

Ricoh Company, Ltd.

INTERIM REPORT (Non consolidated. Half year ended September 30, 2001)

*Date of approval for the financial results for the half year ended September 30, 2001, at the Board of Directors' meeting: **October 31, 2001**

*Start of cash dividends payment: **December 3, 2001**

1. Results for the Period from April 1 to September 30, 2001 (Nonconsolidated)

(1) Operating Results

(Millions of yen)

	Half Year ended September 30, 2001	Half Year ended September 30, 2000	Year ended March 31, 2001
Net sales	424,689	413,889	855,499
(% change from the previous corresponding period)....	2.6	8.6	10.0
Operating income	32,585	30,251	60,654
(% change from the previous corresponding period)....	7.7	0.7	4.2
Ordinary income	32,363	27,952	65,971
(% change from the previous corresponding period)....	15.8	16.0	31.6
Interim (net) income	18,887	12,161	34,404
(% change from the previous corresponding period)....	55.3	-13.6	52.1
Net income per share (yen).....	27.24	17.56	49.67

Notes: i. Average number of shares outstanding:
Half year ended September 30, 2001 693,402,051 shares
Half year ended September 30, 2000 692,517,126 shares
Year ended March 31, 2001 692,616,894 shares
ii. No changes in accounting and reporting policies.

(2) Dividend Information

(Yen)

	Half Year ended September 30, 2001	Half Year ended September 30, 2000	Year ended March 31, 2001
Cash dividends, applicable to the half year.....	6.00	6.00	-
Cash dividends, applicable to the year.....	-	-	12.00

(3) Financial Position

(Millions of yen)

	September 30, 2001	September 30, 2000	March 31, 2001
Total assets.....	808,847	784,279	824,119
Shareholders' equity	502,929	471,689	489,176
Equity ratio (%)	62.2	60.1	59.4
Equity per share (yen).....	724.81	680.93	706.13

Notes: Number of shares issued:
Half year ended September 30, 2001 693,874,541 shares
Half year ended September 30, 2000 692,710,117 shares
Year ended March 31, 2001 692,755,584 shares

4. Forecast of operating results from April 1, 2001 to March 31, 2002 (Nonconsolidated)

(Millions of yen)

Net sales	860,000
Operating income	66,000
Ordinary income	65,000
Net income	38,000
Cash dividends, applicable to the year (yen).....	12.00

Note: Net income per share ¥ 54.76

In accordance with Japanese regulations, Ricoh has issued forecast for its financial results for the fiscal year ending March 2002. These forecast are forward-looking statements based on a number of assumptions and beliefs in light of the information currently available to management and subject to significant risks and uncertainties.

11. Nonconsolidated Performance

(1) Balance Sheets (Nonconsolidated)

September 30, 2001 and March 31, 2001

Assets

(Millions of yen)

	September 30, 2001	March 31, 2001	Change
Current Assets			
Cash on hand and in banks	4,581	3,987	+594
Notes receivable-trade	9,589	13,133	-3,544
Accounts receivable-trade	155,578	178,930	-23,352
Marketable securities	101,685	80,314	+21,371
Inventories	46,479	47,729	-1,250
Accounts receivable-other	117,165	120,254	-3,089
Other current assets	21,743	41,669	-19,926
Allowance for doubtful accounts	-1,446	-1,222	-224
Total Current Assets	455,376	484,797	-29,421
Fixed Assets			
Tangible Fixed Assets			
Buildings	45,196	46,005	-809
Machinery and equipment	20,011	21,160	-1,149
Land	24,476	24,404	+72
Other fixed assets	25,145	22,722	+2,423
Total Tangible Fixed Assets	114,829	114,293	+536
Total Intangible Fixed Assets	16,659	14,092	+2,567
Investments and Other Assets			
Investment securities	156,782	165,260	-8,478
Other investments	67,691	47,654	+20,037
Allowance for doubtful accounts	-2,492	-1,980	-512
Total Investments and Other Assets	221,981	210,934	+11,047
Total Fixed Assets	353,470	339,321	+14,149
Total Assets	808,847	824,119	-15,272

Reference:

Exchange rate

	September 30, '01	March 31, '01
US\$ 1	¥119.40	¥123.90
EURO 1	¥109.30	¥109.33

September 30, 2001 and March 31, 2001

Liabilities (Millions of yen)

	September 30, 2001	March 31, 2001	Change
Current Liabilities			
Notes payable-trade.....	7,911	7,444	+467
Accounts payable-trade.....	87,994	109,796	-21,802
Convertible bonds maturing within one year.....	33,037	34,062	-1,025
Accounts payable-other.....	6,585	8,370	-1,785
Accrued corporate tax.....	13,509	18,891	-5,382
Accrued expenses.....	38,511	39,204	-693
Accrued bonuses.....	16,473	16,825	-352
Warranty reserve.....	399	577	-178
Other current Liabilities.....	4,316	4,301	+15
Total Current Liabilities.....	208,738	239,473	-30,735
Fixed Liabilities			
Bonds.....	40,000	40,000	-
Convertible bonds.....	29,886	29,889	-3
Retirement benefit obligation.....	26,525	24,850	+1,675
Reserve for directors' retirement allowances.....	767	730	+37
Total Fixed Liabilities.....	97,179	95,469	+1,710
Total Liabilities.....	305,917	334,942	-29,025

Shareholders' Equity (Millions of yen)

	September 30, 2001	March 31, 2001	Change
Common Stock.....			
Common Stock.....	103,948	103,433	+515
Additional paid-in-capital.....	144,748	144,235	+513
Legal reserve.....	14,955	14,523	+432
Retained earnings.....	236,833	222,693	+14,140
Voluntary reserves.....	213,132	188,108	+25,024
Unappropriated retained earnings.....	23,701	34,585	-10,884
Unrealized holding gains on available-for-sale securities.....	2,444	4,290	-1,846
Total Shareholders' Equity.....	502,929	489,176	+13,753
Total Liabilities and Shareholders' Equity.....	808,847	824,119	+15,272

Reference:

Exchange rate

	September 30, '01	March 31, '01
US\$ 1.....	¥119.40	¥123.90
EURO 1.....	¥109.30	¥109.33

(2) Statement of Income (Nonconsolidated)

For the half years ended September 30, 2000 and 2001, and year ended March 31, 2001

(Millions of yen)

	Half year ended September 30, '01	Half Year ended September 30, '00	Change(%)	Year ended March 31, '01
Net sales	424,689	413,889	+10,800	2.6 855,499
Cost of sales	293,250	293,178	+72	0.0 608,334
<i>Percentage of net sales (%)</i>	69.1	70.8		71.1
Gross profit	131,439	120,710	+10,729	8.9 247,165
<i>Percentage of net sales (%)</i>	30.9	29.2		28.9
Selling, general and administrative expenses	98,854	90,459	+8,395	9.3 186,510
<i>Percentage of net sales (%)</i>	23.3	21.9		21.8
Operating income	32,585	30,251	+2,334	7.7 60,654
<i>Percentage of net sales (%)</i>	7.6	7.3		7.1
Non-operating income	8,845	7,242	+1,603	22.1 19,711
<i>Percentage of net sales (%)</i>	2.1	1.8		2.3
Non-operating expenses	9,066	9,541	-475	-5.0 14,394
<i>Percentage of net sales (%)</i>	2.1	2.3		1.7
Ordinary income	32,363	27,952	+4,411	15.8 65,971
<i>Percentage of net sales (%)</i>	7.6	6.8		7.7
Extraordinary income	-	13,959	-13,959	- 13,959
<i>Percentage of net sales (%)</i>	-	3.3		1.6
Extraordinary expenses	-	20,813	-20,813	- 20,813
<i>Percentage of net sales (%)</i>	-	5.0		2.4
Income before income taxes	32,363	21,097	+11,266	53.4 59,117
<i>Percentage of net sales (%)</i>	7.6	5.1		6.9
Provision for income taxes	14,000	14,800	-800	-5.4 32,700
<i>Percentage of net sales (%)</i>	3.3	3.6		3.8
Corporate and other tax adjustments	-524	-5,864	+5,340	-91.1 -7,987
<i>Percentage of net sales (%)</i>	-0.1	-1.4		-0.9
Interim (net) income	18,887	12,161	+6,726	55.3 34,404
<i>Percentage of net sales (%)</i>	4.4	2.9		4.0
Retained earnings at beginning of year				
Beginning balance	4,809	4,668	+141	4,668
Reversal of reserve for social contribution	4	38	-34	83
Interim dividends	-	-		4,156
Transfer to legal reserve	-	-		415
Retained earnings at end of half year (year)	23,701	16,869	+6,832	34,585

Reference:

Exchange rate

	Half year ended September 30, '01	Half Year ended September 30, '00	Year ended March 31, '01
US\$ 1	¥122.25	¥107.27	¥110.55
EURO 1	¥107.74	¥98.68	¥100.67

Significant Accounting Policies (Nonconsolidated)

1. Accounting policy for assets

(1) Inventories are stated at the lower of average cost or market.

(2) Securities

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

ii. Other securities:

Marketable securities are marked to market based on the market price at the close of the first half of the term and other factors (accounting for all valuation differences with the full capital injection method; the cost of securities sold is based on moving average cost).

Nonmarketable securities are stated at cost based on the moving average method.

(3) Derivatives are stated at market value.

2. Depreciation of fixed assets

(1) Tangible Fixed

Tangible fixed assets are depreciated using the declining balance method.

For buildings (excluding fixtures) secured after April 1, 1998, however, Ricoh uses straight-line depreciation as governed by corporate tax law.

(2) Intangible Fixed

Ricoh uses straight-line depreciation for intangible fixed assets.

With software for sale in the marketplace, however, the Company records the larger of depreciation based on projected sales profits or a uniform depreciation based on a projected effective sales period for the balance.

The initially projected effective sale term is three years. With software for internal use, the Company uses straight-line depreciation based on a usable period of five years.

3. 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 Accrued Bonuses

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

(3) Product Guarantees Reserve

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

(4) Reserve for Retirement Benefit Obligations

To cover projected employee benefits, the Company records the estimated obligations at the end of this first half year based on projected year-end benefit obligations and plan assets.

The Company costs actuarial loss (gain) from the next year after it arises, utilized by straight-line depreciation for 15 years, which is the average remaining number of years of service for its employees.

(5) Reserve for Directors' Retirement Allowances

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

4. Leasing

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

5. Hedge accounting

(1) Hedge Accounting Methods

Ricoh accounts for hedges at market value. With currency swaps, however, the Company hedges by assigning transactions that meet assignment requirements.

(2) Hedging Instruments and Targets

Hedging Instruments...Derivative transactions (for currency swaps and exchange contracts)

Hedging Targets...Transactions for which losses may arise from market fluctuations or for which market fluctuations may affect valuations.

(3)

In keeping with its internal Market Risk Management Rules, Ricoh uses derivatives to manage the exposure of its assets and liabilities to market fluctuations.

(4) Hedge Effectiveness

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

6. Consumption taxes

Consumption taxes are excluded from revenues and expenses. The refundable consumption tax at the end of the first half of the year is included in "Others" in the balance sheets, after offsetting suspense payments and receipt of consumption taxes and etc.

Notes

(Balance Sheets Information)

	<u>September 30, 2001</u>	<u>March 31, 2001</u>
1. Accumulated depreciation on tangible fixed assets (millions of yen)	317,719	311,519
2. Trade notes receivable, discounted with banks (millions of yen)	132	157
3. Treasury stock (number of shares)	4,071	13,590
4. Guarantee obligations (millions of yen)	11,965	12,230
5. Issuance of new shares during the term Conversion of convertible bonds(number of shares) [Amount transferred to common stock(millions of yen)] 1,118,957[514]		
6. Accounting for notes matured at end of term The Company settled notes due at the end of the term as of the date of exchange. The last day of the term was a banking holiday, so the term-end balance includes notes due at the end of the next term. Trade notes receivable	¥1,011 million	

(Statement of Income Information)

	<u>Half year ended September 30, 2001</u>	<u>Half year ended September 30, 2000</u>
1. Material components of other income:		
Interest income (millions of yen)	3,357	2,573
Dividend income (millions of yen)	2,313	2,627
2. Material components of other expenses:		
Interest on bonds (millions of yen)	716	725
Foreign currency exchange losses (millions of yen)	3,621	972
Loss on disposal of fixed assets (millions of yen)	554	1,114
Losses on securities holdings (millions of yen)	858	3,591
3. Details of extraordinary		
Gains on establishment of employee retirement benefit fund (millions of yen)	-	13,959
4. Details of extraordinary losses		
Lump-sum charge to cover changes in standards for employee retirement benefits (millions of yen)	-	20,813
5. Depreciation		
Tangible fixed assets (millions of yen)	10,037	9,493
Intangible fixed assets (millions of yen)	677	330

(Lease Transactions)

Finance lease transactions outside those for which the transfer of ownership of leases to lessees is recognized.

1. Lease acquisition cost, accumulated depreciation, and year-end balance

(Millions of yen)

	Half Year ended September 30, 2001			Half Year ended September 30, 2000			Year ended March 31, 2001		
	lease acquisition cost	accumulated depreciation	year-end balance	lease acquisition cost	accumulated depreciation	year-end balance	lease acquisition cost	accumulated depreciation	year-end balance
Machinery & equipment	2,439	1,952	487	8,227	6,813	1,414	3,918	3,140	777
Others	4,243	2,304	1,938	4,255	2,163	2,091	4,459	2,353	2,106
Total	6,683	4,257	2,426	12,483	8,977	3,506	8,377	5,494	2,883

2. Year-end balance of current leasing charges

(Millions of yen)

	Half Year ended September 30, 2001	Half Year ended September 30, 2000	Year ended March 31, 2001
Less than one year	1,184	2,067	1,561
More than one year	1,550	1,600	1,450
Total	2,735	3,885	3,012

3. Lease payment charges, depreciation, and interest paid

(Millions of yen)

	Half Year ended September 30, 2001	Half Year ended September 30, 2000	Year ended March 31, 2001
Lease payment charges	1,205	1,910	2,390
Depreciation	1,091	1,731	2,168
Interest paid	83	105	174

4. Depreciation calculation method

The lease period is the number of durable years; straight line depreciation is used so that the remaining value is zero.

5. Interest calculation method

Interest is the difference between the overall cost of a lease charge and the value of a leased item. Allocation for each period is based on the interest method.

(Securities)

Fair values of subsidiaries and affiliates

1. Half year ended September 30, 2000(as of September 30, 2000)

(millions of yen)	Balance Sheets	Fair value	Difference
Securities of consolidated companies	7,421	42,584	35,162
<u>Securities of affiliated companies</u>	<u>6,932</u>	<u>61,572</u>	<u>54,640</u>
Total	14,353	104,156	89,803

2. Half year ended September 30, 2001(as of September 30, 2001)

(millions of yen)	Balance Sheets	Fair value	Difference
Securities of consolidated companies	9,172	40,790	31,618
<u>Securities of affiliated companies</u>	<u>6,840</u>	<u>48,982</u>	<u>42,141</u>
Total	16,013	89,772	73,759