(Translation)

(Securities Code: 7752)
June 5, 2007

NOTICE OF
107TH ORDINARY GENERAL MEETING OF SHAREHOLDERS

Dear Shareholder,
The Company would hereby like to inform you that the 107th ordinary general meeting of shareholders will be held as follows, and would be grateful if you could attend the meeting.

Those who will not be able to attend the meeting on the day are kindly requested to consider appended “Reference Material for General Meeting of Shareholders” and exercise your voting right in writing or via the Internet no later than 5:30 p.m., Tuesday, June 26, 2007.

[Exercise of voting rights in writing]
Please indicate your “approval or disapproval” for each of the proposals on the voting form enclosed herewith and return the form by the above-mentioned deadline.

[Exercise of voting rights via the Internet]
Please access the website designated by the Company for the Exercise of Voting Rights (http://www.web54.net), use “Voting right exercise code” and “Password,” both shown in the voting form and enter your approval or disapproval for each of the proposals following the instructions displayed on the screen.
When exercising your voting right through the Internet website, please read “Exercise of Voting Rights via the Internet” on page 48.

Yours faithfully,
Shiro Kondo,
Representative Director,
President and Chief Executive Officer
Ricoh Company, Ltd.
1-3-6 Nakamagome, Ohta-ku, Tokyo

1. Date and Time: Wednesday, June 27, 2007, from 10:00 a.m.
2. Venue: Ricoh’s registered head office: 1-3-6 Nakamagome, Ohta-ku, Tokyo
3. Purpose:
Items to be reported:
1. The Business Report, Consolidated Financial Statements and the results of auditing consolidated financial statements by account auditors and the Board of Corporate Auditors for the fiscal year ended March 31, 2007 (from April 1, 2006 to March 31, 2007)
2. The Non-Consolidated Financial Statements for the fiscal year ended March 31, 2007 (from April 1, 2006 to March 31, 2007)

Items to be resolved:

Agenda 1: Appropriation of retained earnings

Agenda 2: Election of one (1) Corporate Auditor

Agenda 3: Election of one (1) substitute Corporate Auditor

Agenda 4: Payment of retirement allowances for Directors and Corporate Auditors following the abolishment of the retirement allowance system

Agenda 5: Revision of remuneration for Directors

Agenda 6: Payment of bonuses to Directors

4. Treatment of voting rights

(1) When voting rights were exercised both in writing and via the Internet, the vote arrived later shall be deemed effective. However, if votes arrive on the same day, the vote registered via the Internet shall be deemed effective.

(2) When voting rights are exercised via the Internet more than once, the last vote shall be deemed effective.

Notes:

1. Shareholders are requested to fill out and submit the appended voting form at the reception desk when attending.
2. If there is any revision to Reference Material for General Meeting of Shareholders, Business Report, Consolidated and Non-consolidated Financial Statements, it will be notified on the Company's website (http://www.ricoh.co.jp/IR/).

This English translation is an abridged version of the original notice in Japanese. In the event of any discrepancy, the Japanese version shall prevail.

To Our Shareholders

I would like to take this opportunity to express our sincere appreciation for our shareholders' continuous support to us in delivering our business report for 107th business term, from April 1, 2006 to March 31, 2007.

Under the 15th Medium-term Business Plan, started in the fiscal year ended March 31, 2006, the Ricoh Group strove to achieve a further growth and development by reinforcing its corporate competitiveness through "creation of new customer values" and "highly efficient business operations." By doing this, we aim to meet the expectations of our shareholders.

Against the backdrop, consolidated net sales rose 8.4% year on year to 2,068.9 billion yen in the fiscal year ended March 31, 2007. The increase is attributable mainly to strong sales of color multifunction printers (MFPs) and laser printers, at home and abroad.

Net income increased sharply 15.1% to post record-high figure of 111.7 billion yen, due chiefly to a rise in high-value added products, effects of continuous cost reductions and structural reform implemented by the previous fiscal year.

With regard to dividends, an interim dividend of 13 yen per share is already disbursed and a dividend of 15 yen per share, up 3 yen per share from a year earlier, at the end of the term will be proposed (total of 28 yen for the fiscal year) at the 107th Ordinary General Meeting of Shareholders.

It is true that there are various uncertain factors such as economic trends and foreign exchange fluctuations, but the Ricoh Group is determined to do the utmost efforts to achieve consolidated net sales of 2.25 trillion yen and net income of 117 billion yen in the fiscal year ending March 31, 2008.

We look forward to your continuous support and encouragement to the Company from now on.

Sincerely,

June 2007

Masamitsu Sakurai,
Chairman of the Board and Representative Director

Shiro Kondo,
Representative Director, President and Chief Executive Officer

Business Report for 107th Business Term

(April 1, 2006 to March 31, 2007)

(The following is an unofficial English translation of the Reports for the 107th Fiscal Year of the Company. The Company provides this translation for your reference and convenience only and without any warranty as to its accuracy or otherwise.)

1. Status of the Ricoh Group

(1) Operating conditions for the fiscal year under review

(i) Operating progress and results

- Overview

In the fiscal year under review, the Japanese economy achieved steady growth thanks to continued strong capital expenditure by companies. The U.S. economy expanded moderately backed by steady consumer spending and employment situation, despite the uncertain outlook. In Europe, the economy remained strong due to balanced growth in domestic and external demand. Meanwhile, the economy continued growing at a high rate in Asia, mainly China and India.

Under such circumstances, the Ricoh Group intends to be the company that gains most from the 21st century. Based on this group vision, we will continue to contribute both to productivity improvement and also to knowledge creation for individuals working anytime, anywhere. This approach will enable us to gain the utmost trust of our customers and continue to grow and develop our business. Accordingly, our proactive approach encompasses not only products and services for traditional office setups, but also customers working in a broadband environment.

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

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

While there are no changes to the direction of business structure reform and principal strategy of the Ricoh Group in the 15th medium-term management plan, started in the fiscal year ended March 31, 2006, we will aim to increase our corporate value by more than ever addressing issues from the customer’s standpoint and continuing to provide values that meet customers’ expectations. In the Office Solutions segment, in particular, we are confident that we can further solidify our business foundation by taking utmost advantage of the abilities and strengths of the Ricoh Group, such as the comprehensive product line, customer rapport through sales and service, ability to provide solutions, global operations, image processing technology, and image processing and merging technology, to respond to the diverse needs of even greater range of customers.

In the Office Solutions segment, we have identified “printing” as an area that presents an outstanding opportunity for growth. Consequently, we will shift a higher portion of our business resources to this area. Namely, we will continue to advance more than ever before such printing solutions as BC (black-color) conversion and TCO (total cost of ownership) reduction solutions in the office, enter the high-end production printing market, boost low-end products and expand the business domain and size. Furthermore, we will revamp our sales system solutions and solutions platform in order to promote document solution, which enables improved document workflow, and to capture a greater share of major customers, particularly major global accounts.

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

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

The following shows our achievements in the basic policies during this fiscal year.

In the Office Solutions segment, we have continuously introduced new multifunctional color printers and color laser printers in order to provide more comprehensive product line. We launched the imagio MP C4500/C3500 Series (sold overseas as Aficio MP C4500/C3500) as part of our multifunctional color printer line. This new printer cuts total energy consumption by approximately 50% compared with conventional models thanks to our unique energy-saving technology, Color QSU. We also launched the IPSiO SP C811 Series (sold overseas as Aficio SP C811DN), a color laser printer for high-speed color printing (A4, horizontal input tray) at 40 pages per minute (ppm) that boasts superior productivity and environmental performance. We have also launched the imagio MP C3000/C2500 Series (sold overseas as Aficio MP C3000/C2500) and the imagio MP C1500 (sold overseas as Aficio MP C615C), both popular models in the domestic market, on the international market. Launching these next-generation color copiers and printers has strengthened our product lines and gained us a large share of the color copier/multifunctional printer markets both in Japan and overseas.

We further enhanced our product lines in the production printing market with the release of the IPSiO SP 9100Pro-HG/IPSiO SP 8100-HG Series, a mainframe system printer. Employing our newly developed printing protocol, the Ricoh Host Print Protocol, it offers superior reliability to meet open system environment as well as distributed printing requirements. We forged an agreement with IBM Corporation in January 2007 that will enable us to expand our operations in this market through a joint venture known as InfoPrint Solutions Company (to become Ricoh’s wholly-owned subsidiary in three years). This new company will combine Ricoh’s superior hardware and software production and development capabilities with IBM’s service, software and IT solution capabilities to provide our customers with higher value products.

In the low-end business printer market, we released the IPSiO SP C411 Series (sold overseas as Aficio SP C411DN). It is a high-speed, color laser printer with versatile paper handling capabilities that can meet various business needs. We also launched the IPSiO GX Series (sold overseas as Aficio GX), a printer that incorporates Ricoh's advanced Gel Jet technology for higher resolution and faster printing. These new models enable us to continue opening up new low-end business printer markets.

As for the promoting our printing solution, we have developed business on a global scale by proposing TCO reduction solutions utilizing copiers and printers together and earning high reputation for our worldwide support and services. In addition, in developing document solution in order to improve workflow, we have provided software tools to link multifunctional printers with host systems, improved the support structure of technology centers to propose the optimum environment and support the introduction for those systems in Japan, the Americas and Europe, and strengthened the sales structures for solutions.

We have been allocating our management resources in the Industrial Products segment to potential growth markets and businesses. Our semiconductor business alone has significantly expanded its operational base of sales, design and development in Asia.

We have also continued strengthening our operational foundation during this term in line with our growth strategy.

In sales and services, we acquired the European operations of Danka Business Systems PLC for office equipment sales and services. We continue to enhance our sales and service networks both in Japan and overseas.

In the area of research and development, we continue to enhance designing and development processes at the Ricoh Technology Center which was established to consolidate designing and development functions under the cross-functional development structure. This has allowed us to achieve significant improvement in development efficiency.

In the fiscal year under review, consolidated net sales rose 8.4% year on year to 2,068.9 billion yen. Operating income also increased 17.4% to 174.3 billion yen primarily due to the increased sales of value-added high-margin products and the effect of ongoing cost management controls. Income before income taxes from continuing operations was up 14.2% from the previous year to 174.5 billion yen, net income from continuing increased 11.8% to reach 106.2 billion yen, and net income for all business operations including discontinued business operations was up 15.1% to 111.7 billion yen.

■ **Consolidated sales by category (consolidated basis)**

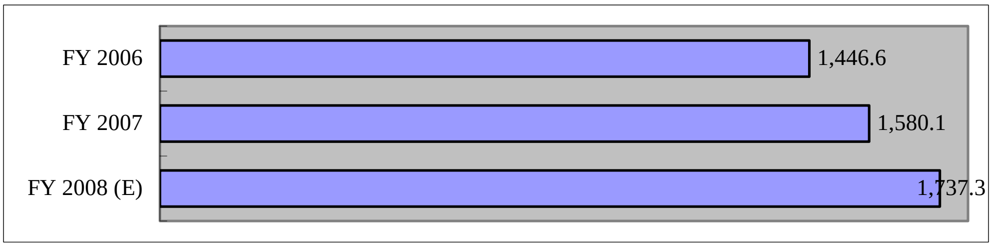
Category	Sales (billions of yen)	Percentage of total	Change (%)
Imaging Solutions	1,580.1	76.4	9.2
Network System Solutions	194.3	9.4	2.0
Office Solutions	1,774.4	85.8	8.4
Industrial Products	133.3	6.4	10.6
Other	161.0	7.8	6.4
Total	2,068.9	100.0	8.4
Japan	1,002.2	48.4	3.7
Overseas	1,066.6	51.6	13.1
The Americas	426.4	20.6	10.1
Europe	507.1	24.5	16.6
Other	133.0	6.5	10.1

Office Solutions (up 8.4% year on year to ¥1,774.4 billion)

Net sales in the Office Solutions segment which consists of imaging solutions and network system solutions increased by 8.4% from the previous corresponding period, to ¥1,774.4 billion despite stiff competition against other manufacturers regarding the color equipment and solution business.

Imaging Solutions (up 9.2% year on year to 1,580.1 billion yen)

Trends in consolidated net sales (billions of yen)

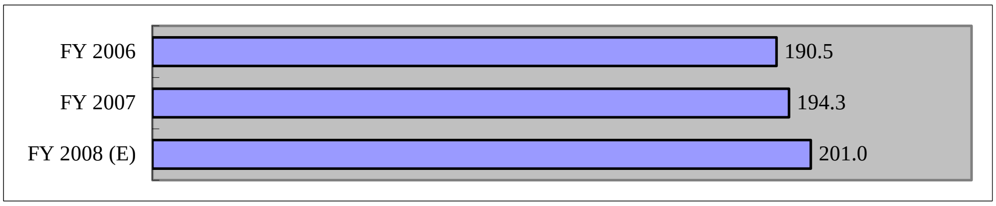


Imaging Solution: Digital copiers, color copiers, analog copiers, digital duplicators, facsimile machines, diazo copiers, scanners, multi-functional printers (MFP), printers and software

Sales of MFPs and other printers, mainly color models, rose due to increase in product lineups and enhancement of solutions sales structure. Particularly, sales of color MFPs increased substantially in Japan and overseas thanks to the introduction of new-generation color models. As a result, sales at this business were ¥1,580.1 billion, up 9.2% from a year earlier.

Network System Solutions (up 2.0% year on year to ¥194.3 billion)

Trends in consolidated net sales (billions of yen)

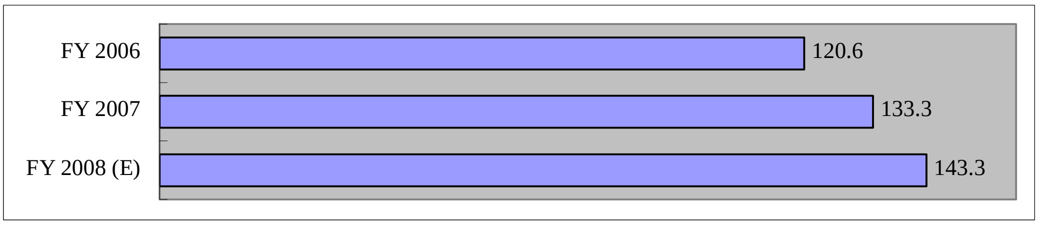


Network System Solution: Personal computers, PC servers, network systems and network related software

The sales of IT services increased due to the expansion of solution business. The sales of personal computers and PC servers also increased slightly in the domestic market. As a result, sales in this category increased by 2.0% from the previous corresponding period, to ¥194.3 billion.

Industrial Products (up 10.6% year on year to ¥133.3 billion)

Trends in consolidated net sales (billions of yen)

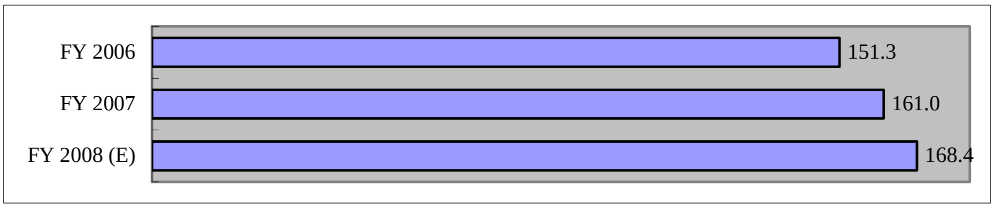


Industrial Products: Thermal media, optical equipments, semiconductors, electronic component and measuring equipments

Sales of semiconductors, thermal media, electronic component and measuring equipments increased. As a result, sales at this business rose 10.6% from the previous year to ¥133.3 billion.

Other (up 6.4% year on year to ¥161.0 billion)

Trends in consolidated net sales (billions of yen)



Other: Optical discs and digital camera

Sales of digital cameras increased at home and abroad, and financing services was brisk in the domestic market. As a result, sales from this sector posted ¥161.0 billion, up 6.4% from a year earlier.

(ii) Plant and equipment investment

In the fiscal period under review, the Ricoh Group invested a total of 85.8 billion yen (including an investment of 26.0 billion yen by the Company) in plant and equipment, mainly comprising the following.

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

Electronic components plant (Yashiro Plant, Ikeda Plant)

Equipment-related supplies plant (Numazu Plant)

(b) Major equipment and facility expansions in progress in the fiscal year:

Equipment-related supplies plant (Numazu Plant)

(iii) Fund procurement

On December 7, 2006, the Company issued "Euro Yen Zero Coupon Convertible Bonds due 2011 (bonds with stock acquisition rights) ". The Company will use primarily for repayment of a portion of the Company's corporate bonds, as well as for capital investment for implementing growth strategy. Outline of the bond is as follows:

- Total principal amount of issue of the Bonds: ¥55,275 million plus the aggregate principal amounts of this bond with regard to the substitute bond with stock acquisition rights

- Conversion price: ¥2,800
- Redemption date: December 7, 2011

(2) Status of assets and profit/loss in three business years

■ Transition of assets and profit/loss of the Ricoh Group

Items	Fiscal year ended March 2004	Fiscal year ended March 2005	Fiscal year ended March 2006	Fiscal year ended March 2007
Net sales (billions of yen)	1,773.3	1,807.4	1,909.2	2,068.9
Income from continuing operations before income tax (billions of yen)	138.4	130.9	152.7	174.5
Net income (billions of yen)	91.7	83.1	97.0	111.7
Net income per share (yen)	123.63	112.64	132.33	153.10
Total assets (billions of yen)	1,852.7	1,953.6	2,041.1	2,243.4
Net assets (billions of yen)	795.1	862.9	960.2	1,070.9

Notes:

1. The consolidated financial statements are prepared in accordance with accounting principles generally accepted in the U.S.
2. As a result of the sale of a business, the operating results from the discontinued operations have been reclassified in accordance with Statement of Financial Accounting Standards No. 144 “Accounting for the Impairment or Disposal of Long-Lived Assets.”
3. Net income per share is calculated based on the average number of shares outstanding during the fiscal year, from which the number of shares of treasury stock is deducted.

■ Transition of assets and profit/loss of the Company

Items	Fiscal year ended March 2004	Fiscal year ended March 2005	Fiscal year ended March 2006	Fiscal year ended March 2007
Net sales (billions of yen)	876.3	897.2	934.3	1,033.3
Ordinary income (billions of yen)	62.5	62.7	82.4	105.2
Net income (billions of yen)	58.5	41.9	55.0	71.9
Net income per share (yen)	79.18	56.64	74.81	98.48
Total assets (billions of yen)	937.3	949.5	982.5	1,076.2
Net assets (billions of yen)	642.4	659.9	694.7	744.8

Notes:

1. Net income per share is calculated based on the average number of shares outstanding during the fiscal year, from which the number of shares of treasury stock is deducted.
2. Beginning in the fiscal year under review, the Company adopted ASBJ Statement No.5 “Accounting Standards for Presentation of Net Assets in the Balance Sheets” and its Implementation Guidance-ASBJ Guidance No.8, “Guidelines on Accounting Standards for Presentation of Net Assets in Balance Sheet.”

(3) Status of major subsidiaries

■ Status of major subsidiaries

Name	Paid-in capital	Investment ratio (%)	Principle business
Tohoku Ricoh Co., Ltd.	2,272 million JPY	100.0	Manufacturing of office equipment
Ricoh Printing Systems, Ltd.	5,000 million JPY	100.0	Manufacturing and sale of office equipment
Ricoh Elemex Corporation	3,456 million JPY	55.9	Manufacturing of office equipment
Ricoh Sales Co., Ltd.	622 million JPY	100.0	Sale of office equipment
Ricoh Kansai Co., Ltd.	700 million JPY	100.0	Sale of office equipment
Ricoh Technosystems Co., Ltd.	2,128 million JPY	100.0	Maintenance service and sale of office equipment
Ricoh Leasing Co., Ltd.	7,896 million JPY	51.1	General leasing
RICOH ELECTRONICS, INC.	27 million USD	100.0	Manufacturing of office equipment and related supplies
RICOH CORPORATION	286 million USD	100.0	Sale of office equipment
LANIER WORLDWIDE, INC.	256 million USD	100.0	Sale of office equipment
RICOH EUROPE B.V.	17 million EUR	100.0	Sale of office equipment
NRG GROUP PLC	49 million GBP	100.0	Sale of office equipment
RICOH ASIA INDUSTRY LTD.	180 million HKD	90.0	Sale of office equipment

Notes:

1. The respective percentage of total investment ratio for Ricoh Elemex Corporation, Ricoh Leasing Co., Ltd., Ricoh Electronics, Inc. and Lanier Worldwide, Inc. include voting rights of those shares held by subsidiaries.
2. Ricoh Corporation and Lanier Worldwide, Inc. merged on April 1, 2007. In association with the merger, Ricoh Corporation changed its name to Ricoh Americas Corporation, while Lanier Worldwide, Inc. was liquidated.
3. On April 1, 2007, Ricoh Europe B.V. was split by function into two companies: Ricoh Europe PLC and Ricoh Europe (Netherlands) B.V.

(4) Issues the Ricoh Group faces

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

In order for the Ricoh Group to achieve growth and development with a focus on these growth areas, it is essential that we boost our corporate competitiveness by creating new values for customers and improving managerial efficiency.

In creating customer value, we will further implement "management based on CS (customer satisfaction)," in which we aggressively cultivate new values more than ever, and pursue our three core values such as "Simplify knowledge creation", "Think solutions that fit" and "Harmonize with the environment ". Specifically, we will further strive to support working customers in creating knowledge, build the environment for their knowledge creation, pursue products and services that are easy to use and thus fully used by customers, and offer products and services with which customers can contribute to protect the global environment.

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

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

(5) **Main business** (as of March 31, 2007)

Office Solutions	Imaging Solutions
	Digital copiers, color copiers, analog copiers, digital duplicators, facsimile machines, diazo copiers, scanners, multi-functional printers (MFP), printers and software, etc.
	Network System Solutions
	Personal computers, PC servers, network systems and network related software, etc.
Industrial Products	Thermal media, optical equipments, semiconductors, electronic component and measuring equipments, etc.
Other	Optical discs and digital camera, etc.

(6) **Principal offices and plants** (as of March 31, 2007)

■ Major domestic offices and plants

The Company (location)	Subsidiaries (location)
Head Office (Tokyo)	Ricoh Optical Industries Co., Ltd. (Iwate Pref.)
Omori Office (Tokyo)	Tohoku Ricoh Co., Ltd. (Miyagi Pref.)
Software Research Center (Tokyo)	Ricoh Printing Systems, Ltd. (Tokyo)
Shin-Yokohama Office (Kanagawa Pref.)	Ricoh Elemex Corporation (Aichi Pref.)
Ricoh Technology Center (Kanagawa Pref.)	Ricoh Tohoku Co., Ltd. (Miyagi Pref.)
Research and Development Center (Kanagawa Pref.)	Ricoh Sales Co., Ltd. (Tokyo)
Atsugi Plant (Kanagawa Pref.)	Ricoh Chubu Co., Ltd. (Aichi Pref.)
Hatano Plant (Kanagawa Pref.)	Ricoh Kansai Co., Ltd. (Osaka Pref.)
Gotemba Plant (Shizuoka Pref.)	Ricoh Chugoku Co., Ltd. (Hiroshima Pref.)
Numazu Plant (Shizuoka Pref.)	Ricoh Kyushu Co., Ltd. (Fukuoka Pref.)
Fukui Plant (Fukui Pref.)	Ricoh Technosystems Co., Ltd. (Tokyo)
Ikeda Plant (Osaka Pref.)	Ricoh Leasing Co., Ltd. (Tokyo)
Yashiro Plant (Hyogo Pref.)	

■ Major overseas offices

Subsidiaries, etc. (location)	**Subsidiaries (location)**
RICOH CORPORATION (U.S.A.)	RICOH ELECTROICS, INC. (U.S.A.)
RICOH EUROPE B.V. (Netherlands)	RICOH UK PRODUCTS LTD. (U.K.)
NRG GROUP PLC (U.K.)	RICOH INDUSTRIE FRANCE S.A.S. (France)
RICOH CHINA CO., LTD. (China)	RICOH ASIA INDUSTRY (SHENZHEN) LTD. (China)
RICOH ASIA PACIFIC PTE LTD (Singapore)	SHANGHAI RICOH FACSIMILE CO., LTD. (China)

Notes:

1. Ricoh Corporation changed its name to Ricoh Americas Corporation on April 1, 2007.

2. On April 1, 2007, Ricoh Europe B.V. was split by function into two companies: Ricoh Europe PLC and Ricoh Europe (Netherlands) B.V.

(7) Status of employees (as of March 31, 2007)

(i) Employees of the Ricoh Group

Classification	Office solutions business	Industry products business	Other businesses	Common businesses in the group	Total
Number of employees	73,845	3,340	3,645	1,109	81,939

(ii) Employees of the Company

Number of employees	Change from previous fiscal year	Average age	Average length of service
11,303	37 (Decrease)	41.3	18.3 years

2. Shareholders' Equity (as of March 31, 2007)

(1) Total number of shares authorized to be issued: 1,500,000,000

(2) Total number of shares issued: 744,912,078

(3) Number of shareholders: 41,364

(4) Major shareholders:

Name	The shareholders' stake in the Company	
	Thousands of shares	Investment ratio (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	66,141	8.88
Japan Trustee Services Bank, Ltd. (Trust Account)	39,260	5.27
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	36,193	4.86
Nippon Life Insurance Company	31,306	4.20
NIPPONKOA Insurance Co., Ltd.	18,193	2.44
State Street Bank and Trust Company	17,112	2.30
THE NEW TECHNOLOGY DEVELOPMENT FOUNDATION	15,839	2.13
State Street Bank and Trust Company 505103	14,628	1.96
Trust & Custody Services Bank, Ltd. (Trust Account B)	12,219	1.64
National Mutual Insurance Federation of Agricultural Cooperatives	11,947	1.60

Notes:

1. The number of treasury stocks (14,904 thousands of shares) is not included in the chart above.
2. In addition to the above, stakes in the Company include 1,000 thousands of shares (0.13%) that NIPPONKOA Insurance Co., Ltd. owns and has entrusted with The Master Trust Bank of Japan, Ltd. These shares are registered in the name of The Masters Trust Bank of Japan, Ltd. as the owner, but NIPPONKOA Insurance Co., Ltd. reserves the right to instruct on exercising voting rights on these shares.

■ Breakdown of shareholders

Category	Thousands of shares held	Number of shareholders	Investment ratio (%)
Financial institutions	332,444	217	44.59
Foreign companies	298,606	698	40.08
Individual investors and others	51,966	39,698	6.96
Other domestic companies	32,347	703	4.34
Treasury stock	14,904	1	2.00
Securities companies	14,642	47	1.96

3. Status of Stock Acquisition Rights

On December 7, 2006, the Company issued "Euro Yen Zero Coupon Convertible Bonds due 2011(bonds with stock acquisition rights)". This bond is outlined in "1. Status of the Ricoh Group, (1) Operating conditions for the fiscal year under review, (iii) Fund procurement."

4. Status of Corporate Officers

(1) Directors and Corporate Auditors (as of March 31, 2007)

Position	Name	Principal duty, representative status at other companies
President and Representative Director:	Masamitsu Sakurai	CEO
Director:	Koichi Endo	Management Strategy, Corporate Planning; General Manager of Fact Base Management Innovation Office
Director:	Masayuki Matsumoto	Domestic Marketing; General Manager of Corporate Social Responsibility Division
Director:	Katsumi Yoshida	Overseas Marketing, Office Business Strategic Planning, Production Printing Business
Director:	Takashi Nakamura	Personnel, Production, and Legal Affairs and Intellectual Property
Director:	Shiro Kondo	Imaging Engine Solutions Development; General Manager of MFP Business Group
Director:	Kazunori Azuma	General Manger of Marketing Group
Director:	Zenji Miura	Finance, Information, IR, Corporate Communication, Management of Group Companies; General Manager of Corporate Planning Division
Director:	Kiyoshi Sakai*	Technology, Corporate Environment
Director:	Takaaki Wakasugi	Co-director of Mitsui Life Financial Research Center, University of Michigan Ross School of Business Director and General Manager of Japan Corporate Governance Research Institute, Inc. Professor, Faculty of Business Administration, Tokyo Keizai University
Director:	Takuya Goto*	Chairman of the Board, Kao Corporation
Corporate Auditor:	Kohji Tomizawa	Full-time
Corporate Auditor:	Shigekazu Iijima*	Full-time
Corporate Auditor:	Kenji Matsuishi	General Manager of Matsuishi Legal Services
Corporate Auditor:	Takehiko Wada	President and Representative Director of San-Ai Oil Co., Ltd.

Notes:
1. Directors and Corporate Auditors marked with * were elected at the 106th Ordinary General Meeting of Shareholders held on June 28, 2006, and assumed office.
2. Directors Takaaki Wakasugi and Takuya Goto are Outside Directors stipulated in Article 2-15 of the Corporate Law.
3. Corporate Auditors Kenji Matsuishi and Takehiko Wada are Outside Corporate Auditors stipulated in Article 2-16 of the Corporate Law.
4. Serving at the Company's accounting and finance sector for many years, Corporate Auditor Shigekazu Iijima has considerable knowledge about finance and accounting.
5. As a result of personnel changes made after the end of the fiscal year under review, Director Shiro Kondo was appointed to Representative Director and Chief Executive Officer on April 1, 2007, and Representative Director Masamitsu Sakurai was named Chairman of Japan Association of Corporate Executives on April 24, 2007.

(2) Total remuneration, etc. paid to Directors and Corporate Auditors

Category	Number of recipients	Amount of remuneration paid (million yen)
Directors (Outside Directors)	11 (2)	994 (16)
Corporate Auditors (Outside Corporate Auditors)	4 (2)	67 (19)
Total	15	1,062

Notes:

1. The remuneration, etc. paid to Directors excludes employee wages for Directors who are also employees.
2. The remuneration, etc. paid to Directors include amount of allowance for Directors' bonuses based on the proposal, "Payment of bonuses to Directors" to be submitted to the 107th Ordinary General Meeting of Shareholders to be held on June 27, 2007, amounting to ¥185 million.
3. The above remuneration, etc. include a total amount of ¥473 million for Directors (including ¥3 million for two Outside Directors) and ¥25 million for Corporate Auditors (including ¥11 million for two Outside Corporate Auditors) based on the proposal, "Payment of retirement allowances for Directors and Corporate Auditors following the abolishment of the retirement allowance system," which is scheduled to be submitted to the 107th Ordinary General Meeting of Shareholders to be held on June 27, 2007.
4. In accordance with the proposal, "Granting of retirement allowances to retiring directors and a corporate auditor," which was approved at the 106th Ordinary General Meeting of Shareholders held on June 28, 2006, the Company paid ¥180 million separately to them.

(3) Outside Directors and Corporate Auditors

(i) Significant concurrent jobs Outside Directors and Corporate Auditors are engaged in at other companies

Position	Name	Concurrent positions as Director in charge of execution of operations or outside Director, at other companies
Outside Director	Takaaki Wakasugi	Co-director of Mitsui Life Financial Research Center, University of Michigan Ross School of Business Director and General Manager of Japan Corporate Governance Research Institute, Inc. Professor, Faculty of Business Administration, Tokyo Keizai University Emeritus Professor, the University of Tokyo Outside Corporate Auditor, JFE Holdings, Inc.
Outside Director	Takuya Goto	Chairman of the Board, Kao Corporation Outside Director, Asahi Glass Co., Ltd. Outside Director, Nagase & Co., Ltd.
Outside Corporate Auditor	Kenji Matsuishi	General Manager of Matsuishi Legal Services
Outside Corporate Auditor	Takehiko Wada	President and Representative Director of San-Ai Oil Co., Ltd.

- There is no special conflict of interests between the Company and Kao Corporation.
- There is no special conflict of interests between the Company and San-Ai Oil Co., Ltd.

(ii) Major activities by outside Directors and Corporate Auditors

Position	Name	Main activities
Outside Director	Takaaki Wakasugi	Participated in 11 of the 14 Board of Directors meetings held during the fiscal year under review, and made statements, whenever necessary, mainly from his expert perspective as a scholar of finance and a governance specialist.
Outside Director	Takuya Goto	Participated in 8 of 9 Board of Directors meetings held after taking over as Outside Director, and made statements, whenever necessary, mainly from the perspective of a highly-experienced manager.
Outside Corporate Auditor	Kenji Matsuishi	Participated in 12 of the 14 Board of Directors meetings and 8 of 9 Board of Corporate Auditors meetings, held during the fiscal year under review, and made statements, whenever necessary, mainly from his various perspectives based on the insight he has cultivated as a lawyer.
Outside Corporate Auditor	Takehiko Wada	Participated in 8 of the 14 Board of Directors meetings and all of 9 Board of Corporate Auditors meetings, held during the fiscal year under review, and made statements, whenever necessary, mainly from the perspective of a highly-experienced manager.

(iii) Outline of liability limitation contracts

The Company amended its Articles of Incorporation at the 106th Ordinary General Meeting of Shareholders on June 28, 2006, establishing the provision of contracts to limit liabilities of Outside Directors and Corporate Auditors.

The outline of liability limitation contracts, which the Company concluded with Outside Directors and Corporate Auditors in accordance with the revised Articles of Incorporation, is as follows.

(a) Liability limitation contracts with Outside Directors

Under such contracts, the maximum liability of Outside Directors shall be the higher of either of ¥10.0 million or a minimum liability amount stipulated in Article 425, Item 1 of the Corporate Law.

(b) Liability limitation contracts with Outside Corporate Auditors

Under such contracts, the maximum liability of Outside Corporate Auditors shall be the higher of either of ¥5.0 million or a minimum liability amount stipulated in Article 425, Item 1 of the Corporate Law.

5. Accounting auditors

(1) Name: KPMG AZSA & Co.

(2) Remuneration, etc.:

	Amount to be paid
Remuneration, etc. to be paid to the accounting auditor by the Company	179 million yen
Total sum of remuneration, etc. to be paid to the accounting auditor by the Company and its subsidiaries	344 million yen

Notes:

1. In the audit contract signed between the Company and the accounting auditor, there is no classification between remuneration for audit services pursuant to the Corporate Law and that in accordance with the Securities and Exchange Law. Accordingly, the above "Remuneration, etc. to be paid to the accounting auditor by the Company" above represent the sum of these remunerations.
2. The Company consigns to the accounting auditor not only services provided in Article 2, Paragraph 1 of the Certified Public Accountants Law but also services for preparing comfort letters at the time of issuing corporate bonds, as well as due diligence relating to corporate acquisition. Hence, fees for such services are included in the above remuneration, etc.
3. Among the Company's major subsidiaries, Ricoh Corporation and other 5 subsidiaries are audited by KPMG.

(3) Policy regarding decision to dismiss or not reappoint the accounting auditor

The Board of Corporate Auditors, by unanimous agreement, will dismiss the accounting auditor when confirmed that the accounting auditor falls under any item of Article 340, Paragraph 1 of the Corporate Law. In this case, the dismissal and its reasons will be reported at the first general meeting of shareholders to be held after the dismissal.

In addition to the above, the Company will propose at a general meeting of shareholders to dismiss or not reappoint the accounting auditor when confirmed that it is difficult for the accounting auditor to properly perform audit duties with the agreement of the Board of Corporate Auditors or as requested by the Board of Corporate Auditors.

6. Systems to secure appropriateness of operations

Resolutions adopted by the Board of Directors for systems to secure the appropriateness of the Company's operations are as follows:

(1) System to ensure the efficient implementation of Directors' duties and compliance with laws and Articles of Incorporation

The Company promotes a sense of alertness in execution of management and execution of business, and in addition uses the following management structures in order to further improve its quality and speediness.

(i) Management transparency and fairness of decision-making are strengthened by the presence of Outside Directors.

(ii) As part of the strengthening of management oversight functions by the Board of Directors, the "Nomination and Compensation Committee," a permanent organization composed of Outside Directors and designated internal Directors, makes propositions and resolutions concerning the regulation of the nomination, dismissal and compensation of Directors and executive officers, etc.

(iii) The executive officer system, its division of duties clarified, is speeding up the decision-making process through the attribution of authority to each business division.

(iv) The “Group Management Committee” (GMC) is a decision-making organization delegated by the Board of Directors, and composed of executive officers who meet certain qualifications. The GMC operates so as to accelerate deliberation and decision-making from the perspective of the optimum management of the entire Group, concerning proposals on the most appropriate strategies for direction of each business division and the entire Group, within the limits granted to it.

(v) The “Disclosure Committee” is an independent organization that assures the accuracy, timeliness and comprehensiveness of disclosure of corporate information, and it performs checks on the process for the production of disclosed information.

(2) Systems related to the retention and management of information related to the implementation of Directors’ duties

Records and proposals related to decisions by Directors in the course of their duties are collated, retained and managed in compliance with applicable laws, regulations and internal rules. Documents are kept so that they can be retrieved and produced in response to a request from Directors and Corporate Auditors.

(3) Regulations and other structures regarding risk management for losses

(i) The occurrence of losses shall be proactively prevented based on regulations for risk management.

(ii) Should losses nevertheless arise, efforts shall be made to minimize damage (loss) based on standards for initial reaction.

(iii) In order to manage losses as a Group, comprehensively and in a unified fashion, a division responsible for integrated management will be created that will thoroughly cover all aspects globally.

(4) Systems to ensure appropriate compliance with laws, and Articles of Incorporation concerning the performance of employee’s duties

(i) In order to thoroughly implement the “Ricoh Group Corporate Social Responsibility (CSR) Charter” which sets forth the principles of corporate behavior with regard to CSR including compliance, and the “Ricoh Group Code of Conduct” which shows the general rules of conduct for Ricoh Group employees, the Specialty Committee and a “Hot Line” for reporting incidents and seeking advice have been established. Also various training programs are set up with an aim to enhance compliance domestically and overseas.

(ii) Efforts are being made to improve business processes and construct a framework for standardized internal control throughout the entire Ricoh Group, with the goal of “complying with laws, norms and internal rules,” “improvement of business effectiveness and efficiency,” “maintaining high reliability of financial reporting” and “securing of assets,” including compliance to the Sarbanes-Oxley Act of 2002, the Financial Products

Exchange Law and other relevant laws and regulations.

(iii) To ensure appropriate internal auditing, an internal auditing department shall perform fair and objective examination and evaluation of how each division is executing its business based on legal compliance and rational criteria, and provide advice or recommendation for improvement.

(iv) The Company shall establish a department specializing in enhancing and promoting the functions of (i), (ii) and (iii) above on an integrated basis. In an aim to establish and improve an internal control system of the Ricoh Group, the Company shall institute an "Internal Control Committee" within the Group Management Committee, which is expected to be held regularly to deliberate and decide on relevant matters.

(5) Systems to ensure correct business standards in the Ricoh Group composed of the Company and its affiliates

Ricoh and each affiliate in the Ricoh Group shall devise a system that will ensure the adherence to correct business standards to improve business performance and enhance the prosperity of each Group company, while keeping mutual respect for their independence, as follows:

(i) The Company's Board of Directors and the "Group Management Committee" (GMC) make decisions and perform management oversight for the Ricoh Group as a whole. To ensure the efficacy of such efforts, they establish management regulations concerning affiliate companies, and set up relevant administrative organizations in order to manage the Group.

(ii) The "Ricoh Group Standard" (RGS) represents a set of common rules to be followed by the entire Group.

(6) Matters regarding employees whom auditors request to assist them in the performance of their duties

In order to clarify the independency of staff for Corporate Auditors, the Company shall establish a Corporate Auditor office, where exclusively assigned employees assist Corporate Auditors in auditing through directives from Corporate Auditors.

(7) Matters related to the independence of Corporate Auditors' staff from Directors described in (6) above

When an employee (as in (6) above) assists Corporate Auditors in their work, he or she shall not be subject to orders given by Directors. In addition, decisions concerning personnel assessments or personnel changes regarding said employees shall be made only after hearing the opinions of the Corporate Auditors.

(8) Systems to enable Directors or employees to report to Corporate Auditors, and other systems related to reporting to auditors

Directors or employees shall report to Corporate Auditors matters concerning laws and regulations, as well as “important matters decided by Directors which affect the entire company,” “the results of internal audits,” “the status of reporting via the internal reporting system,” and “matters which auditors have sought reports about.”

(9) Systems established to ensure the efficacious performance of auditing responsibilities by Corporate Auditors

Corporate Auditors shall perform audits thoroughly by attending the board of Directors meetings and management meetings, receiving reports on exercise of function from the Directors and executive officers, reviewing important resolution documents, and investigating the status of operations of divisions and group companies.

Consolidated Balance Sheets (as of March 31, 2007)

	Millions of yen	
	As of March 31,	
	2007	2006
ASSETS		
Current Assets:		
Cash and cash equivalents	**255,737**	187,055
Time deposits	**1,417**	1,470
Marketable securities	**177**	162
Trade receivables:		
Notes	**66,474**	75,678
Accounts	**450,231**	391,972
Less-Allowance for doubtful receivables	**(16,555)**	(16,031)
Total trade receivables	**500,150**	451,619
Current maturities of long-term finance receivables, net	**193,087**	178,882
Inventories:		
Finished goods	**113,379**	104,218
Work in process and raw materials	**70,975**	65,027
Total inventories	**184,354**	169,245
Deferred income taxes and other	**65,170**	55,110
Total Current Assets	**1,200,092**	1,043,543
Fixed Assets:		
Property, Plant and Equipment:		
Land	**47,007**	46,721
Buildings and structures	**227,900**	217,302
Machinery and equipment	**636,577**	622,038
Construction in progress	**12,512**	11,541
Less-Accumulated depreciation	**(659,328)**	(629,359)
Total property, plant and equipment	**264,668**	268,243
Investment and Other Assets:		
Long-term finance receivables, net	**435,874**	415,435
Investment securities	**74,836**	36,419
Investment in and advances to affiliates	**15,608**	52,028
Goodwill	**72,048**	51,934
Other intangible assets	**81,925**	79,175
Lease deposits and other	**98,355**	94,406
Total investment and other assets	**778,646**	729,397
Total Fixed Assets:	**1,043,314**	997,640
Total Assets	**2,243,406**	2,041,183

Consolidated Balance Sheets (as of March 31, 2007)

	Millions of yen	
	As of March 31,	
	2007	2006
LIABILITIES AND SHAREHOLDERS' INVESTMENT		
Current Liabilities:		
Short-term borrowings	**91,673**	82,520
Current maturities of long-term indebtedness	**87,174**	103,131
Trade payables-		
Notes	**25,000**	25,591
Accounts	**342,211**	313,561
Total trade payables	**367,211**	339,152
Accrued income taxes	**46,194**	40,936
Accrued expenses and other	**143,360**	118,289
Total Current Liabilities	**735,612**	684,028
Long-term Liabilities:		
Long-term indebtedness	**236,801**	195,626
Accrued pension and severance costs	**99,028**	97,020
Deferred income taxes	**44,183**	51,374
Total Long-term Liabilities:	**380,012**	344,020
Total Liabilities	**1,115,624**	1,028,048
Minority Interests	**56,869**	52,890
Shareholders' Investment		
Common stock	**135,364**	135,364
Additional paid-in capital	**186,454**	186,450
Retained earnings	**752,398**	665,394
Accumulated other comprehensive income (loss)	**26,998**	4,099
Treasury stock at cost	**(30,301)**	(31,062)
Total shareholders' investment	**1,070,913**	960,245
Total Liabilities, Minority Interests and Shareholders' Investment	**2,243,406**	2,041,183

Consolidated Statements of Income (for the year ended March 31, 2007)

	Millions of yen	
	For the year ended March 31,	
	2007	2006
Net sales	**2,068,925**	1,909,238
Cost of sales	**1,206,519**	1,114,238
Gross profit	**862,406**	795,000
Selling, general and administrative expenses	**688,026**	646,416
Operating income	**174,380**	148,584
Other (Income) Expenses	**(139)**	(4,182)
Interest and dividend income	**(5,501)**	(2,896)
Interest expenses	**7,350**	5,244
Foreign exchange gain and loss, net	**1,199**	(3,748)
Others, net	**(3,187)**	(2,782)
Income from continuing operations before Income Taxes	**174,519**	152,766
Provision for Income Taxes:		
Current	**66,523**	60,857
Deferred	**(2,197)**	(4,692)
Total income taxes	**64,326**	56,165
Minority interests	**(5,508)**	(4,185)
Equity in Earnings of Affiliates	**1,539**	2,606
Income from continuing operations	**106,224**	95,022
Income from discontinued operations, net of tax	**5,500**	2,035
Net income	**111,724**	97,057

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

Consolidated Statements of Shareholders' Investment

(for the year ended March 31, 2007)

(Unit: millions of yen)

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

Notes:

1. SAB (Staff Accounting Bulletin) No. 108: "Considering the Effects of Prior Year Misstatements when Quantifying Misstatements in Current Year Financial Statements"
2. SFAS (Statement of Financial Accounting Standards) No. 158: "Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans" issued by the Financial Accounting Standards Board (FASB) of the U.S.

Notes to Consolidated Financial Statements

Accounting Policies Regarding the Preparation of
Consolidated Financial Statements

Scope of Consolidation

1. Items Related to Scope of Consolidation

(1) Number of consolidated subsidiaries: 272 companies

The name of major consolidated subsidiaries can be found in 1. Status of the Ricoh Group, (3) Status of major subsidiaries.

(2) Changes in scope of consolidation

In the fiscal year under review, the Company added 28 companies in scope of consolidation, and excluded 15 companies from scope of consolidation.

2. Application of the Equity Method

(1) Number of companies to which the equity method is applied: 50

Name of major companies to which the equity method is applied: Sindo Ricoh Co., Ltd., others

(2) Changes of application of equity method

In the fiscal year under review, the Company added 1 company for application of equity method, and excluded 10 companies from application of equity method. Coca-Cola West Holdings Co., Ltd. are among companies which were excluded from application of equity method.

Significant Accounting Policies

1. Basis for Preparing Consolidated Financial Statements

The consolidated financial statements including consolidated balance sheets and consolidated statements of income has been prepared on the basis of accounting principles generally accepted in the United States of America ("U.S. GAAP"), in compliance with Article 148, Section 1 of the Corporate Calculation Regulations. However, in compliance with the article, certain disclosure that is required on the basis of U.S. GAAP is omitted.

2. Accounting Policy for Securities

The Company and Consolidated Subsidiaries ("Ricoh") applies Statement of Financial Accounting Standards ("SFAS") No.115, "Accounting for Certain Investments in Debt and Equity Securities". All of Ricoh's Securities in debt and marketable equity securities are mainly classified as available-for-sale securities.

Those available-for-sale securities are reported at fair value with unrealized gains and losses, net of related taxes, excluded from earnings and reported in accumulated other comprehensive income (loss).

3. Accounting Policy for Inventories:

Inventories are mainly stated principally at the lower of average cost or net realizable values.

4. Property, Plant and Equipment:

For the Company and its domestic subsidiaries, depreciation of property, plant and equipment is computed principally by using the declining-balance method over the estimated useful lives. Most of the foreign subsidiaries have adopted the straight-line method for computing depreciation. Certain leased buildings, machinery and equipment are accounted for as capital leases in conformity with SFAS No. 13 “Accounting for Leases.” which is classified as a capital lease, is treated as acquisition of tangible fixed assets.

5. Software for Internal Use:

Costs incurred for computer software developed or obtained for internal use are capitalized and amortized on a straight line basis over their estimated useful lives in accordance with Statement of Position (SOP) 98-1, “Accounting for the Costs of Computer Software Developed or Obtained for Internal Use.”

6. Goodwill and Other Intangible Fixed Assets:

Goodwill and intangible assets that have indefinite useful lives are not amortized but tested at least annually for impairment, in accordance with the SFAS No. 142, “Goodwill and Other Intangible Assets.” Other intangible fixed assets that have definite useful lives are depreciated by using the straight-line method.

7. Basis for Provision of Reserves

(1) Allowance for doubtful receivables:

Ricoh records allowances for doubtful receivables that are based upon historical experience and specific customer collection issues. The estimated amount of probable credit losses in its existing receivables is determined from write-off history adjusted to reflect current economic conditions and specific allowances for receivables including nonperforming leases, impaired loans or other accounts for which Ricoh has concluded it will be unable to collect all amounts due according to original terms of the lease or loan agreement.

(2) Reserve for retirement allowances:

The measurement of pension costs and liabilities is determined in accordance with SFAS No. 87, “Employers’ Accounting for Pensions” and SFAS No. 158, “Employers’ Accounting for Defined Benefit Pension and Other Postretirement Plans.” Changes in the amount of either the projected benefit obligation or plan assets resulting from actual results different from that assumed and from changes in assumptions can result in gains and losses in the consolidated financial statements. Amortization of net gain or loss is included as a component of the net periodic benefit plan cost for a year if, as of the beginning of the year, that net gain or loss exceeds 10 percent of the greater of (1) the projected benefit obligation or (2) the fair value of that plan's assets. In such case, the amount of amortization recognized is the resulting excess divided by the average remaining service period of active employees expected to receive benefits under the plan.

8. The consumption tax and the local consumption tax are excluded from profits and losses.

9. On May 31, 2006, the Company's subsidiary San-Ai Co., Ltd. sold its digital content distribution business to Giga Networks Co., Ltd. (former Mobile Alliance Co., Ltd.). As a result of the sales, these operations of the business units sold were reclassified to discontinued operations pursuant to the requirement on SFAS No. 144 "Accounting Standard for Impairment or Disposal of Long-term Assets" because the company and the subsidiary have no significant continuing involvement in the operating sold.

(Change in significant accounting policies)

1. In measuring costs and liabilities relating to lump-sum retirement allowances, the Company adopted SFAS No. 158, "Employers' Accounting of Defined Benefit Pension and Other Postretirement Benefit Plans" on March 31, 2007. Accordingly, the Company recognizes the funded status of the pension plan (difference between retirement obligations and fair value of pension assets) on its consolidated balance sheets, and corresponding, unrecognized actuarial net losses, pension fund reserves shortfall and transition obligations or assets are reported in accumulated other comprehensive income (loss).
2. The Securities and Exchange Commission of the U.S. issued SAB (Staff Accounting Bulletin) No. 108, "Considering the Effects of Prior Year Misstatements when Quantifying Misstatements in Current Year Financial Statements" in September 2006. SAB No. 108 requires companies to quantify misstatements using both the balance sheet approach and the income statement approach, and to evaluate the importance of misstatements taking into account relevant quantitative and qualitative factors. If, in the initial year of adopting SAB No. 108, it is concluded that the effect of prior year misstatements is material, companies are allowed, as a transitional measure, to record the effect as a cumulative effect adjustment to beginning of year retained earnings.

   The Company and some of its domestic consolidated subsidiaries previously set the residual value of tangible fixed assets at 5% of acquisition cost in principle using the standards provided in the Corporate Tax Law. However, we concluded that it is adequate to set the residual value at ¥1, given a negligible disposal value of tangible fixed assets at the termination of useful life.

   Accordingly, we reduced the beginning of year balance of retained earnings for fiscal year under review by ¥6,464 million.

Notes to Consolidated Balance Sheets

1. Allowance for doubtful receivables related to long-term finance receivables:

   ¥13,779 million

2. Accumulated comprehensive other income (loss) includes accumulated foreign currency translation adjustments, unrealized gain (loss) on securities, unrealized gain (loss) on derivatives, and pension liability adjustments.
3. Pledged assets and liabilities:
   (1) Pledged assets:

Tangible fixed assets:	¥2,782 million
Leasing receivables:	¥404 million
(2) Pledged liabilities	¥597 million

4. Guarantee obligation including employees' housing loans: ¥1,092 million

Notes to Consolidated Statement of Changes in Shareholders' Investment

1. Details and total number of shares outstanding as of the end of the fiscal year
   Common stock: 744,912,078 shares
2. Dividend, effective date of which belongs to the next fiscal year though base date belongs to the current fiscal year
   The Company intends to propose an agenda on dividends (dividend per share: ¥15.00; total amount of dividend: ¥10,950 million; base date: March 31, 2007) for the 107th Ordinary General Meeting of Shareholders to be held on June 27, 2007.
3. Details and number of shares to be object of stock acquisition rights at the end of the current fiscal year
   In case "Euro Yen Zero Coupon Convertible Bonds due 2011 (bonds with stock acquisition rights)" issued on December 7, 2006 is converted at the price of ¥2,800:
   Common stock: 19,741,071 shares

Notes to Per-share Information

1. Net assets per share:	¥1,467.03
2. Basic net income per share:	¥153.10
Diluted net income per share:	¥151.89

Additional Information

On January 25, 2007, the Company and IBM Corporation concluded an agreement to establish InfoPrint Solutions Company as a joint venture based on IBM's printing system business division. The amount the Company paid to IBM based on the agreement was 725 million U.S. dollars (payment date: June 1, 2007).

[English Translation of the Auditors' Report Originally Issued in the Japanese Language]

Independent Auditors' Report

May 15, 2007

The Board of Directors
Ricoh Company, Ltd.

KPMG AZSA & Co.

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Teruo Suzuki (Seal)
Designated and Engagement Partner
Certified Public Accountant

Ryoji Fujii (Seal)
Designated and Engagement Partner
Certified Public Accountant

Mikihiro Himeno (Seal)
Designated and Engagement Partner
Certified Public Accountant

We have audited the consolidated statutory report, that is the consolidated balance sheet, the consolidated statement of income, the consolidated statement of shareholders' investment and the notes to consolidated financial statement of Ricoh Company, Ltd. for the year from April 1, 2006 to March 31, 2007 in accordance with Article 444(4) of the Corporate Law. The consolidated statutory report is the responsibility of the Company's management. Our responsibility is to express an opinion on the consolidated statutory report based on our audit as independent auditors.

We conducted our audit in accordance with auditing standards generally accepted in Japan. Those auditing standards require that we obtain reasonable assurance about whether the consolidated statutory report is 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 consolidated statutory report. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated statutory report referred to above presents fairly, in all material respects, the consolidated financial position of Ricoh Company, Ltd. and consolidated subsidiaries as of March 31, 2007 and the consolidated results of their operations for the year then ended, in conformity with the Article 148(1) of the regulation on the Corporate Law and the recognition and measurement criteria of accounting principles generally accepted in the United States of America (Refer to Note 1, Significant Accounting Policies, Accounting Policies Regarding the Preparation of Consolidated Financial Statements, Notes to Consolidated Financial Statements).

As discussed in Accounting Policies Regarding the Preparation of Consolidated Financial Statements, the Company adopted Securities and Exchange Commission Staff Accounting Bulletin No.108 “Considering the Effects of Prior Year Misstatements when Quantifying Misstatements in Current Year Financial Statements.”

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

Note: The details of audit report on consolidated financial statements by the Board of Auditors are included in Transcript of Corporate Auditor's Report on Consolidated Financial Statements (page 40).

Non-consolidated Balance Sheets (as of March 31, 2007)

	Millions of yen	
	As of March 31,	
	2007	2006
ASSETS		
Current Assets:		
Cash on hand and in banks	**23,602**	8,689
Notes receivable – trade	**7,221**	7,540
Accounts receivable – trade	**244,754**	235,393
Marketable securities	**118,046**	50,985
Finished goods	**24,026**	26,352
Raw materials	**3,146**	3,405
Work in process	**7,578**	6,806
Supplies	**7,248**	7,820
Deferred tax assets	**16,206**	12,703
Accounts receivable – other	**16,678**	14,510
Short-term loans receivable	**74,131**	102,411
Other current assets	**5,960**	6,019
Allowance for doubtful accounts	**(239)**	(1,582)
Total Current Assets	**548,362**	481,056
Fixed Assets:		
Tangible fixed assets:		
Buildings	**50,073**	48,532
Structures	**2,600**	1,894
Machinery and equipment	**24,721**	19,391
Vehicles	**13**	19
Tools	**20,689**	21,997
Land	**29,274**	29,261
Construction in progress	**5,085**	9,277
Total tangible fixed assets	**132,457**	130,374
Intangible fixed assets:		
Leasehold right and others	**11,279**	9,169
Software	**20,484**	22,190
Total Intangible fixed assets	**31,764**	31,359
Investments and Other Assets:		
Investment securities	**26,995**	33,217
Affiliates' securities	**189,463**	191,797
Investment in affiliates	**27,488**	25,974
Long-term loans receivable	**106,858**	80,814
Deferred tax assets	**1,788**	1,620
Lease deposit	**6,811**	7,009
Other investments	**4,799**	2,289
Allowance for doubtful accounts	**(501)**	(2,962)
Total investments and other assets	**363,705**	339,761
Total Fixed Assets	**527,927**	501,494
Total Assets	**1,076,290**	982,551

Non-consolidated Balance Sheets (as of March 31, 2007)

	Millions of yen	
	As of March 31,	
	2007	2006
LIABILITIES		
Current Liabilities:		
Notes payable – trade	**5,017**	4,641
Accounts payable – trade	**146,776**	133,036
Bonds maturing within one year	**-**	35,000
Accounts payable – other	**17,331**	17,112
Accrued expenses	**35,954**	33,153
Accrued corporate tax, etc.	**24,939**	21,308
Reserve for bonuses	**14,154**	11,872
Reserve for Directors' bonuses	**185**	-
Warranty reserve	**612**	418
Other current liabilities	**5,163**	5,329
Total Current Liabilities	**250,134**	261,871
Long-term Liabilities:		
Bonds	**25,000**	25,000
Convertible Bonds	**55,256**	-
Reserve for benefit obligation	**616**	417
Reserve for Directors' retirement allowances	**466**	510
Total Long-term Liabilities	**81,339**	25,927
Total Liabilities	**331,474**	287,799
(Net Assets)		
Shareholders' Equity:		
Common Stock	**135,364**	135,364
Additional paid-in-capital:		
Legal capital reserve	**180,804**	180,804
Other additional paid-in-capital	**3**	-
Total additional paid-in-capital	**180,808**	180,804
Retained Earnings:		
Legal reserve	**14,955**	14,955
Other retained earnings	**437,714**	384,198
Reserve for deferral of capital gain on property	**506**	550
Reserve for special depreciation	**1,147**	1,272
Reserve for warranty on computer programs	**124**	167
Reserve for social contributions	**104**	117
General reserve	**362,350**	326,350
Retained earnings brought forward	**73,482**	55,740
Total Retained Earnings	**452,669**	399,153
Treasury stock	**(30,114)**	(29,339)
Total Shareholders' Equity	**738,727**	685,982
Difference of appreciation and conversion		
Difference of appreciation and conversion	**6,088**	8,769
Net unrealized holding gains on securities	**6,088**	8,769
Total Net Assets (Shareholders' Equity)	**744,815**	694,752
Total Liabilities and Net Assets (Shareholders' Equity)	**1,076,290**	982,551

Non-consolidated Statements of Income (for the year ended March 31, 2007)

	Millions of yen	
	For the year ended March 31,	
	2007	2006
Net sales	**1,033,302**	934,354
Cost of sales	**712,757**	645,496
Gross profit on sales	**320,545**	288,857
Selling, general and administrative expenses	**233,571**	219,144
Total operating income	**86,974**	69,712
Non-operating income:		
Interest and dividend income	**20,173**	7,995
Other revenue	**4,534**	7,732
Total non-operating revenue	**24,707**	15,728
Non-operating expenses:		
Interest expenses	**636**	709
Other expenses	**5,813**	2,290
Total non-operating expenses	**6,450**	3,000
Ordinary income	**105,231**	82,441
Extraordinary income:		
Reversal of allowance for doubtful accounts	**3,632**	-
Gains on sales of fixed assets	**-**	1,662
Total extraordinary income	**3,632**	1,662
Net income before taxes	**108,864**	84,103
Corporate, inhabitant and enterprise taxes	**38,800**	27,400
Corporate and other tax adjustments	**(1,844)**	1,616
Net income	**71,908**	55,087

Statements of Changes in Net Assets

(for the year ended March 31, 2007)

(Unit: millions of yen)

	Shareholders' equity							Difference of appreciation and conversion	Total net assets
	Common stock	Additional paid-in-capital		Retained earnings		Treasury stock	Total share-holders' equity	Net unrealized holding gains on securities	
		Legal capital reserve	Other additional paid-in-capital	Legal reserve	Other retained earnings (Note 1)				
Balance as of March 31, 2006	135,364	180,804	-	14,955	384,198	(29,339)	685,982	8,769	694,752
Changes during the fiscal year									
Dividends of retained earnings (Note 2)					(8,763)		(8,763)		(8,763)
Dividends of retained earnings					(9,492)		(9,492)		(9,492)
Bonuses to Directors (Note 2)					(135)		(135)		(135)
Net income					71,908		71,908		71,908
Acquisition of treasury stock						(798)	(798)		(798)
Disposal of treasury stock			3			23	27		27
Net changes except for shareholders' equity								(2,681)	(2,681)
Net changes during the fiscal year	-	-	3	-	53,516	(775)	52,744	(2,681)	50,063
Balance as of March 31, 2007	135,364	180,804	3	14,955	437,714	(30,114)	738,727	6,088	744,815

Note 1: Breakdown of other retained earnings (Unit: millions of yen)

	Fixed assets reduction reserve	Reserve for special depreciation	Reserve for programs	Reserve for social contributions	General reserve	Retained earnings to be carried forward	Total
Balance as of March 31, 2006	550	1,272	167	117	326,350	55,740	384,198
Changes during the fiscal year							
Dividends of retained earnings (Note 2)						(8,763)	(8,763)
Dividends of retained earnings						(9,492)	(9,492)
Reversal of fixed assets reduction reserve (Note 2)	(22)					22	-
Reversal of fixed assets reduction reserve	(21)					21	-
Accumulation of reserve for special depreciation (Note 2)		736				(736)	-
Reversal of reserve for special depreciation (Note 2)		(393)				393	-
Accumulation of reserve for special depreciation		52				(52)	-
Reversal of reserve for special depreciation		(521)				521	-
Reversal of reserve for programs (Note 2)			(28)			28	-
Reversal of reserve for programs			(14)			14	-
Accumulation of reserve for community contribution (Note 2)				83		(83)	-
Reversal of reserve for community contribution				(95)		95	-
Accumulation of general reserve (Note 2)					36,000	(36,000)	-
Bonuses to Directors (Note 2)						(135)	(135)
Net income						71,908	71,908
Net changes during the fiscal year	(44)	(125)	(43)	(12)	36,000	17,741	53,516
Balance as of March 31, 2007	506	1,147	124	104	362,350	73,482	437,714

Note 2: An item of appropriation of retained earnings approved at the Ordinary General Meeting of Shareholders held in June 2006.

Notes to Non-consolidated Financial Statements

Notes Regarding Significant Accounting Policies

1. Accounting Policy for Securities

(1) Securities of subsidiaries and affiliates

Securities of subsidiaries and affiliates are stated at cost based on the moving average method.

(2) Other securities

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

2. Accounting Policy for Derivatives

Derivatives are stated at market value.

3. Accounting Policy for Inventories

Inventories are stated principally at the lower of cost or market using the gross average method.

4. Depreciation and Amortization

(1) Tangible fixed assets:

Depreciated by using the declining-balance method.

Buildings (excluding fixtures) acquired after April 1, 1998 are depreciated using the straight-line method. Major useful life is as follows:

Buildings:	5-50 years
Machinery and equipment:	2-12 years

(2) Intangible fixed assets:

Depreciated by using the straight-line method.

With software for sale in the market, however, the Company records the larger of an amortization based on projected sales profits or a uniform amortization based on a projected effective sales period for the balance. The initially projected effective sales term is three years. With software for internal use, the Company uses the straight-line method 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 irrecoverableness.

(2) Reserve for bonuses:

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

(3) Reserve for bonuses to Directors

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

(4) Warranty reserve:

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

(5) Reserve for retirement allowances:

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

(6) Reserve for Directors' retirement bonuses:

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

6. Consumption Taxes

The consumption tax and the local consumption tax are excluded from profits and losses.

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:

With currency swaps, the Company hedges by assigning transactions that meet assignment requirements.

(2) Hedge 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:

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

Revision on Accounting Settlement

(1) Accounting standards for bonuses to Directors

Effective April 1, 2006, Ricoh adopted ASBJ statement No.4 "Accounting Standard for Directors' Bonuses" issued by the Accounting Standards Board of Japan on November 29, 2005. The effect of change was to decrease operating income, ordinary profit and interim net income before income taxes by ¥185 million, respectively, for the year ended March 31, 2007 compared with what would have been recorded under the previous method.

(2) Accounting standards for presentation of the net assets section of balance sheets

Effective April 1, 2006, Ricoh adopted ASBJ Statement No.5 "Accounting Standards for Presentation of Net Assets in Balance Sheet" and its Implementation Guidance - ASBJ Guidance No.8, "Guidance on Accounting Standards for Presentation of Net Assets in Balance Sheet" issued by the Accounting Standards Board of Japan on December 9, 2005.
Amount corresponding to conventional "Total Shareholders' Equity" in the balance sheet is ¥744,815 million.
"Net Assets" in the balance sheet for the interim accounting period is presented according to the revision of "Regulations Concerning the Terminology, Forms and Preparation Methods of Interim Financial Statement".

Notes to Non-consolidated Balance Sheets

1. Accumulated depreciation on tangible fixed assets: ¥363,469 million
2. Guarantee obligation:
   Bank borrowings for employees' housing funds: ¥85 million
3. Monetary debts and credits for affiliates:
   - Short-term receivable due from affiliates: ¥295,429 million
   - Long-term receivable due from affiliates: ¥107,218 million
   - Short-term payable due to affiliates: ¥87,189 million
4. Notes matured at the end of the current fiscal year are settled on the notes exchange date. Since the final date of the current fiscal year falls on banking holiday, the following notes matured in the current fiscal year are included in the balance:
   - Notes receivable: ¥1,036 million
   - Notes payable: ¥239 million

Notes to Non-consolidated Statements of Income

Transaction with affiliates:

Sales:	¥921,584 million
Purchase:	¥385,736 million
Non-operating transactions:	¥28,836 million

Notes to Statements of Changes in Net Assets

1. Number of outstanding shares as of the end of the fiscal year under review

   Common stock: 744,912,078 shares

2. Number of treasury shares as of the end of the fiscal year under review

   Common stock: 14,904,395 shares

3. Dividends of retained earnings

(1) Payment of dividends

Resolution	Total amount of dividends	Dividends per share	Record date
Ordinary General Meeting of Shareholders (June 28, 2006)	¥8,763 million	¥12.00	March 31, 2006
Board of Directors meeting (October 27, 2006)	¥9,492 million	¥13.00	September 30, 2006

(2) Among the dividends for which the record date falls within the fiscal year under review, the portion of the dividends for which the effective date falls in the next fiscal year

Resolution (scheduled)	Total amount of dividends	Dividends per share	Record date
Ordinary General Meeting of Shareholders (June 27, 2007)	¥10,950 million	¥15.00	March 31, 2007

Notes to Deferred Tax Accounting

Major factors giving rise to deferred tax assets include denial of reserve for retirement benefits and denial of reserve for bonuses, while major factors giving rise to deferred tax liabilities are gains on establishment of retirement benefit trust and unrealized holding gains/losses on other securities.

Notes to Leased Fixed Assets

The Company uses fixed assets in the balance sheets and certain office equipment and production facilities, etc. under finance lease contracts without ownership transfer.

Notes to Related Party Transactions

(Unit: millions of yen)

Attribute	Name of company, etc.	Voting rights held by Company (%)	Relation with company		Description of transactions	Transaction amount (Note 3)	Account item	Balance as of the fiscal year under review (Note 3)
			Concurrent Directors	Business relation				
Subsidiary	Tohoku Ricoh Co., Ltd.	(Possessed) Directly: 100%	Yes	Manufacturing of the Company's office equipment	Purchase of products (Note 1)	53,403	Accounts payable – trade	18,894
Subsidiary	Ricoh Sales Co., Ltd.	(Possessed) Directly: 100%	Yes	Sale of the Company's office equipment	Sales of products (Note 1)	185,919	Accounts receivable – trade	41,415
Subsidiary	Ricoh Chubu Co., Ltd.	(Possessed) Directly: 100%	Yes	Sale of the Company's office equipment	Sales of products (Note 1)	47,250	Accounts receivable – trade	10,810
Subsidiary	Ricoh Kansai Co., Ltd.	(Possessed) Directly: 100%	Yes	Sale of the Company's office equipment	Sales of products (Note 1)	80,403	Accounts receivable – trade	17,877
Subsidiary	Ricoh Leasing Co., Ltd.	(Possessed) Directly: 46.9% Indirectly: 4.2%	Yes	Leasing of the Company's products	Factoring	72,771	Accounts payable – other	-
				Lending of funds	Lending of funds (Note 2)	1,321,418	Short-term loans	65,746
							Long-term loans	106,000
Subsidiary	RICOH INDUSTRIE FRANCE S.A.S.	(Possessed) Directly: 100%	Yes	Manufacturing of the Company's office equipment	Sales of components (Note 1)	59,754	Accounts receivable – trade	22,801
Subsidiary	RICOH CORPORATIO N	(Possessed) Directly: 100%	Yes	Sale of the Company's office equipment	Sales of products (Note 1)	78,146	Accounts receivable – trade	25,394
Subsidiary	RICOH EUROPE B.V.	(Possessed) Directly: 100%	Yes	Sale of the Company's office equipment	Sales of products (Note 1)	80,694	Accounts receivable – trade	14,838
Subsidiary	NRG GROUP PLC	(Possessed) Directly: 100%	Yes	Sale of the Company's office equipment	Sales of products (Note 1)	59,247	Accounts receivable – trade	14,949
Subsidiary	RICOH ASIA INDUSTRY LTD.	(Possessed) Directly: 90.0%	Yes	Sale of the Company's office equipment	Purchase of products (Note 1)	101,283	Accounts payable – trade	8,623

Notes: Transaction conditions and policy in determining transaction conditions

1. Prices and other transaction conditions are determined through price negotiations, taking into account the market situation.
2. Lending is determined each time through negotiations based on market prices.
3. The transaction amount does not include the consumption tax, while the ending balance includes the consumption tax, etc.

Notes to Per-share Information

1. Net assets per share: ¥1,020.29
2. Basic net income per share: ¥98.48
   Diluted net income per share: ¥97.69

[English Translation of the Auditors' Report Originally Issued in the Japanese Language]

Independent Auditors' Report

May 15, 2007

The Board of Directors
Ricoh Company, Ltd.

KPMG AZSA & Co.

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Teruo Suzuki (Seal)
Designated and Engagement Partner
Certified Public Accountant

Ryoji Fujii (Seal)
Designated and Engagement Partner
Certified Public Accountant

Mikihiro Himeno (Seal)
Designated and Engagement Partner
Certified Public Accountant

We have audited the statutory report, comprising the non-consolidated balance sheet, the non-consolidated statement of income, the statement of changes in net assets and the notes to non-consolidated financial statement, and its supporting schedules of Ricoh Company, Ltd. as of March 31, 2007 and for the 107th business year from Arpil 1, 2006 to March 31, 2007 in accordance with Article 436(2)①of the Corporate Law. The 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 independent auditors.

We conducted our audit in accordance with auditing standards generally accepted in Japan. Those auditing standards require us 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.

In our opinion, the statutory report and supporting schedules referred to above present fairly, in all material respects, the financial position and the results of operations of Ricoh Company, Ltd. for the period, for which the statutory report and supporting schedules were prepared, in conformity with accounting principles generally accepted in Japan.

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

Transcript of the Corporate Auditor’s Report (originally issued in Japanese)

Corporate Auditor’s Report

The Board of Corporate Auditors has prepared this Audit Report upon discussion based on the audit reports prepared by each Corporate Auditor concerning the execution of duties by Directors for the fiscal year from April 1, 2006 to March 31, 2007, and hereby reports as follows:

1. Auditing methods employed by Corporate Auditors and the Board of Corporate Auditors
The Board of Corporate Auditors prescribed audit policies, work shares and other relevant matters, received reports from each Corporate Auditor on their implementation of audits and results thereof, as well as reports from Directors, etc. and the Accounting Auditor on the performance of their duties, and requested explanations from them whenever necessary.

Each Corporate Auditor complied with the auditing standards of Corporate Auditors established by the Board of Corporate Auditors, followed the audit policies, work shares, etc., communicated with Directors, staff of the internal audit sector, other employees, etc., strove to establish the environment for collecting information and auditing, attended Board of Directors and other important meetings, received reports from Directors, employees, etc. on the execution of their duties, requested explanations from them whenever necessary, inspected important written approvals, etc., examined the status of operations and assets at the head office and principal offices. We also monitored and verified the system for ensuring that the execution of duties by Directors conforms to the related laws and regulations and the Articles of Incorporation, the resolution of the Board of Directors concerning the establishment of the system stipulated in Article 100, Paragraph 1 and Paragraph 3 of the Enforcement Regulations of the Corporate Law aiming to secure the appropriateness of joint-stock companies’ operations; and the status of an internal control system established in accordance with the said resolution. Meanwhile, we communicated and exchanged information with Directors, Corporate Auditors, etc. of subsidiaries, received reports from subsidiaries on operations whenever necessary, as well as visited and examined some subsidiaries. Based on the above methods, we examined the business report and the supporting schedules for the fiscal year under review.

Besides, we monitored and verified whether the Accounting Auditor implemented appropriate audits while maintaining independence, received reports from the Accounting Auditor on the execution of their duties, and sought explanations whenever necessary. Furthermore, we received notice from the Accounting Auditor that “System for ensuring that duties are performed properly” (matters set forth in each item of Article 159 of the CompanyAccounting Regulations) is organized in accordance with the “Quality Management Standards Regarding Audits” (Business Accounting Council; October 28, 2005), etc., and sought explanations whenever necessary. Based on the above methods, we examined non-consolidated financial statements (balance sheets, statements of income, statements of changes in shareholders’ equity, and notes to financial statements) and the supporting schedules for the fiscal year under review, as well as consolidated financial statements (balance sheets, statements of income, statements of changes in shareholders’ equity, and notes to financial statements).

2. Audit results

(1) Results of audit of Business Report, etc.
(i) We hereby state that the business report and the supporting schedules fairly represent the Company’s conditions in accordance with the related laws and regulations and the Articles of Incorporation.
(ii) With regard to the performance of duties by Directors, we find no significant evidence of wrongful act or violation of related laws and regulations, nor the Articles of Incorporation.
(iii) We hereby state that the content of the resolution by the Board of Directors concerning the internal control system is proper. In addition, we find no matters on which to remark in regard to the execution of duties by the Directors regarding the internal control system.

(2) Results of audit of non-consolidated financial statements and the supporting schedules
We hereby state that the audit methods of the Accounting Auditor, KPMG AZSA & Co., and the results are appropriate.

(3) Results of audit of consolidated financial statements
We hereby state that the audit methods of the Accounting Auditor, KPMG AZSA & Co., and the results are appropriate.

May 16, 2007

The Board of Corporate Auditors, Ricoh Company, Limited
Full-time Corporate Auditors:
Kohji Tomizawa (seal), Shigekazu Iijima (seal)
Corporate auditors:
Kenji Matsuishi (seal), Takehiko Wada (seal)

Note: Corporate auditors Kenji Matsuishi and Takehiko Wada are outside corporate auditors in accordance with Article 2, Item 16 and Article 335, Paragraph 3 of the Corporate Law.

Consolidated Statements of Cash Flow (Unaudited)

	Millions of yen	
	For the year ended March 31,	
	2007	2006
1. Cash flows from operating activities		
Net income	**111,724**	97,057
Income/loss from discontinued operations, net of tax	**(5,500)**	(2,035)
Income from continuing operations	**106,224**	95,022
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortization of tangible and intangible fixed assets	**89,632**	84,089
Changes in assets and liabilities	**(32,086)**	(14,829)
Other, net	**3,527**	9,197
Net cash provided by operating activities	**167,297**	173,479
2. Cash flows from investing activities		
Expenditures for property, plant and equipment, net	**(85,284)**	(98,703)
Process from sales of available-for-sale securities, net	**(1,071)**	3,013
Other, net	**(29,077)**	(24,361)
Net cash used in investing activities	**(115,432)**	(120,051)
3. Cash flows from financing activities		
Change in borrowings, indebtedness and debt securities, net	**29,678**	(32,383)
Dividend payments	**(18,240)**	(16,178)
Payment for purchase of treasury stock	**(799)**	(10,653)
Other, net	**(1,357)**	(775)
Net cash provided (used in) financing activities	**9,282**	(59,989)
4. Net increase in cash and cash equivalents from discontinued operations	**825**	3,376
5. Effect of exchange rate changes on cash and cash equivalents	**6,710**	3,383
6. Net increase (decrease) in cash and cash equivalents	**68,682**	198
7. Cash and cash equivalents at beginning of year	**187,055**	186,857
8. Cash and cash equivalents at end of period	**255,737**	187,055

Note: As a result of the sale of business, cash flows from the discontinued operations have been reclassified in accordance with Statement of Financial Accounting Standards No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets."

Reference Material for General Meeting of Shareholders

Agenda 1: Appropriation of retained earnings

We propose the appropriation of retained earnings to be as follows:

1. Year-end dividends

Year-end dividends for the current term will be paid in consideration of earnings results for the business term and the strengthening of our corporate structure as well as outlook for future operations.

(1) Type of dividend assets
Cash

(2) Matters concerning allocation of dividend assets and the total amount
We propose a year-end dividend of ¥15 per common share of the Company, up ¥3 per share from previous fiscal year-end. The total amount of dividends will be ¥10,950,115,245.
Accordingly, an annual dividend for the business term, a total of interim and year-end dividends, amounts to ¥28 per share.

(3) Effective date for the commencement of dividend payment from retained earnings
We propose the effective date for commencement of dividend payment to be June 28, 2007.

2. Appropriation of other retained earnings

(1) Items of retained earnings to increase and the amount
(i) General reserve: ¥49,000,000,000
(ii) Reserve for social contributions: ¥95,500,000

(2) Items of retained earnings to decrease and the amount
(i) Retained earnings carried forward: ¥49,095,500,000

Agenda 2: Election of one (1) Corporate Auditor

As the tenure of office of a Corporate Auditor Mr. Kenji Matsuishi will expire at the conclusion of this General Meeting of Shareholders, the Company proposes the appointment of one (1) Corporate Auditor at this meeting.

The Board of Corporate Auditors has given its consent to this agenda.

The candidate for the Corporate Auditor is as follows:

Name (Date of birth)	Brief personal profile (the other corporate name and position thereof when the candidate is a representative Director of other corporation; with an asterisk)		Number of the Company's shares held
Kenji Matsuishi (July 24, 1937)	Apr. 1965	Graduated from the National Legal Training and Research Institute	2,000
		Legal registration as a Japanese attorney	
		Joined Takano & Higuchi Legal Services	
	Feb. 1972	General Manager of Matsuishi Legal Services (Current)	
	Jun. 1994	Corporate Auditor of the Company (Current)	

Notes:

1. There is no conflict of interests between the candidate and the Company.
2. Mr. Kenji Matsuishi is a candidate for Outside Corporate Auditor.
3. Given his insight and longstanding experience as a lawyer, we have judged that Mr. Kenji Matsuishi is the appropriate person as an Outside Corporate Auditor of the Company. Hence, we propose him as an Outside Corporate Auditor.
4. Mr. Kenji Matsuishi has served as an Outside Corporate Auditor of the Company for 13 years.
5. Mr. Kenji Matsuishi is currently an Outside Corporate Auditor of the Company, and has concluded with the Company a liability limitation contract to limit liabilities at higher of either of 5,000,000 yen or minimum liability limit amount stipulated in Article 425, Paragraph 1 of the Corporate Law. If the candidate is approved to be reappointed, the Company will continue a liability limitation contract with him to limit liabilities for damages as above.

Agenda 3: Election of one (1) substitute Corporate Auditor

The Company proposes to appoint Mr. Satoshi Itoh as a substitute outside Corporate Auditor for outside Corporate Auditors Mr. Kenji Matsuishi and Mr. Takehiko Wada, so that audit operations can be carried out continuously even in a case where the number of Corporate Auditors falls below the number required by law.

The above appointment shall be effective only before the candidate assumes as outside Corporate Auditors, and may be nullified by resolution of the Board of Directors with consent of the Board of Corporate Auditors.

The Board of Corporate Auditors has given its consent to this agenda.

The candidate for the substitute outside Corporate Auditor is as follows:

Name (Date of birth)	Brief personal profile (the other corporate name and position thereof when the candidate is a representative Director of other corporation; with an asterisk)		Number of the Company's shares held
Satoshi Itoh (July 25, 1942)	Jan. 1967	Joined Japan Office, Arthur Anderson	0
	Mar. 1967	Finished Master's Course, Graduate School of Commerce, Chuo University	
	Dec. 1970	Registered as Certified Public Accountant	
	Sep. 1978	Partner of Arthur Anderson	
	Sep. 1993	Representative Partner of Asahi & Co.	
	Aug. 2001	Retired from Arthur Anderson and Asahi & Co.	
	Apr. 2002	Professor of Graduate School of International Accounting, Specialty Graduate School (presently Professional Graduate School), Chuo University	
	Mar. 2007	Retired as Professor, Graduate School, Chuo University	

Notes:

1. There is no conflict of interests between the candidate and the Company.
2. Mr. Satoshi Itoh is a candidate for substitute Corporate Auditor for Outside Corporate Auditors.
3. Although the candidate has never been directly involved in any company management, given his insight and longstanding experience as a certified public accountant, we have judged that the candidate Mr. Satoshi Itoh is the appropriate person as a Corporate Auditor of the Company. Hence, we propose him as a substitute Corporate Auditor.
4. If Mr. Satoshi Itoh is approved to be appointed as a Corporate Auditor of the Company, the Company will conclude a liability limitation contract with him to limit liabilities for damages at higher of either, 5,000,000 yen or minimum liability limit amount stipulated in Article 425, Paragraph 1 of the Corporate Law.

Agenda 4: Payment of retirement allowances for Directors and Corporate Auditors following the abolishment of the retirement allowance system

At its Board of Directors meeting held on March 30, 2007, the Company decided to abolish the retirement allowance system for its executives at the conclusion of this Ordinary General Meeting of Shareholders after reviewing officers' remuneration system as part of management reforms. On the abolishment, the Company will pay incumbent Directors and Corporate Auditors final retirement allowances corresponding to their tenures and services until the end of Ordinary General Meeting of Shareholders in accordance with the standards prescribed by the Company. Such Directors include Masamitsu Sakurai, Shiro Kondo, Koichi Endo, Masayuki Matsumoto, Katsumi Yoshida, Takashi Nakamura, Kazunori Azuma, Zenji Miura, Kiyoshi Sakai, Takaaki Wakasugi and Takuya Goto, and Corporate Auditors are Kohji Tomizawa, Shigekazu Iijima, Kenji Matsuishi and Takehiko Wada. The Company requests that the amount of final retirement allowance is a total sum of ¥473,500,000 for Directors (including ¥3,700,000 for two Outside Directors) and a total sum of ¥25,400,000 for Corporate Auditors (including ¥11,200,000 for two Outside Corporate Auditors) in accordance with the standards prescribed by the Company, and, the details such as specific amounts, manner of payment be left to the decision of the Board of Directors regarding the Directors and to the conference of Corporate Auditors regarding to the Corporate Auditors. The timing of payment shall be when they retire.

The brief personal profile of the relevant Directors and Corporate Auditors are as follows:

Name	Brief personal profile	
Masamitsu Sakurai	Jun. 1992	Director of the Company
	Jun. 1994	Managing Director of the Company
	Apr. 1996	President and Representative Director of the Company
	Jun. 2005	Representative Director of the Company (Current)
		President of the Company
	Apr. 2007	Chairman of the Company (Current)
Shiro Kondo	Jun. 2003	Managing Director of the Company
	Jun. 2005	Director of the Company
		Corporate Executive Vice President of the Company
	Apr. 2007	Representative Director of the Company (Current)
		President of the Company (Current)
Koichi Endo	Jun. 1992	Director of the Company
	Jun. 1997	Managing Director of the Company
	Jun. 2000	Executive Managing Director of the Company
	Jun. 2005	Director of the Company (Current)
		Corporate Executive Vice President of the Company (Current)
Masayuki Matsumoto	Jun. 1994	Director of the Company
	Oct. 1998	Managing Director of the Company
	Jun. 2002	Executive Managing Director of the Company
	Jun. 2005	Director of the Company (Current)
		Corporate Executive Vice President of the Company (Current)
Katsumi Yoshida	Jun. 2002	Managing Director of the Company
	Jun. 2005	Director of the Company (Current)
		Corporate Executive Vice President of the Company (Current)

Name	Brief personal profile	
Takashi Nakamura	Jun. 2004	Managing Director of the Company
	Jun. 2005	Director of the Company (Current)
	Jan. 2006	Corporate Executive Vice President of the Company (Current)
Kazunori Azuma	Jun. 2003	Managing Director of the Company
	Jun. 2005	Director of the Company (Current)
		Corporate Executive Vice President of the Company (Current)
Zenji Miura	Jun. 2004	Managing Director of the Company
	Jun. 2005	Director of the Company (Current)
		Corporate Executive Vice President of the Company (Current)
Kiyoshi Sakai	Jun. 2006	Director of the Company (Current)
		Corporate Executive Vice President of the Company (Current)
Takaaki Wakasugi	Jun. 2005	Director of the Company (Current)
Takuya Goto	Jun. 2006	Director of the Company (Current)
Kohji Tomizawa	Jun. 2004	Corporate Auditor of the Company (Full- time) (Current)
Shigekazu Iijima	Jun. 2006	Corporate Auditor of the Company (Full- time) (Current)
Kenji Matsuishi	Jun. 1994	Corporate Auditor of the Company (Current)
Takehiko Wada	Jun. 2001	Corporate Auditor of the Company (Current)

Notes:

1. Mr. Takaaki Wakasugi and Mr. Takuya Goto are Outside Directors.
2. Mr. Kenji Matsuishi and Mr. Takehiko Wada are Outside Corporate Auditors.
3. Details of revisions for officers' remuneration system are as follows:
   (1) At the conclusion of the General Meeting of Shareholders, retirement allowance system will be abolished.
   (2) Following the abolishment of the retirement allowance system, a stock price-linked remuneration system (for the purpose of acquiring own shares) will be introduced as part of monthly remuneration for Directors (excluding Outside Directors).
   (3) Following the abolishment of the retirement allowance system, the Company will enhance the linkage of bonuses for Directors (excluding Outside Directors) with the Company's performance, and expand the ratio of the performance-linked bonus in overall bonuses.

Agenda 5: Revision of remuneration for Directors

The total amount of remuneration for Directors of the Company has remained unchanged since it was approved at within ¥36.0 million per month at the 82nd Ordinary General Meeting of Shareholders on June 29, 1982. However, the economic situation has changed thereafter, and the Company is expected to adopt a stock price-linked remuneration system following the proposed abolishment of the retirement allowance system. Given these circumstances, the Company proposes that the total amount of Directors' remuneration be modified to within ¥46.0 million per month (including up to ¥4 million per month for Outside Directors).

At present, the number of Directors is eleven (11) (including two (2) Outside Directors).

The amount of Directors' remuneration, as in the past, does not include employee wages for Directors who are also employees.

Agenda 6: Payment of bonuses to Directors

The Company proposes that bonuses amounting to ¥185.0 million be paid to the incumbent nine (9) Directors (excluding Outside Directors) as of the end of the fiscal year under review, considering the Company's earnings results and other factors. The Company requests that the details such as specific amounts, timing and manner of payment be left to the decision of the Board of Directors.

Exercise of Voting Rights via the Internet

1. Website the Company Designated for Exercising Voting Rights via the Internet
   Please access http://www.web54.net.
   Please note that you would not be able to use cellular phones as terminal for exercising voting rights via the Internet.
2. You will need "Voting right exercise code" and "Password," both shown in the voting form.
3. When you access the designated website, you are requested to decide a new eight-digit password. Please prepare the eight-digit password in advance.
4. Expenses incurred when accessing the designated website (ISP access charges, communication charges (call charges) by a carrier, etc.) shall be borne by shareholders.

Password:

1. Please keep secret the new password you chose because it is necessary to identify you as the eligible shareholder. If you forget or lose the password, you will not be able to exercise your voting right and to change approval or disapproval for the agenda you voted via the Internet. (We are sorry we will not be able to answer questions you may ask regarding new password.)
2. The voting right exercise code and password that we present this time are valid only for this ordinary general meeting of shareholders. (We will issue a new password for the next meeting.)

Please direct your inquiries regarding personal computer operations to exercise your voting right via the Internet to:

Exclusive Information Site for Ricoh: http://www.ricoh.com/IR/contact.html

For Institutional Investors:

If shareholders apply in advance for the use of the platform operated by ICJ, Inc. a joint venture set up by the Tokyo Stock Exchange, Inc. and other companies, for exercising voting rights, they may be able to utilize said platform as a method for exercising voting rights in electronic medium, in addition to the exercise of voting rights via the Internet specified above.