



May 18, 2018

Company Name: Ricoh Company, Ltd.
President and C.E.O.: Yoshinori Yamashita
(Code Number: 7752 First Section of the Tokyo Stock
Exchange)
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Ricoh reaches agreement to sell shares in Ricoh Logistics System

At a meeting on May 18, the Ricoh Board of Directors agreed to sell 66.6% (omitted the figures below the second decimal place) of the company's shares in Ricoh Logistics System Co., Ltd., to SBS Holdings Co., Ltd.

Ricoh thereafter plans to transfer all of its remaining ordinary shares in Ricoh Logistics System, representing a 33.3% stake (equivalent to over one-third), to a new joint venture. Following that transfer, Ricoh intends to transfer ordinary shares equivalent to a 33.4% of the new joint venture company to Otsuka Corporation (collectively, these transfers are "Transactions").

Ricoh plans to complete these transactions, subject to the approval of the relevant regulators, on August 1, 2018. Ricoh Logistics System would thereby become an equity-method affiliate.

1. Purpose of Transactions

Ricoh formed Ricoh Logistics System in February 1964 by establishing its logistics department as a separate business entity. That company now has more than 100 business locations in Japan and 5 overseas. As the Group's logistics subsidiary, it provided a range of logistics services that underpinned our global supply chain management, including adjacent activities such as packaging design, procurement, production, and sales. Furthermore, it was also involved in customer collections, recycling and treatment, and international logistics. It has also leveraged the expertise it has secured over the years in information and logistics technologies to deliver third-party logistics (3PL) services as part of a diverse portfolio of solutions for customers in a wide range of industries.

SBS Holdings provides an array of 3PL services, and has amassed a wealth of expertise in the development of logistics centers.

In recent years, logistics industry is facing a dramatic change. The ecommerce market has

evolved considerably, and this offers further scope for expansion while posing such challenges as higher personnel and outsourcing costs stemming from labor shortages. These factors are driving efforts to streamline operations through automation leveraging on the Internet of Things and robotics and demand for one-stop services to cater to more diverse and complex needs.

In transferring these shares, Ricoh aims to boost the business of Ricoh Logistics System through a partnership with SBS Holdings, enhancing its competitiveness and accelerating its growth through new capital, resources, and expertise. After these Transactions, Ricoh Logistics System will continue to handle logistics and other services for the Ricoh Group, Otsuka, and other customers. Ricoh Logistics System and SBS Holdings are extremely complimentary businesses because they both focus on 3PL services. The agreement to transfer shares came about following Ricoh's conclusion that new synergies could be created by combining the networks, customer base, technologies, and know-how of Ricoh Logistics System and SBS Holdings. Not only would this create a strong third-party logistics conglomerate with a full range of logistics capabilities, but it would also enable Ricoh Logistics System to progress sustainably and enhance their corporate value.

After Ricoh, Otsuka is Ricoh Logistics System's second-largest customer. Ricoh agreed to transfer shares to Otsuka after concluding that an indirect capital participation would be important to the ongoing development and corporate value growth of Ricoh Logistics System.

After the Transactions, Ricoh will continue to support Ricoh Logistics System as an equity method affiliate which will also help underpin the Group's logistics services.

2. Overview of Ricoh Logistics System

(1) Trade name	Ricoh Logistics System Co., Ltd.		
(2) Address	2-6, Keihin-Jima 1-chome, Ohta-ku, Tokyo		
(3) President	Katsuhisa Wakamatsu		
(4) Businesses	Transportation and warehousing		
(5) Capitalization	¥448 million		
(6) Date of establishment	February 1, 1964		
(7) Major shareholder and ownership ratio	Ricoh Company, Ltd.: 100.00% ownership		
(8) Relationships between the companies	Capital	Ricoh owns 100% of that company's shares	
	Personnel	From Ricoh, 2 directors and 1 auditor to the Company	
	Business	Ricoh is outsourcing its logistics business to Ricoh Logistics System	
(9) Financial results for past three fiscal years			
Fiscal years ended March 31	2016	2017	2018
Net assets	¥14,502 million	¥13,430 million	¥13,939 million
Total assets	¥33,634 million	¥32,569 million	¥ 33,246million
Net assets per share	¥2,231	¥2,066	¥2,145
Sales	¥74,679 million	¥71,420 million	¥71,725 million
Operating profit	¥1,957 million	¥2,182 million	¥1,929 million
Ordinary profit	¥1,867 million	¥2,092 million	¥2,057 million
Net income attributable to owners of the parent	¥1,278 million	¥1,294 million	¥1,428 million
Earnings per share attributable to owners of the parent	¥197	¥199	¥220
Cash dividends per share	¥145	¥77	¥214 (Plan)

3. Overview of share transferee

(1) Trade name	SBS Holdings, Co., Ltd.
(2) Address	1-3, Taihei 4-chome, Sumida-ku, Tokyo
(3) President	Masahiko Kamata
(4) Businesses	As holding company that formulates and implements management strategies, oversees Group management activities, and undertakes other management administration (SBS Group is an integrated logistics company, offering

	transportation, delivery, warehouse, distribution center, distribution processing, international logistics, and 3PL)	
(5) Capitalization	¥3,920 million (at December 31, 2017)	
(6) Date of establishment	December 16, 1987	
(7) Net assets	¥38,510 million (at December 31, 2017)	
(8) Total assets	¥127,802 million (at December 31, 2017)	
(9) Major shareholders and shareholding ratios (As of December 31, 2017)	Masahiko Kamata	37.48%
	Japan Trustee Services Bank, Ltd. (Trust Account)	10.75%
	SBS Holdings Employee Stock Ownership Plan	3.74%
	Specific securities trustee: SMBC Trust Bank Ltd.	3.02%
	Tobu Real Estate Co., Ltd.	2.40%
	Junichi Ohuchi	2.20%
	The Master Trust Bank of Japan, Ltd. (Trust Account)	2.07%
	STATE STREET BANK AND TRUST COMPANY 505224 (Standing Proxy: Settlement Sales Department, Mizuho Bank, Ltd.)	1.69%
	BNP Paribas S.A.	1.61%
(10) Relationship between the companies	Capital	Not applicable
	Personnel	Not applicable
	Business	Not applicable
	Situation applicable to other parties	Not applicable
	NORTHERN TRUST CO.(AVFC) RE IEDU UCITS CLIENTS NON LENDING 15 PCT TREATYACCOUNT (Standing Proxy: Custody Operation Department, Tokyo Branch, The Hongkong and Shanghai Banking Corporation Limited)	

4. Overview of joint venture

(1) Trade name	RO Holdings Co., Ltd.
(2) Address	To be decided
(3) President	To be decided
(4) Businesses	Overall group management administration, as a holding company
(5) Capitalization	To be decided
(6) Date of establishment	To be decided
(7) Net assets	To be decided

(8) Total assets	To be decided	
(9) Major shareholder and ownership ratio	Ricoh owns 100% of that company's shares	
(10) Relationship between the companies	Capital	After establishing as a 100% consolidated company, 33.4% of the outstanding shares of the JV will be sold to Otsuka Corporation
	Personnel	To be decided
	Business	To be decided
	Situation applicable to other parties	Consolidated subsidiary of Ricoh Company, Ltd.

Note: Ricoh Company, Ltd. will establish the joint venture for transferring the shares. As mentioned in the above table, the only the shareholder will be Ricoh at the time of its establishment. After transferring shares to Otsuka Corporation, Ricoh and Otsuka would have 66.6% and 33.4% of the outstanding shares of the JV, respectively.

5. Number of shares transferred, transfer price, and number of shares owned before and after the transfer

(1) Transfer of shares to SBS Holdings

(1) Number of shares before transfer	6,500,000
(2) Number of shares transferred to SBS Holdings	4,333,333
(3) Price of transfer to SBS Holdings	¥18 billion
(4) Number of shares owned after transfer of shares to SBS Holdings	2,166,667

(2) Transfer of shares to joint venture

(1) Number of shares before transfer	2,166,667
(2) Number of shares transferred to joint venture	2,166,667
(3) Price of transfer to joint venture	¥9 billion
(4) Number of shares owned after transfer of shares to joint venture	0

Note: After the share transfer to SBS Holdings, Ricoh plans to transfer all 2,166,667 shares that it holds in Ricoh Logistics System to the joint venture. Thereafter, Ricoh would transfer ordinary shares equivalent to 33.4% of the outstanding shares of the JV.

6. Schedule

(1) Board of Directors resolution date	May 18, 2018
(2) Agreement date	May 18, 2018
(3) Transfer date for these Transactions	August 1, 2018 (planned)

7. Outlook

For the year ending March 31, 2019, Ricoh plans to book a 12 billion yen gain on sale of shares on a consolidated basis.

Also for the same fiscal year, the Company plans to book a ¥23.4 million gain on the sale of shares in an affiliate to extraordinary income on a non-consolidated basis.

Please note that there is no change in the announced consolidated financial forecast for the fiscal year ending March 31, 2019.

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