



Ricoh Company, Ltd.  
HOYA Corporation

## **Ricoh to acquire HOYA's PENTAX Imaging Systems Business**

Tokyo - July 1, 2011 - Ricoh Company, Ltd. (TSE: 7752; President & CEO: Shiro Kondo; hereinafter referred to as "Ricoh") and HOYA Corporation (TSE: 7741; President & CEO: Hiroshi Suzuki; hereinafter referred to as "HOYA") announced today that the two companies entered into a definitive agreement and concluded a contract regarding the acquisition of HOYA Corporation's PENTAX Imaging Systems Business (hereinafter referred to as "PENTAX Imaging System Business") by Ricoh (hereinafter referred to as "the Acquisition").

On completion of the Acquisition, Ricoh will begin to use the PENTAX brand name for some of its digital camera products, and HOYA will continue to use the PENTAX brand name for their endoscopes and other products.

Furthermore, with the Acquisition, both companies will cooperate with each other to increase the value of the PENTAX brand.

### **1. Background of the Acquisition**

Currently, Ricoh's core business deals in Imaging Solutions focusing on copiers/multi-function printers, but Ricoh also has a long tradition as a camera manufacturer going back to its establishment in 1936. In 1995, Ricoh became one of the first companies to produce digital cameras. Currently, Ricoh's high-end compact cameras are highly regarded in the market.

Although competition in the digital camera market has intensified, the industry is still growing and there is still tremendous potential for technical innovation and advancement. Ricoh understands the need to bolster its consumer businesses utilizing its strengths in optical and network technologies, and is continually searching for growth opportunities.

Meanwhile, HOYA has been operating the PENTAX Imaging Systems Business, which it acquired from PENTAX Co., Ltd., on March 31<sup>st</sup>, 2008. In the process of consolidating and streamlining its business portfolio, HOYA decided to offer this business to Ricoh. HOYA will continue to operate its business other than the PENTAX Imaging Systems Business, such as digital camera modules, DVD pick-up lenses, endoscopes, synthetic bone, and voice synthesis software.

### **2. PENTAX Imaging Systems Business**

Asahi Optical Co., Ltd., the predecessor of PENTAX, developed Japan's first single-lens

reflex camera in 1952 and has a long history as a leader in the camera market. The company joined HOYA as a business division in April 2008 and continued to operate as a business thereafter.

The current lineup of products includes medium format, K-mount and Q-mount interchangeable-lens digital cameras, as well as the Optio brand of compact cameras. PENTAX cameras are well known for their superior performance in taking natural-looking photographs. PENTAX maintains high consumer satisfaction ratings with its superb lens technology and enjoys strong support from a solid fan base.

The PENTAX lineup has a mutually complementary relationship and little overlap with the Ricoh brand, which focuses on high-end compact digital cameras.

PENTAX Imaging Systems Business has a security camera lens module on top of the digital camera business, both of which are expected to significantly contribute to Ricoh's opportunities for growth.

### **3. Strategic objectives for Ricoh**

The goal of the Acquisition is to establish a firmer presence in the consumer business, which has been a considerable challenge for Ricoh.

Ricoh believes that the borderline between office and home will fade and this will be reflected in a major change in products and services. Ricoh aims to provide more consumer-oriented offerings not only in the field of digital cameras but also video conferencing systems, network appliances, and others, to their customers around the world. The Acquisition is the first step in this direction.

Ricoh intends to maximize the synergy from the merger between Ricoh's digital camera business and PENTAX Imaging System Business in various ways.

#### **1) Strengthening the digital camera business**

- Enhanced interchangeable-lens cameras to meet expected future growth
- Expansion of product lineup and interchangeable lens portfolio

#### **2) Creation of new business delivering added value to consumers**

- Creation and development of value-added businesses such as making it easy to view, save and retouch photos.

#### **3) Other benefits**

- Possible entry into the image archiving business using medium format digital cameras
- Expansion of security related products

### **4. Acquisition methodology**

The Acquisition will be conducted by HOYA transferring the PENTAX Imaging Systems Business to a newly established subsidiary (hereinafter referred to as "the New Company") through an absorption-type split and business transfer. Ricoh will then acquire 100% of the outstanding shares of the New Company.

The business is expected to be managed as a wholly owned subsidiary of Ricoh after the transfer of management rights.

\* Among the European sales companies of the PENTAX Imaging System Business, PENTAX Europe Imaging System S.A.S. (hereinafter "PEIS") is required under applicable laws to consult with its trade unions

before transferring the shares of PEIS (or the stocks and equities of PEIS subsidiaries PENTAX Imaging System Limited and PENTAX Imaging System GmbH handling PENTAX Imaging System Business) to the New Company. The final decision as to whether the PEIS shares will be transferred or not will be made after conclusion of said consultation.

Signing date of a definitive agreement : July 1, 2011

Closing date : October 1, 2011 (expected)

## **5. Impacts on consolidated financial results of Ricoh and HOYA**

Ricoh is aware that the Acquisition will have minor impacts on Ricoh's consolidated financial results in the fiscal year ending March 2012.

As for the effects of this transaction on HOYA's consolidated financial results, please refer to the information disclosed in a timely manner by HOYA to the Tokyo Stock Exchange.

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