

May 27, 2005

Contacts:
RICOH COMPANY, LTD.
PR Department
Masakuni Kutsuwada, General Manager
+81-3-5411-4511

RICOH COMPANY, LTD.
to make RICOH LOGISTICS SYSTEM CO., LTD. a Wholly Owned Subsidiary

RICOH COMPANY, LTD. (TSE: 7752, “Ricoh”) announced today that its board of directors had resolved to make RICOH LOGISTICS SYSTEM CO., LTD. (“Ricoh Logistics System”) a wholly owned subsidiary of Ricoh through share exchange on September 1, 2005.

1. Objective for making Ricoh Logistics System wholly owned subsidiary

Ricoh Logistics System is a consolidated subsidiary of Ricoh that operates in the logistics business for Ricoh and Ricoh’s affiliates mainly in Japan.

Although Ricoh has implemented a strategic integration with Ricoh Logistics System, in order to further accelerate and promote high-efficiency management for which Ricoh is striving as a group with further efficiency of the logistics business under the integrated strategy as a group, including a possible change in the division of labor relating to intra-group logistics functions, Ricoh has decided to turn Ricoh Logistics System into a wholly owned subsidiary through a share exchange.

2. Share Exchange Terms and Conditions

(1) Schedule

May 27, 2005	Board of directors approves agreement for share exchange
May 27, 2005	Signing of share exchange agreement
June 28, 2005*	Shareholder approval of share exchange agreement (Ordinary shareholders meeting of Ricoh Logistics System)
September 1, 2005*	Share exchange

*The above dates are projected dates subject to change. Ricoh will not seek approval at a Shareholders Meeting in accordance with the provision of Paragraph 1 of Article 358 (Simplified Share Exchange) of the Commercial Code of Japan.

(2) Ratio of Exchange

Company	Ricoh (Parent)	Ricoh Logistics System (Subsidiary)
Share exchange ratio	1.00	0.63

Notes:

a) Share allocation ratio

There will be an allocation of 0.63 shares of Ricoh stock per share of Ricoh Logistics System common stock. However, there will be no allocation with respect to 4,620,000 shares of Ricoh Logistics System common stock held by Ricoh.

b) Rationales for calculation of share allocation ratio

Ricoh commissioned Nomura Securities Co., Ltd. ("Nomura Securities") to calculate the ratio for the share exchange and, taking the results into consideration as the reference, the two companies came up with the above ratio. This ratio may be changed after further discussion by the two companies if a material change in the conditions associated with the calculation occurs.

c) Result, method and basis of calculation by third-party institutions

Nomura Securities utilized market price analysis to evaluate Ricoh, and discounted cash flow (DCF) analysis and the comparable company analysis to evaluate Ricoh Logistics System. The results served as the basis for calculating the share exchange ratio.

d) Number of Ricoh shares to be allocated for the exchange

Ricoh will use its treasury stock of 1,184,400 ordinary shares for the shares to be allocated for the share exchange and therefore will not issue any new shares.

e) Cash distribution upon share exchange

There will be no cash distribution in relation to the share exchange.

3. Outline of Each Company

(1) Trade Name	RICOH COMPANY, LTD. (Parent) (As of March 31, 2005)	RICOH LOGISTICS SYSTEM CO., LTD. (Subsidiary) (As of March 31, 2005)
(2) Business	Development, manufacture, sales and services of office automation equipment, photographic equipment, electronic devices and other.	Forwarding, warehousing, bonded shed, and custom-house broker business.
(3) Date established	February 6, 1936	February 1, 1964
(4) Head Office	1-3-6, Naka-Magome, Ota-ku, Tokyo, Japan	1-2-6, Keihin-Jima, Ota-ku, Tokyo Japan
(5) President	Masamitsu Sakurai President, CEO and COO	Masaru Ueda President
(6) Capital stock	135,364 million yen	718 million yen
(7) Shares issued	744,912,078shares	6,500,000shares

(8) Shareholders' equity	659,975 million yen	12,137 million yen
(9) Total assets	949,547 million yen	28,345 million yen
(10) End of fiscal year	March 31	March 31
(11) Number of employees	11,388	842
(12) Major business partners	Suppliers Ricoh Asia Industry LTD. Tohoku Ricoh Co., LTD. etc. Customers Ricoh Europe B.V. Ricoh Corporation etc.	Suppliers San-ai Logistics Co., LTD. etc. Customers Ricoh Company, Ltd. Otsuka Corporation etc.
(13) Major shareholders and shareholding ratios	The Master Trust Bank of Japan, Ltd. 12.25% Japan Trustee Services Bank, Ltd. 8.44% Nippon Life Insurance Company 4.29% UFJ Bank Limited 2.60%	Ricoh Company, Ltd. 71.08% Ricoh Sales Co., Ltd 2.77% Ricoh Logistics System Employees' Stockholding 2.28% Ricoh Technosystems Co., Ltd 2.03%
(14) Major banks	UFJ Bank Limited. The Bank of Tokyo-Mitsubishi, Ltd. Mizuho Corporate Bank, Ltd. etc.	UFJ Bank Limited. The Bank of Tokyo-Mitsubishi, Ltd. etc.
(15) Relationship of the Companies	Capital relationship	Ricoh holds 71.08% of shares outstanding of Ricoh Logistics System
	Personnel relationship	Ricoh sends a director and a corporate auditor.
	Trading relationship	Ricoh Logistics System provides logistic service to Ricoh.

Note: Above outline is non-consolidated basis.

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

(in million yen)

Fiscal year	RICOH COMPANY, LTD. (Parent)			RICOH LOGISTICS SYSTEM CO., LTD. (Subsidiary)		
	March 2003	March 2004	March 2005	March 2003	March 2004	March 2005
Net sales	1,738,358	1,780,245	1,814,108	51,032	55,614	59,343
Operating profit	133,654	150,006	135,506	2,550	2,453	1,654
Net income before tax	123,470	143,063	135,383	2,462	866	1,829
Net income	72,513	91,766	83,143	1,379	426	1,086

Net income per share (yen)	99.79 Fully diluted basis 96.81	123.63 Fully diluted basis 123.63	112.64 Fully diluted basis 112.64	212.28	65.55	167.10
Annual dividends per share (yen)	14.00	18.00	20.00	8.00	8.00	8.00
Shareholders' equity per share (yen)	885.41	1,076.11	1,175.67	2,041.04	2,122.30	2,286.93

Note: Annual dividends per share (yen) for the year ended March 31, 2005 are provisional.

5. Changes after share exchange

(1) Trade name, business, head-office location and president

The company's trade name, business, head-office location and president will remain the same as described in "3. Outline of Each Company".

(2) Capital

There will be no change in the company's capital and capital reserve.

(3) Effect on Ricoh's financial results

The share exchange will have no immediate material effect on Ricoh's consolidated financial results, since Ricoh Logistics System is already a consolidated subsidiary of Ricoh.