

## **Consolidated Results for the 3 months ended June 30, 2003**

**July 30, 2003  
Ricoh Company, Ltd.**

**\* The Company bases the estimates in this presentation on information currently available to management, which involves risks and uncertainties that could cause actual results to differ materially from those projected.**

## **I. FY04/3 1Q Results**

## FY04/3 1Q P/L : Comparison with FY03/3 1Q

Net income widely increased 14.5% y-o-y

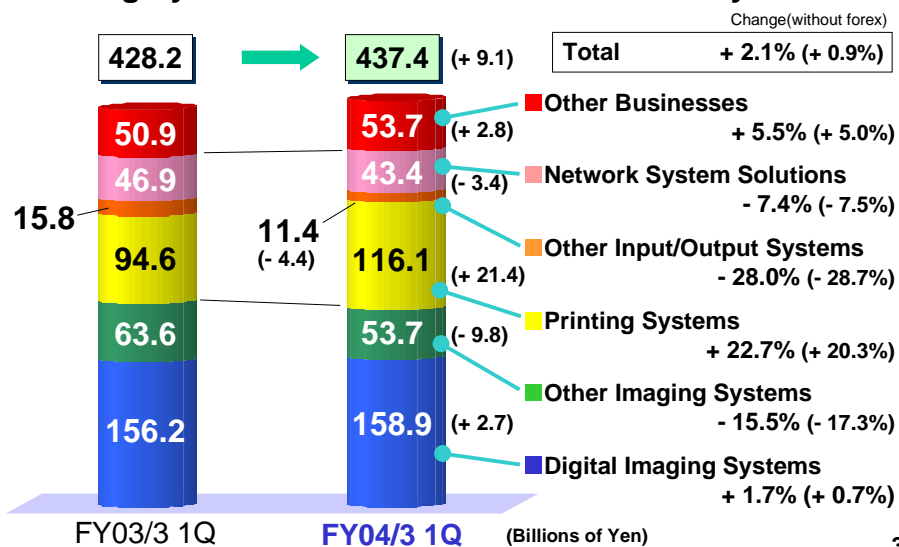
(Billions of Yen)

	FY03/3 Q1	Latest('03/5) Forecast	FY04/3 Q1 Results	Comparison with latest forecast	Comparison with last year	
					Change	Change(%)
<b>Net sales</b>						
(Japan)	224.8	228.5	224.3	-4.2	-0.5	-0.2%
(Overseas)	203.4	213.5	213.1	-0.4	+9.6	+4.8%
<b>Total</b>	<b>428.2</b>	<b>442.0</b>	<b>437.4</b>	<b>-4.6</b>	<b>+9.1</b>	<b>+2.1%</b>
<b>Gross profit</b>	<b>186.4</b>	<b>194.5</b>	<b>192.7</b>	<b>-1.8</b>	<b>+6.2</b>	<b>+3.4%</b>
Percentage of net sales	43.5%	44.0%	44.1%	—	—	—
<b>Operating income</b>	<b>35.9</b>	<b>37.0</b>	<b>38.4</b>	<b>+1.4</b>	<b>+2.5</b>	<b>+7.1%</b>
Percentage of net sales	8.4%	8.4%	8.8%	—	—	—
<b>Income before tax</b>	<b>32.2</b>	<b>34.5</b>	<b>37.3</b>	<b>+2.8</b>	<b>+5.0</b>	<b>+15.6%</b>
Percentage of net sales	7.5%	7.8%	8.5%	—	—	—
<b>Net income</b>	<b>19.5</b>	<b>20.0</b>	<b>22.3</b>	<b>+2.3</b>	<b>+2.8</b>	<b>+14.5%</b>
Percentage of net sales	4.6%	4.5%	5.1%	—	—	—
Exchange rate						
US \$1	127.01	120.00	118.52	-1.48	-8.49	-6.7%
(Yen) Euro 1	116.56	120.00	134.67	+14.67	+18.11	+15.5%

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## FY04/3 1Q Sales by Category

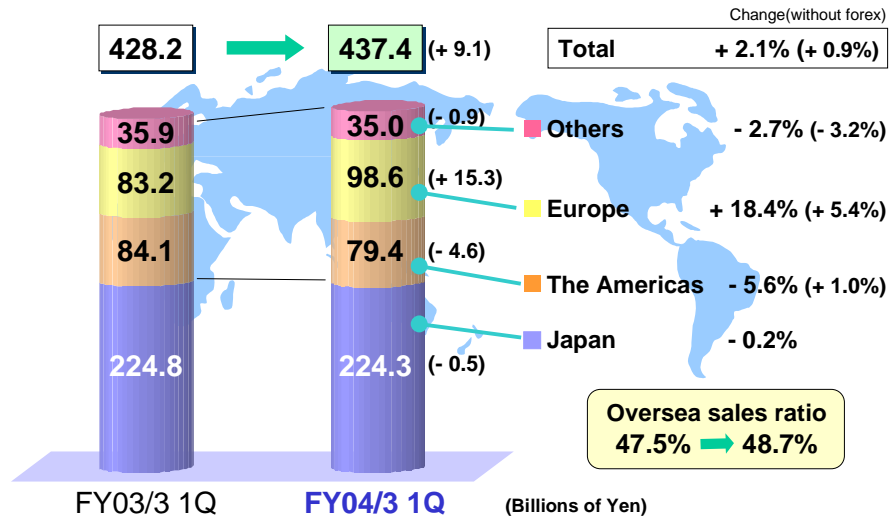
Printing Systems continued to increase steadily



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## FY04/3 1Q Sales by Geographic Area

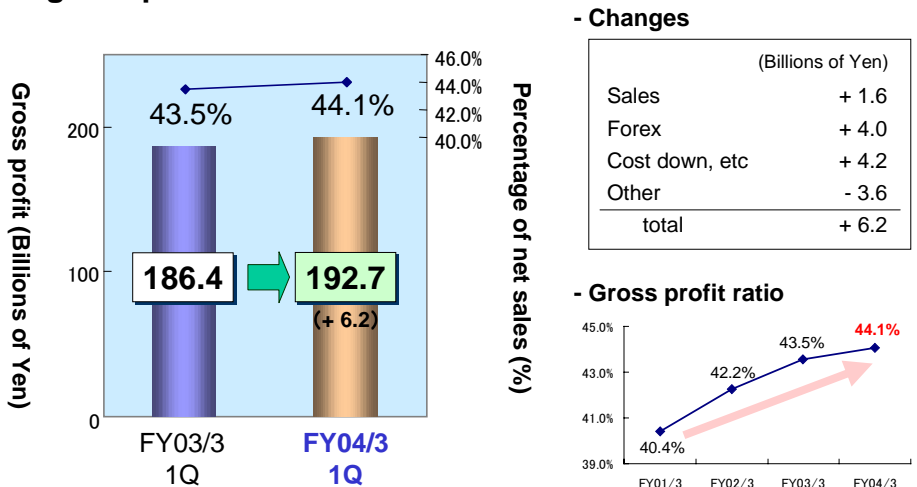
Europe increased



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## FY04/3 1Q Gross Profit

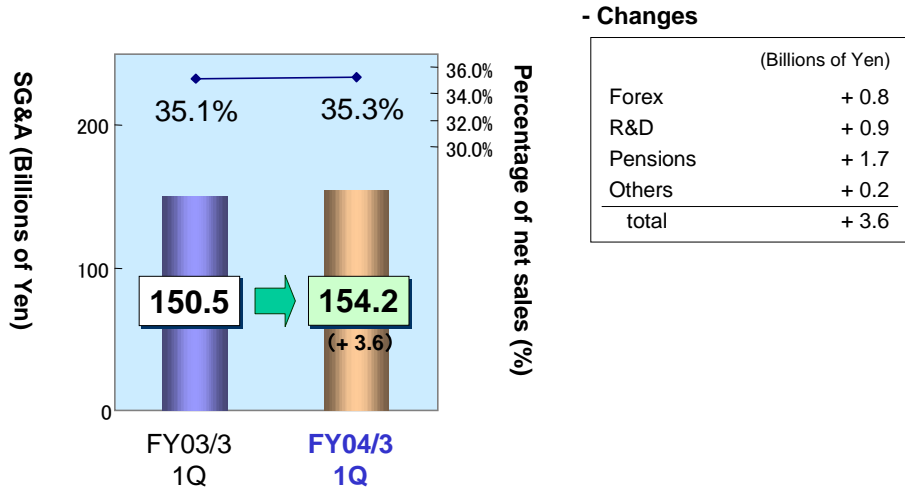
Total structural reform continuously increases gross profit ratio



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## FY04/3 1Q SG&A

### Pension cost increased



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## FY04/3 1Q Other (income) expenses

### Other expenses decreased as forex loss decreased

(Billions of Yen)

	FY03/3 Q1	FY04/3 Q1	change
Interest and dividend income	0.9	0.6	-0.2
Interest expenses	1.7	1.5	-0.2
Other, net	2.8	0.3	-2.5
<b>Other (income) expenses</b>	<b>-3.6</b>	<b>-1.1</b>	<b>+2.5</b>

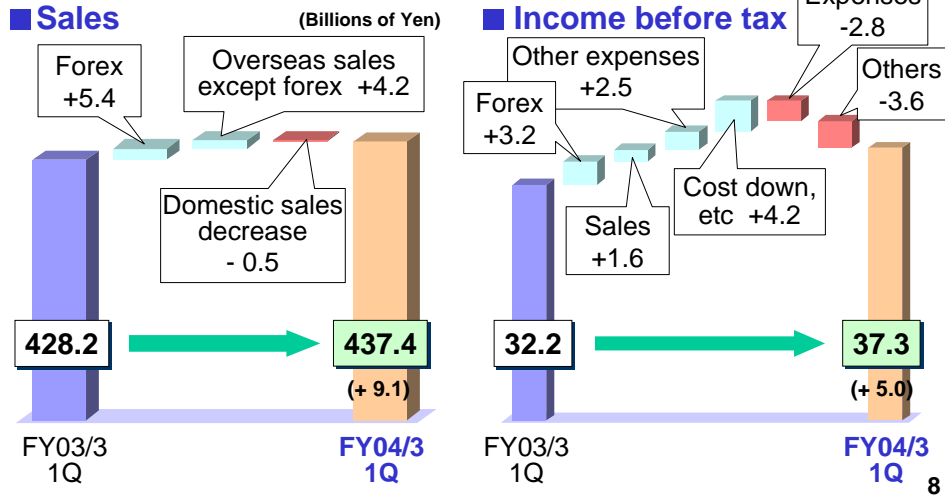
Details of Other, net

	FY03/3 Q1	FY04/3 Q1
Forex loss (gain)	1.7	0.5
Others	1.1	-0.2

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## Comparison with FY03/3 1Q

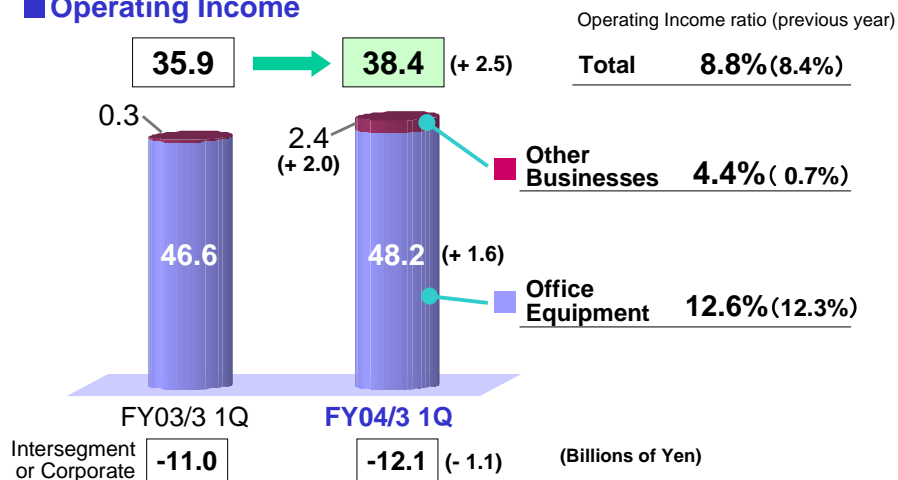
Profit increased with overseas sales growth and progress of business and profitability structure reform



## FY04/3 1Q Business Segment

Increase of value-added products and cost down increased margin of Office Equipment. Semiconductors sales grow in Others.

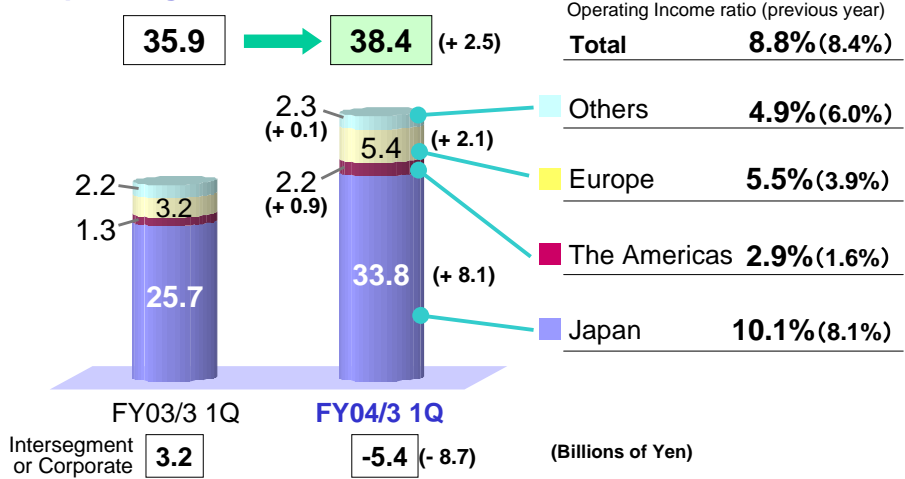
### ■ Operating Income



## FY04/3 1Q Geographic Segment

Margin increased by growth of value-added products in all area

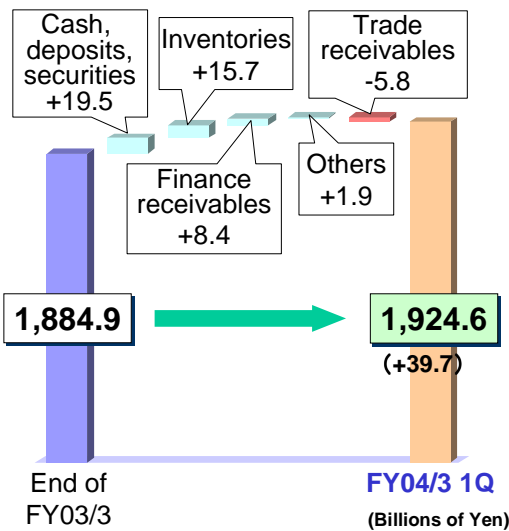
### Operating Income



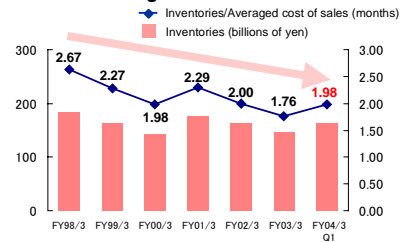
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## FY04/3 1Q Balance Sheet

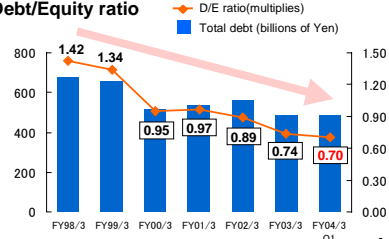
Inventories increased temporary by additional production for SARS risk



### - Inventories/Averaged cost of sales



### - Debt/Equity ratio



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## FY04/3 1Q Statement of Cash Flow

**Cash profit (net income + depreciation and amortization) increased**

(Billions of Yen)

	FY03/3 Q1	FY03/3	FY04/3 Q1
Net income	19.5	72.5	22.3
Depreciation and amortization	19.1	76.5	19.6
[ Cash profit (net income + Depreciation and amortization) ]	[ 38.6 ]	[ 149.0 ]	[ 42.0 ]
Other operating activities	15.7	36.7	-2.1
<b>Net cash by operating activities</b>	<b>54.3</b>	<b>185.7</b>	<b>39.8</b>
Plant and equipment	-17.5	-71.7	-18.6
Other investing activities	2.1	-26.4	10.7
<b>Net cash by investing activities</b>	<b>-15.4</b>	<b>-98.1</b>	<b>-7.9</b>
[ Free cash flow ( operating net cash - investing net cash ) ]	[ 38.9 ]	[ 87.5 ]	[ 31.9 ]
<b>Net cash by financing activities</b>	<b>-3.7</b>	<b>-67.1</b>	<b>-6.4</b>
Effect of exchange rate	-2.2	-1.3	1.2
<b>Net increase in cash and equivalents</b>	<b>32.8</b>	<b>19.0</b>	<b>26.7</b>
<b>Cash and equivalents at end of period</b>	<b>203.0</b>	<b>189.2</b>	<b>215.9</b>

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## II. FY04/3 Forecast (Revised)

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## FY04/3 Performance Forecast

**Targeting 10th straight year of growth for net sales  
and 12th for net income**

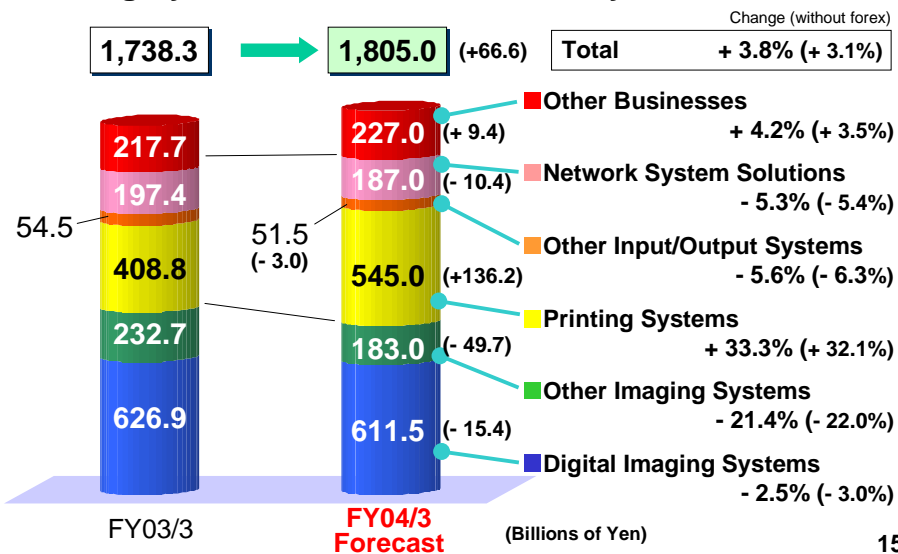
(Billions of Yen)

	FY03/3	FY04/3 Latest Forecast *	FY04/3 Forecast	Comparison with latest forecast	Comparison with last year	
					Change	Change(%)
<b>Net sales</b>						
(Japan)	896.0	912.0	900.0	-12.0	+4.0	+0.4%
(Overseas)	842.3	893.0	905.0	+12.0	+62.7	+7.4%
<b>Total</b>	<b>1,738.3</b>	<b>1,805.0</b>	<b>1,805.0</b>	<b>+0.0</b>	<b>+66.6</b>	<b>+3.8%</b>
<b>Gross profit</b>	<b>745.3</b>	<b>786.0</b>	<b>792.0</b>	<b>+6.0</b>	<b>+46.7</b>	<b>+6.3%</b>
Percentage of net sales	42.9%	43.5%	43.9%	-	-	-
<b>Operating income</b>	<b>133.6</b>	<b>147.0</b>	<b>151.0</b>	<b>+4.0</b>	<b>+17.3</b>	<b>+13.0%</b>
Percentage of net sales	7.7%	8.1%	8.4%	-	-	-
<b>Income before tax</b>	<b>123.4</b>	<b>137.0</b>	<b>145.5</b>	<b>+8.5</b>	<b>+22.0</b>	<b>+17.8%</b>
Percentage of net sales	7.1%	7.6%	8.1%	-	-	-
<b>Net income</b>	<b>72.5</b>	<b>79.0</b>	<b>85.0</b>	<b>+6.0</b>	<b>+12.5</b>	<b>+17.2%</b>
Percentage of net sales	4.2%	4.4%	4.7%	-	-	-
Exchange rate						
US \$1	121.96	120.00	116.63	-3.37	-5.33	-4.4%
(Yen) Euro 1	121.00	120.00	131.17	+11.17	+10.17	+8.4%

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## FY04/3 Sales by Category

**Printing Systems increase continuously**

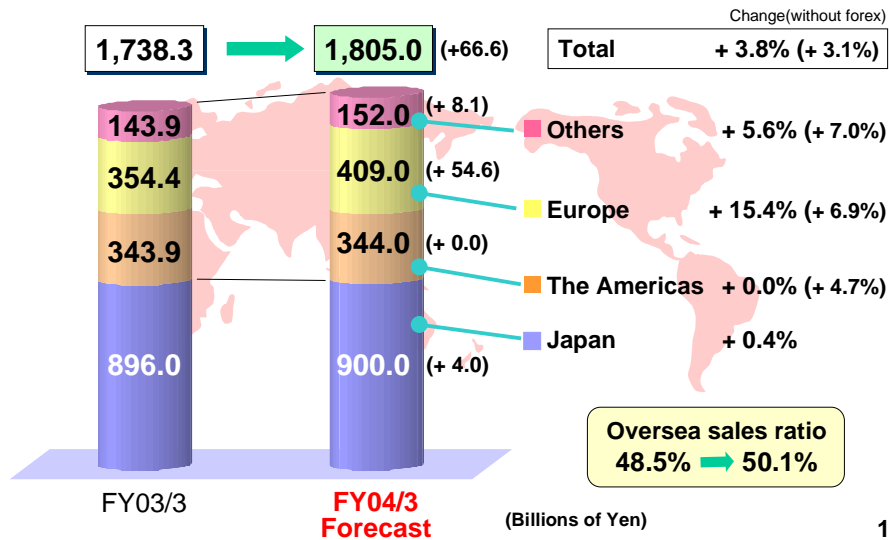


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## FY04/3 Sales by Geographic Area

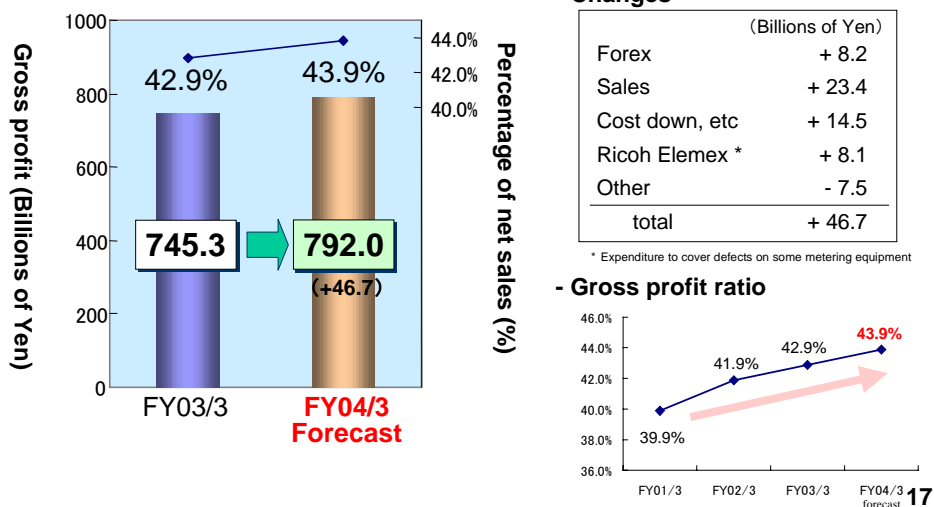
Europe and Others particularly strong



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## FY04/3 Gross Profit

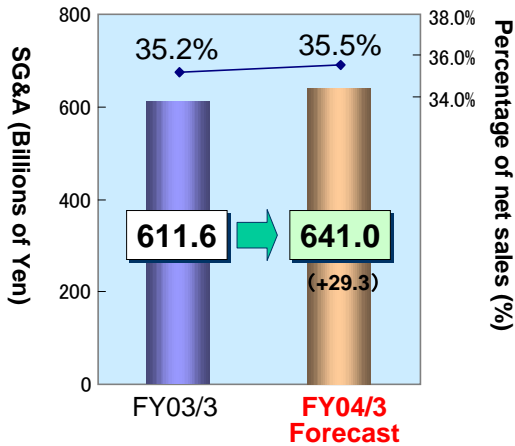
Growth of value-added products increase gross profit ratio steady



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## FY04/3 SG&A

### ¥16 billion increase of pension cost



#### - Changes

	(Billions of Yen)
Forex	+ 2.0
R&D	+ 1.4
Pensions	+ 16.0
Others	+ 9.9
<b>total</b>	<b>+ 29.3</b>

#### - Pension discount rate & expected rate of return

	FY01/3	FY02/3	FY03/3	FY04/3 (Forecast)
Discount Rate *	3.0%	3.0%	3.0%	2.2%
Expected rate of return **	4.5%	4.5%	3.0%	1.5%

\* Discount rate for principal pension funds  
 \*\* Expected long-term rate of return on plan assets for principal pension funds

## FY04/3 Other (income) expenses

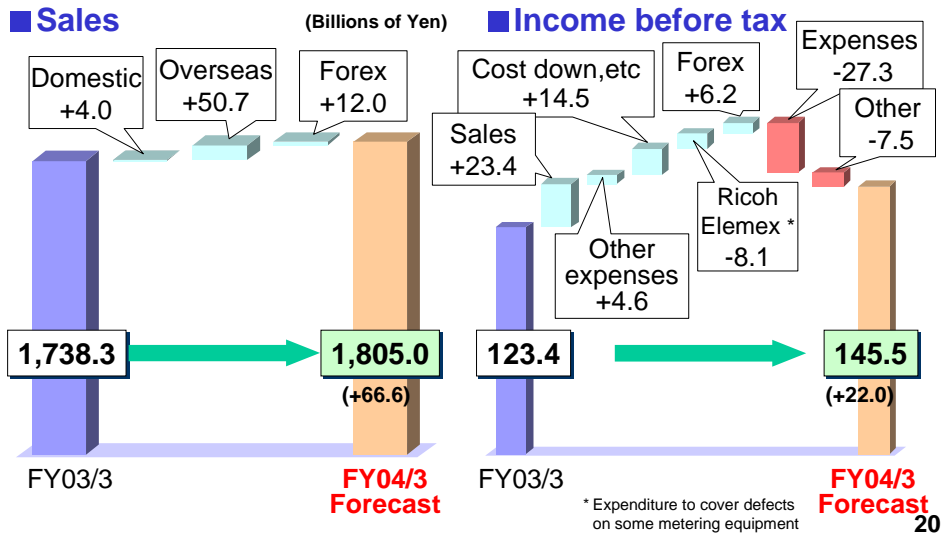
### Other expenses decrease as forex loss and others decreased

	(Billions of Yen)		
	FY03/3	FY04/3 Forecast	change
Interest and dividend income	3.7	2.7	-0.9
Interest expenses	6.8	6.1	-0.7
Other, net	7.1	2.1	-4.9
<b>Other (income) expenses</b>	<b>-10.1</b>	<b>-5.5</b>	<b>+4.6</b>

→ Forex loss, etc

## Comparison with FY03/3

Profit increased by overseas sales and cost down



## FY04/3 2Q Performance Forecast

(Billions of Yen)

		FY03/3 2Q	FY04/3 2Q Forecast	Comparison with last year	
				Change	Change(%)
<b>Net sales</b>	(Japan)	224.7	226.6	+1.9	+0.9%
	(Overseas)	203.8	228.3	+24.5	+12.1%
	<b>Total</b>	<b>428.5</b>	<b>455.0</b>	<b>+26.4</b>	<b>+6.2%</b>
<b>Gross profit</b>		<b>174.1</b>	<b>195.2</b>	<b>+21.1</b>	<b>+12.1%</b>
	Percentage of net sales	40.6%	42.9%	-	-
<b>Operating income</b>		<b>25.4</b>	<b>35.0</b>	<b>+9.6</b>	<b>+37.9%</b>
	Percentage of net sales	5.9%	7.7%	-	-
<b>Income before tax</b>		<b>23.4</b>	<b>33.6</b>	<b>+10.2</b>	<b>+43.9%</b>
	Percentage of net sales	5.5%	7.4%	-	-
<b>Net income</b>		<b>14.0</b>	<b>19.1</b>	<b>+5.1</b>	<b>+36.7%</b>
	Percentage of net sales	3.3%	4.2%	-	-
Exchange rate	US \$1	119.19	116.00	-3.19	-2.7%
	(Yen) Euro 1	117.34	130.00	+12.66	+10.8%

## FY04/3 1H Performance Forecast

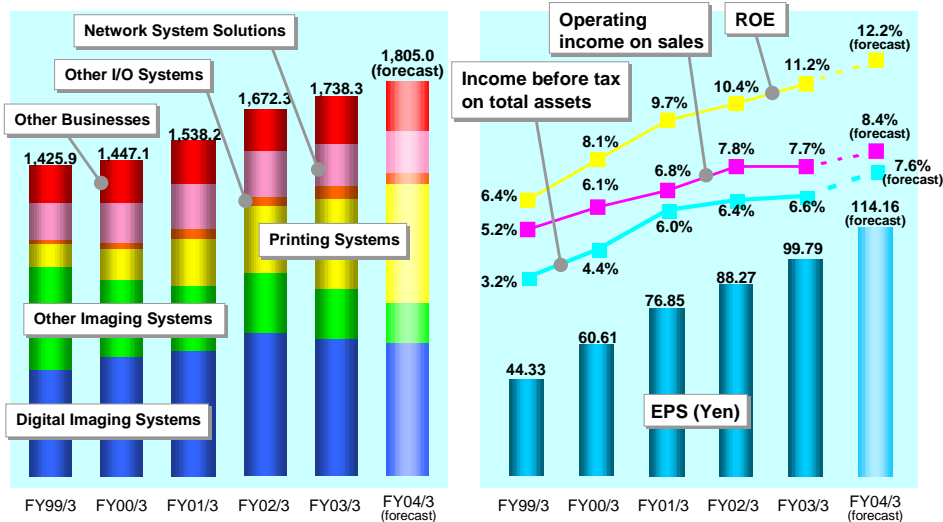
(Billions of Yen)

	FY03/3 1H	FY04/3 1H Latest Forecast *	FY04/3 1H Forecast	Comparison with latest forecast	Comparison with last year	
					Change	Change(%)
<b>Net sales</b>						
(Japan)	449.5	459.0	451.0	-8.0	+1.4	+0.3%
(Overseas)	407.2	436.0	441.5	+5.5	+34.2	+8.4%
<b>Total</b>	<b>856.8</b>	<b>895.0</b>	<b>892.5</b>	<b>-2.5</b>	<b>+35.6</b>	<b>+4.2%</b>
<b>Gross profit</b>	<b>360.6</b>	<b>385.5</b>	<b>388.0</b>	<b>+2.5</b>	<b>+27.3</b>	<b>+7.6%</b>
Percentage of net sales	42.1%	43.1%	43.5%	-	-	-
<b>Operating income</b>	<b>61.3</b>	<b>70.0</b>	<b>73.5</b>	<b>+3.5</b>	<b>+12.1</b>	<b>+19.8%</b>
Percentage of net sales	7.2%	7.8%	8.2%	-	-	-
<b>Income before tax</b>	<b>55.6</b>	<b>66.0</b>	<b>71.0</b>	<b>+5.0</b>	<b>+15.3</b>	<b>+27.5%</b>
Percentage of net sales	6.5%	7.4%	8.0%	-	-	-
<b>Net income</b>	<b>33.5</b>	<b>37.0</b>	<b>41.5</b>	<b>+4.5</b>	<b>+7.9</b>	<b>+23.8%</b>
Percentage of net sales	3.9%	4.1%	4.6%	-	-	-
Exchange rate						
US \$1	123.08	120.00	117.26	-2.74	-5.82	-4.7%
(Yen)						
Euro 1	116.95	120.00	132.34	+12.34	+15.39	+13.2%

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## <Appendix> Yearly Financial Indexes

### Sales by Category (Billions of Yen)    Financial Indexes



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