains a lump-sum retirement payments as part of its retirement allowance payments, which includes a qualified pension plan based on deposits. Payable allowances under the plan are determined by salary at retirement, years of service, and reasons for retirement. The Company also maintains an employees' pension fund (adjusted pension) plan based on the Welfare Pension Insurance Law. The employees' pension fund plan consists of two portions: the basic portion is deposited by the company and the employee, where the company plays a part in the public pension system; and an additional portion. The additional pension is determined by the years of service and the salary at retirement. The Company maintains an employee retirement allowance trust.
2. Retirement allowance obligations: (As of March 31, 2003)
Benefit obligation: ¥303,863 million

(1) Plan assets:	¥143,277 million
(2) <u>Accrued</u> pension and severance costs:	¥34,507 million
(3) Unrecognized net actuarial loss:	¥145,267 million
(4) Unrecognized prior service cost	-¥19,189 million

(obligations reduction):
3. Breakdown of the net periodic benefit costs: (For the year ended March 31, 2003)
The net periodic benefit costs: ¥15,200 million

(1) Service costs:	¥8,466 million
(2) Interest costs	¥7,915 million
(3) Expected return on plan assets:	-¥5,269 million
(4) Amortization of actuarial loss:	¥4,896 million
(5) Amortization of prior service cost	-¥807 million
4. Actuarial assumptions:

(1) Discount rate:	2.2%
(discount rate applied to calculations at beginning of the year)	(3.0%)
(2) Expected long-term rate of return on plan assets:	3.0%
(3) The attribution of cost method:	Fixed-term basis
(4) Years for adjusting actuarially:	15 years
(5) Years for expensing past service obligations	15 years
5. Relationship between reserve for retirement allowance, offset against retirement allowance trust and pension assets:
The reserve for retirement allowances at year-end under the qualified pension plan was ¥14,779 million; there were no offsetting pension assets under the retirement allowance trust. The reserve for retirement allowances at year-end under the employees' pension fund plan was ¥19,728 million; the offsetting pension assets under the retirement allowance trust were ¥21,622 million.

PROPOSED APPROPRIATION OF RETAINED EARNINGS

(Yen)

	Fiscal 2003	Fiscal 2002
Unappropriated retained earnings at end of year	30,248,567,126	40,790,892,233
Reversal of reserve for deferral of capital gain on property	27,478,909	67,594,743
Reversal of reserve for special depreciation	104,573,744	183,523,126
Reversal of reserve for warranty on computer programs	91,806,833	135,194,191
Total	30,472,426,612	41,177,204,293

To be appropriated as follows:

(Yen)

Cash dividends (¥7.00 per share)	5,198,260,445	5,089,607,166
Director bonuses	183,400,000	170,000,000
Reserve for deferral on capital gain on property	14,137,521	-
Reserve for special depreciation	118,240,207	18,998,737
Reserve for warranty on computer programs	141,070,970	136,468,721
Reserve for corporate citizenship promotion	81,000,000	59,100,000
General reserve	19,000,000,000	30,000,000,000
Retained earnings brought forward to the next year	5,736,317,469	5,703,029,669

Notes:

1. On December 2, 2002, the Company made interim cash dividends of ¥7.00 per share totaling ¥5,088,433,770.

2. Increases in the Reserve for deferral on capital gain on property, the Reserve for special depreciation, and the Reserve for warranty on computer programs owing to the introduction of a corporate enterprise tax system, which changed the effective tax rate, are as follows:

Reserve for deferral on capital gain on property	¥14,137,521
Reserve for special depreciation	¥11,189,929
Reserve for warranty on computer programs	¥5,801,140

Independent Auditor's Report

April 28, 2003

The Board of Directors
Ricoh Company, Ltd.

Asahi & Co.

Teruo Suzuki(Seal)
Representative Partner
Certified Public Accountant

Tetsuzo Hamajima(Seal)
Representative Partner and Engagement Partner
Certified Public Accountant

Mikihiro Himeno(Seal)
Engagement Partner
Certified Public Accountant

We have audited the statutory report, that is the balance sheet, the statement of income, the business report (limited to accounting matters) and the proposal for appropriation of unappropriated retained earnings , and its supporting schedules (limited to accounting matters) of Ricoh Company, Ltd. for the business year from April 1, 2002 to March 31, 2003 in accordance with Article 2 of "the Law for Special Exceptions to the Commercial Code Concerning Audit, etc. of Kabushiki Kaisha". With respect to the aforementioned business report and supporting schedules, our audit was limited to those matters derived from the accounting books and records of the Company and subsidiaries. These statutory report and supporting schedules are the responsibility of the Company's management. Our responsibility is to express an opinion on the statutory report and supporting schedules based on our audit as an independent auditor.

We conducted our audit in accordance with generally accepted auditing standards in Japan. Those auditing standards require to obtain reasonable assurance about whether the statutory report and supporting schedules are free of material misstatement. An audit is performed on a test basis, and includes assessing the accounting principles used, the method of their application and estimates made by management, as well as evaluating the overall presentation of the statutory report and supporting schedules. We believe that our audit provides a reasonable basis for our opinion. Our audit procedures also include those considered necessary for the subsidiaries.

As a result of the audit, our opinion is as follows:

- (1) The balance sheet and the statement of income present fairly the financial position and the result of operations of the Company in conformity with related laws and regulations and the Articles of Incorporation of the Company.
- (2) The business report (limited to accounting matters) presents fairly the status of the Company in conformity with related laws and regulations and the Articles of Incorporation of the Company .
- (3) The proposal for appropriation of unappropriated retained earnings has been prepared in conformity with related laws and regulations and the Articles of Incorporation of the Company.
- (4) With respect to the supporting schedules (limited to accounting matters) there are no items to be noted that are not in conformity with the provisions of the Commercial Code.

Our firm and engagement partner have no interest in the Company which should be disclosed pursuant to the provisions of the Certified Public Accountants Law.

CORPORATE AUDITORS' REPORT

April 30, 2003

The Board of Corporate Auditors received reports from each of the corporate auditors of the Company on their checks of the Directors' performance in fiscal 2003, from April 1, 2002 to March 31, 2003. The board prepared this report with the corporate auditors' consensus.

1. Scope of Audit By Corporate Auditors

Each of the corporate auditors, in accordance with the policy and work shares prescribed by the Board of Corporate Auditors, attended the meetings of the Board of Directors and other important meetings of the Company, received reports on business operations from the Directors, etc., inspected important written approvals, etc., inquired into the activities and assets of the head office and principal places of business, and had the subsidiaries of the Company submit reports on their business operations whenever necessary. The board also received reports and briefings from the independent auditors, and examined the accounting documents and schedules of the Company.

With respect to any transactions by the Directors, transactions between the Directors and the Company involving a conflict of interests, the gratuitous provision of profits by the Company, and any other transactions not customary in nature between the Company and its subsidiaries or shareholders, and acquisition and disposal of treasury shares, we, in addition to the above mentioned auditing, asked the Directors, etc., to submit reports, whenever necessary, and examined these transactions in detail.

2. Results of Audit

- (1) The procedures followed and the results produced by Asahi & Co., the independent auditors, in their auditing are reasonable and appropriate;
- (2) The business report of the Company fairly presents the position of the Company in accordance with laws and ordinances and the Articles of Incorporation of the Company;
- (3) The proposal for appropriation of retained earnings of the Company contains no particulars to be pointed out in the light of the financial position of the Company and other circumstances;
- (4) The schedules of the Company fairly present the matters to be stated therein and contain no particulars to be pointed out; and
- (5) The Directors performed their duties honestly in accordance with laws and ordinances and the Articles of Incorporation of the Company, including in fulfilling their duties toward subsidiaries.

With respect to any competitive transactions by the Directors, transactions between the Directors and the Company involving a conflict of interest, the gratuitous provision of profits by the Company, and any other transactions not customary in nature between the Company and its subsidiaries or shareholders, and acquisition and disposal of treasury shares, we concluded that none of the Directors swerved from their duties.

Board of Corporate Auditors, Ricoh Company, Ltd.

Hisaaki Koga , Corporate Auditor (Full-time)

Hideyuki Takamatsu, Corporate Auditor (Full-time)

Kenji Matsuishi, Corporate Auditor

Takehiko Wada, Corporate Auditor

Note: Corporate auditors Kenji Matsuishi and Takehiko Wada are outside auditors as stipulated in Paragraph 1, Article 18 of the Law Concerning the Special Measures Applicable to Auditing Practices under the Commercial Code.

(Reference)¹

CONSOLIDATED BALANCE SHEETS

(Millions of yen)

	2003	2002		2003	2002
<u>Assets</u>			<u>Liabilities</u>		
Current Assets			Current Liabilities		
Cash and time deposits	200,330	182,650	Trade payables	280,798	277,753
Trade receivables	417,942	442,399	Short-term borrowings	138,713	228,408
Marketable securities	107	22,935	Other current liabilities	169,072	159,540
Inventories	146,051	162,176	Total Current Liabilities	588,583	665,701
Other current assets	58,083	53,508	Long-term Liabilities		
Total Current Assets	822,513	863,668	Long-term indebtedness	345,902	332,995
			Accrued pension and severande costs	209,011	119,572
			Other long-term liabilities	30,653	30,592
			Total Long-Term Liabilities	585,566	483,159
			Total Liabilities	1,174,149	1,148,860
			Minority Interests	53,259	51,048
			Shareholders' Investment		
			Common stock	135,364	120,461
			Additional paid-in capital	186,521	171,628
Fixed Assets			Retained earnings	434,748	385,741
Property, Plant and Equipment	248,752	259,380	Accumulated other comprehensive	-94,733	-44,376
Finance receivables	476,293	447,829	income (loss)		
Other investments	337,364	262,051	Treasury stock	-4,386	-434
Total Fixed Assets	1,062,409	969,260	Total Shareholders' Investment	657,514	633,020
Total Assets	1,884,922	1,832,928	Total Liabilities and Shareholders' Investment	1,884,922	1,832,928

CONSOLIDATED STATEMENTS OF INCOME

(Millions of yen)

	Fiscal 2003	Fiscal 2002
Net sales	1,738,358	1,672,340
Cost of sales	993,009	972,394
Gross profit	745,349	699,946
Selling, general and administrative expenses	611,695	570,251
Operating income	133,654	129,695
Other income		
Interest and dividend income	3,772	4,753
Interest expense	6,853	8,233
Other, net	7,103	12,265
Income before income taxes, minority interests, and equity in earnings of affiliates	123,470	113,950
	51,984	51,147
Provision for income taxes	1,376	3,080
Minority interests		
Equity in earnings of affiliates	2,403	1,891
Net income	72,513	61,614

Note: The consolidated financial statements were prepared in conformity with accounting principles generally accepted in the United States.

(Reference)²

CONSOLIDATED STATEMENTS OF CASH FLOWS
(For the years ended March 31)

(Millions of yen)

	2003	2002
I. Cash Flows from Operating Activities:		
1. Net income	72,513	61,614
2. Adjustments to reconcile net income to net cash provided by operating activities—		
Depreciation and amortization	76,551	73,782
Decrease (increase) in trade receivables	22,176	-20,006
Decrease in inventories	14,983	21,194
Increase (decrease) in trade payables	5,632	-19,535
Other, net	-6,113	-11,911
Net cash provided by operating activities	185,742	105,138
II. Cash Flows from Investing Activities:		
Purchases and sales of property, plant and equipment	71,739	74,475
Purchases and sales of available-for-sale securities	27,706	14,543
Others	1,246	21,489
Net cash used in investing activities	-98,199	-81,421
III. Cash Flows from Financing Activities:		
Net changes in borrowings and bonds	-39,055	45,521
Cash dividends paid	-10,176	-8,322
Payment of Purchases of treasury stocks	-17,281	-1,054
Others	-631	90
Net cash provided by (used in) financing activities	-67,143	36,235
IV. Effect of Exchange Rate Changes on Cash and Cash Equivalents	-1,329	2,474
V. Net Increase in Cash and Cash Equivalents	19,071	62,426
VI. Cash and Cash Equivalents at Beginning of Year	170,172	107,746
VII. Cash and Cash Equivalents at End of Period	189,243	170,172

Note: The consolidated financial statements were prepared in conformity with accounting principles generally accepted in the United States.

DOCUMENTS FOR REFERENCE IN EXERCISING VOTING RIGHTS

1. Number of voting rights of all shareholders: 736,045

2. Agenda and Information

Agenda 1: Approval of the proposed appropriation of retained earnings for fiscal 2003 (April 1, 2002 to March 31, 2003)

The proposal for appropriation of retained earnings is described in the attached document (See p. 14).

Cash dividends to shareholders at the end of the current term will be paid, in consideration of our business results for the current term, the strengthening of our corporate structure, and the expansion of business in the future, at the rate of ¥7.00 per share. Including interim cash dividends for the current term, shareholders will earn a total of ¥14.00 per share in cash dividends.

Agenda 2: Purchases of its own shares

To be able to carry out a flexible capital policy in the face of the changing business climate, the Company wishes to acquire treasury stock within the limits of 32,000,000 ordinary shares, worth ¥60 billion, in accordance with the provisions of Article 210 of the Commercial Code. The acquisitions would be from the period after the closing of this general meeting to the closing of the next ordinary general meeting of shareholders.

Agenda 3: Partial amendment of the Articles of Incorporation

(1) Reasons for changes

- 1) To support further operational progress, add “direct marketing through the Internet, facsimile, and telephone, etc.,” to the business purpose (Change proposal 3-8).
- 2) Based on a resolution of a board meeting held on March 28, 2003, the Company retired 7 million shares of treasury stock, thus altering the number of shares issued and outstanding (Change proposal 5-1).
- 3) In accordance with the implementation of the Law Amending Part of the Commercial Code (Law No. 44, 2002) on April 2003, systems were introduced to handle lost share certificates and purchase additional fractional unit shares. In addition, the requirements for quorums for special resolutions at general shareholders meetings can be eased subject to the provisions of the Articles of Incorporation.
Accordingly, the Company proposes such amendments as the regulation of the register of lost share certificates, the introduction of purchases of fractional unit shares for the benefit of shareholders, and a reduction in quorums for special resolutions at general shareholder meetings to one-third of the voting rights of all shareholders to make the adoption of special resolutions more feasible (new additions to Articles 7, 8-3, 9, and 14-2).
- 4) On May 1, 2003, the Law Partially Amending the Law Concerning the Special Measures Applicable to Auditing Practices as Provided in the Commercial Code and Incorporated Companies (2001; Law No. 149) came into effect, mandating an extension of the terms of office of auditors from three years to four (Change to Article 25 of Articles of Incorporation).
- 5) On April 1, 2002, the Law Partially Amending the Commercial Code (2001; Law No. 128) was implemented, leading to convertible bonds with right of new share options, eliminating the need in articles of incorporation to specify initial dividend conversion dates for convertible bonds. Once all convertible bonds that the Company issues are redeemed, Article 33 of the current Articles of Incorporation would be deleted.
- 6) Changes to the number of articles through the creation of new ones and changes to existing articles.

(2) Details of proposed revisions

Proposed revisions to the Articles of Incorporation are as underlined below:

Current articles of incorporation	Proposed revisions
<p>(Purpose)</p> <p>Article 3 The Company aims to engage in the following businesses.</p> <p>Provisions 1. to 7. omitted.</p> <p><u>8. ...all operations that are supplementary or related to the above.</u></p>	<p>(Purpose)</p> <p>Article 3 The Company aims to engage in the following businesses.</p> <p>Provisions 1. to 7. (unchanged)</p> <p><u>8. ...direct marketing through the Internet, facsimile, and telephone, etc.</u></p> <p><u>9. all operations that are supplementary or related to the above.</u></p>
<p>(Total number of shares to be issued; types of share certificates)</p> <p>Article 5 The total number of shares to be issued by the Company is <u>one billion (1,000,000,000)</u>. If some shares are cancelled, the number of shares cancelled shall be deducted from the total number of shares issued. The types of share certificates to be issued by the Company shall be decided in accordance with Share Handling Regulations to be established by the Board of Directors.</p>	<p>(Total number of shares to be issued; types of share certificates)</p> <p>Article 5</p> <ol style="list-style-type: none"> 1. The total number of shares to be issued by the Company is <u>nine hundred and ninety-three million (993,000,000)</u>. If some shares are cancelled, the number of shares cancelled shall be deducted from the total number of shares issued. 2. The types of share certificates to be issued by the Company shall be decided in accordance with Share Handling Regulations to be established by the Board of Directors.
<p>(Number of shares per unit (tan-i))</p> <p>Article 6 The number of shares per unit (tan-gen) of the Company shall be one thousand (1,000). The Company shall not issue securities in amounts less than one unit, although the Share Handling Regulations will not necessarily stipulate this.</p>	<p>(Number of shares per unit (tan-gen))</p> <p>Article 6</p> <ol style="list-style-type: none"> 1. The number of shares per unit (tan-gen) of the Company shall be one thousand (1,000). 2. The Company shall not issue securities in amounts less than one unit, although the Share Handling Regulations will not necessarily stipulate this.
<p>(New)</p>	<p><u>(Increased purchases of shares in less than one unit)</u></p> <p><u>Article 7 Under the Share Handling Regulations, the Company can demand that shareholders (including de facto shareholders, the same applies hereinafter) with stakes of less than one unit in the Company sell their holdings to transform holdings less than one unit into one unit.</u></p>

Current articles of incorporation	Proposed revisions
<p>(Transfer agent) Article <u>7</u> The Company shall have a transfer agent for the handling of its shares. The transfer agent and its place of business shall be decided by resolution of the Board of Directors and announced publicly. The list of the Company's shareholders (includes the list of de facto shareholders; the same applies hereinafter) shall be kept at the place of business of the transfer agent. The transfer agent shall be made to handle all the businesses relating to the Company's shares, such as the transfer of shares and the purchase of quantities of less than one unit (tan-gen) of shares: the Company shall not involve itself in any of the said businesses.</p>	<p>(Transfer agent) Article <u>8</u> 1. The Company shall have a transfer agent for the handling of its shares. 2. The transfer agent and its place of business shall be decided by resolution of the Board of Directors and announced publicly. 3. The list of the Company's shareholders (includes the list of de facto shareholders; the same applies hereinafter) <u>and stock lapse register</u> shall be kept at the place of business of the transfer agent. The transfer agent shall be made to handle all the businesses relating to the Company's shares, such as the transfer of shares and the purchase <u>or increased purchase</u> of quantities of less than one unit (tan-gen) of shares: the Company shall not involve itself in any of the said businesses.</p>
<p>(Share Handling Regulations) Article <u>8</u> The transfer of shares, the purchase of quantities of less than one unit (tan-gen) of shares, and any other businesses relating to the Company's shares shall be handled in accordance with Share Handling Regulations to be established by the Board of Directors.</p>	<p>(Share Handling Regulations) Article <u>9</u> The transfer of shares, <u>lapsed share registration procedures</u>, the purchase <u>or increased purchase</u> of quantities of less than one unit (tan-gen) of shares, and any other businesses relating to the Company's shares shall be handled in accordance with Share Handling Regulations to be established by the Board of Directors.</p>
<p>(Basic date) Article <u>9</u> In each accounting period, the Company shall deem the shareholders that are registered or recorded in the final list of shareholders (includes de facto shareholders; the same applies hereinafter) to be the shareholders that can exercise their rights at the ordinary general meeting of shareholders for the accounting period. Notwithstanding the preceding paragraph, the Board of Directors may, if necessary, resolve to deem the shareholders or pledgees that are registered or announced previously to be the shareholders or recorded in the list of shareholders as of a specific date set and announced previously to be the shareholders or pledgees that can exercise their rights.</p>	<p>(Basic date) Article <u>10</u> 1. In each accounting period, the Company shall deem the shareholders that are registered or recorded in the final list of shareholders (includes de facto shareholders; the same applies hereinafter) to be the shareholders that can exercise their rights at the ordinary general meeting of shareholders for the accounting period. 2. Notwithstanding the preceding paragraph, the Board of Directors may, if necessary, resolve to deem the shareholders or pledgees that are registered or announced previously to be the shareholders or recorded in the list of shareholders as of a specific date set and announced previously to be the shareholders or pledgees that can exercise their rights.</p>
<p>(Shareholders' Meeting) Article <u>10</u> Regular general meetings of shareholders shall be held in June every year, while extraordinary shareholder meetings shall be held as required. The president shall convene the annual general meeting of shareholders in line with a resolution of the Board of Directors. If the president suffers an accident, other directors will convene the gathering in a previously determined rank.</p>	<p>(Shareholders' Meeting) Article <u>11</u> 1. Regular general meetings of shareholders shall be held in June every year, while extraordinary shareholder meetings shall be held as required. 2. The president shall convene the annual general meeting of shareholders in line with a resolution of the Board of Directors. 3. If the president suffers an accident, other directors will convene the gathering in a previously determined rank.</p>
<p>(Exercise of voting rights by proxy) Article <u>11</u> Any of the shareholders may exercise his voting rights by means of a proxy who is also a shareholder of the Company. The said shareholder or proxy must submit a power of attorney to vote to the Company.</p>	<p>(Exercise of voting rights by proxy) Article <u>12</u> 1. Any of the shareholders may exercise his voting rights by means of a proxy who is also a shareholder of the Company. 2. The said shareholder or proxy must submit a power of attorney to vote to the Company.</p>
<p>Article <u>12</u> -- Provisions omitted --</p>	<p>Article <u>13</u> (Unchanged)</p>

Current articles of incorporation	Proposed revisions
<p>Article <u>13</u> Method of resolutions Resolutions of the general meeting of shareholders shall, except where otherwise provided by law or in the Articles of Incorporation, require a simple majority of shareholders attending to pass.</p> <p>(New)</p>	<p>Article <u>14</u> Method of resolutions</p> <ol style="list-style-type: none"> 1. Resolutions of the general meeting of shareholders shall, except where otherwise provided by law or in the Articles of Incorporation, require a simple majority of shareholders attending to pass. 2. <u>Under the special resolutions determined under Article 343 of the Commercial Code, annual general meetings of shareholders shall require the attendance of shareholders representing one-third of voting rights for a quorum and representing at least two-thirds to vote on resolutions.</u>
<p>Articles <u>14</u> and <u>15</u> -- Provisions omitted --</p>	<p>Articles <u>15</u> and <u>16</u> (Unchanged)</p>
<p>(Election of directors) Article <u>16</u> Directors shall be elected at a general meeting of shareholders. Resolution for the election mentioned above shall be adopted by a majority vote of the shareholders present at the meeting who hold voting rights representing not less than one-third of the voting rights of all shareholders. Cumulative voting shall not be used in the election of directors.</p>	<p>(Election of directors) Article <u>17</u></p> <ol style="list-style-type: none"> 1. Directors shall be elected at a general meeting of shareholders. 2. Resolution for the election mentioned above shall be adopted by a majority vote of the shareholders present at the meeting who hold voting rights representing not less than one-third of the voting rights of all shareholders. 3. Cumulative voting shall not be used in the election of directors.
<p>Articles <u>17</u> and <u>18</u> -- Provisions omitted --</p>	<p>Articles <u>18</u> and <u>19</u> (Unchanged)</p>
<p>(Directors with roles and representative directors) Article <u>19</u> Upon a resolution, the Board of Directors can appoint from among its number one chairman, one president, vice presidents, senior managing directors, and managing directors. Upon a resolution, the Board of Directors shall choose the representative directors.</p>	<p>(Directors with roles and representative directors) Article <u>20</u></p> <ol style="list-style-type: none"> 1. Upon a resolution, the Board of Directors can appoint from among its number one chairman, one president, vice presidents, senior managing directors, and managing directors. 2. Upon a resolution, the Board of Directors shall choose the representative directors.
<p>(Convening meetings of the board of directors, chairman of the board, and resolutions) Article <u>20</u> Except where otherwise determined under the law, the board of directors shall make resolutions on material matters related to the execution of operations. The chairman shall convene and chair board gatherings. If the chairman is absent or has suffered an accident, other directors will chair the gathering according to a previously determined rank. Notification of a board meeting to directors and auditors shall be three days prior to such a gathering. However, where all directors and auditors otherwise agree the procedures for convening such meeting can be waived. Board resolutions shall require the attendance of half the number of board members and a simple majority of the votes of those attending.</p>	<p>(Convening meetings of the board of directors, chairman of the board, and resolutions) Article <u>21</u></p> <ol style="list-style-type: none"> 1. Except where otherwise determined under the law, the board of directors shall make resolutions on material matters related to the execution of operations. 2. The chairman shall convene and chair board gatherings. If the chairman is absent or has suffered an accident, other directors will chair the gathering according to a previously determined rank. 3. Notification of a board meeting to directors and auditors shall be three days prior to such a gathering. However, where all directors and auditors otherwise agree the procedures for convening such meeting can be waived. 4. Board resolutions shall require the attendance of half the number of board members and a simple majority of the votes of those attending.
<p>Articles <u>21</u> and <u>22</u> -- Provisions omitted --</p>	<p>Articles <u>22</u> and <u>23</u> (Unchanged)</p>
<p>(Election of auditors) Article <u>23</u> Auditors shall be elected at a general meeting of shareholders. Resolution for the election mentioned above shall be adopted by a majority vote of the shareholders present at the meeting who hold voting rights representing not less than one-third of the voting rights of all shareholders.</p>	<p>(Election of auditors) Article <u>24</u></p> <ol style="list-style-type: none"> 1. Auditors shall be elected at a general meeting of shareholders. 2. Resolution for the election mentioned above shall be adopted by a majority vote of the shareholders present at the meeting who hold voting rights representing not less than one-third of the voting rights of all shareholders.

Current articles of incorporation	Proposed revisions
<p>(Meetings and resolutions of auditors)</p> <p>Article <u>24</u> Auditors shall be appointed for <u>three</u> years until the date of annual general meeting of shareholders in their final year. However, the term for auditors chosen on a supplementary basis shall be until the end of the term of the auditors that they have replaced.</p>	<p>(Meetings and resolutions of auditors)</p> <p>Article <u>25</u> Auditors shall be appointed for <u>four</u> years until the date of annual general meeting of shareholders in their final year. However, the term for auditors chosen on a supplementary basis shall be until the end of the term of the auditors that they have replaced.</p>
<p>Article <u>25</u> -- Provisions omitted --</p>	<p>Article <u>26</u> (Unchanged)</p>
<p>(Convening meetings of auditors and resolutions)</p> <p>Article <u>26</u> Except where otherwise determined under the law, auditors shall make resolutions on matters related to auditing policies, operations, and techniques for assessing the Company's financial assets, as well as other areas related to the work of auditors. The board of auditors shall convene gatherings of auditors. Notification of an auditor meeting to auditors shall be three days prior to such a gathering. However, where all auditors otherwise agree the procedures for convening such meeting can be waived. Unless otherwise determined under law, resolutions shall require the vote of half the number of auditors.</p>	<p>(Convening meetings of auditors and resolutions)</p> <p>Article <u>27</u></p> <ol style="list-style-type: none"> 1. Except where otherwise determined under the law, auditors shall make resolutions on matters related to auditing policies, operations, and techniques for assessing the Company's financial assets, as well as other areas related to the work of auditors. 2. The board of auditors shall convene gatherings of auditors. 3. Notification of an auditor meeting to auditors shall be three days prior to such a gathering. However, where all auditors otherwise agree the procedures for convening such meeting can be waived. 4. Unless otherwise determined under law, resolutions shall require the vote of half the number of auditors.
<p>Articles <u>27 to 32</u> -- Provisions omitted --</p>	<p>Articles <u>28 to 33</u> (Unchanged)</p>
<p>(Dividend calculation date)</p> <p>Article <u>33</u> <u>Upon a request for the conversion of convertible bonds, earnings dividends and interim dividends shall be paid from October 1 through March 31 of the following year for shareholders of record as of April 1 through September 30. The conversion shall be deemed that of the date in which the conversion was requested.</u></p>	<p>This article shall be deleted.</p>

Agenda 4: Election of three (3) directors

The Company seeks the election of three candidate directors to expand the board by that number and reinforce top management.

The candidates for directorships are as follows:

Candidate number	Name (Date of birth)	Brief personal history		No. of Company's shares held
1	Shiroh Kondoh (October 7, 1949)	April 1973 April 1995 April 1998 July 1999 June 2000 June 2000 June 2002	Entered the Company Head of 1st Design Office, DEP Division, Imaging System Business Group General Manager, Printer & System Business Division, Imaging System Business Group Deputy General Manager, Imaging System Business Group Senior Vice President of the Company General Manager, Imaging System Business Group (to date) Executive Vice President of the Company (to date)	3,000
2	Kazuo Togashi (November 28, 1949)	April 1972 November 1992 April 1998 June 2000 April 2002 April 2002 June 2002	Entered the Company President, Ricoh Espana S.A. President, Ricoh Europe B.V. Group Executive Officer Chairman, Ricoh Europe B.V. (to date) Chairman, NRG Group Plc (to date) Executive Vice President of the Company (to date)	2,000
3	Kazunori Azuma (February 11, 1949)	April 1971 January 1991 October 1994 April 1998 June 2000 October 2000 October 2000	Entered the Company Software Group Leader, Marketing Group President, Ricoh Hokkaido Co., Ltd. Deputy General Manager, System Solution Division, Marketing Group Executive officer Group Executive Officer (to date) President, Ricoh Technosystems Co., Ltd. (to date)	3,000

Notes:

1. None of the above candidates have any special interests in the Company.

Agenda 5: Election of two (2) corporate auditors

The terms of office of corporate auditors Hideyuki Takamatsu and Kenji Matsuishi expire at the end of the general meeting of shareholders, and the Company requests their reappointment at this gathering.

The board of corporate auditors has agreed to these nominations.

The corporate auditor candidates are as follows:

Candidate number	Name (Date of birth)	Brief personal history		No. of Company's shares held
1	Hideyuki Takamatsu (May 21, 1942)	April 1966 April 1987 October 1991 November 1995 December 1997 June 2000	Entered the Company General Manager, Accounting Department, Finance and Accounting Division Manager, Imaging Business Planning Office, Reprographic Products Division RP Managing Director, San-ai Co., Ltd. Senior Managing Director, San-ai Co., Ltd. Corporate auditor of the Company (to date)	3,000
2	Kenji Matsuishi (July 24, 1937)	April 1965 April 1965 April 1965 February 1972 June 1994	Completed apprenticeship at the Legal Research and Training Institute Registered as lawyer Entered Takano & Higuchi Law Office Head of Matsuishi Law Office (to date) Corporate auditor of the Company (to date)	2,000

Notes:

1. None of the above candidates have any special interests in the Company.
2. Kenji Matsuishi is a candidate for outside auditor based on Law No. 18-1 Concerning the Special Measures Applicable to Auditing Practices as Provided in the Commercial Code.