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Notice Regarding the Conclusion of the Share Acquisition (Consolidation as a Subsidiary) of PFU Limited

Ricoh Company, Ltd. today announced that the Company concluded the partial acquisition of common shares in Fujitsu Limited ("Fujitsu") consolidated subsidiary, PFU Limited ("PFU"). Ricoh will acquire 80% of the shares of PFU and make it a subsidiary of the Company.

1. Background and Reason for the Acquisition of Shares

During the five years of FY2021-FY2025, which are positioned as "Ricoh Lift Off," Ricoh's global strategy remains focused on driving transformation to become a digital services company to ensure sustainable growth and development.

This share acquisition is a part of the growth investments outlined in the medium- to long-term plan through FY2025 and is intended to achieve digital transformation (DX) for customers by acquiring edge devices that support digital service offerings and strengthening IT management service capabilities. It is also intended to expand Ricoh's Office Services business, which is positioned as an area of accelerated growth in its business portfolio management. In addition, by fortifying its human capital through acquiring software engineers and digital professionals in the field, close to its customers and edge devices, Ricoh will further strengthen its management structure to become a digital services company.

To become a digital services company that connects workplaces and supports workers' creativity, Ricoh automates processes by digitalizing analog data—such as documents, audio, and images—with edge devices and provides optimal combinations of applications and packages for each customer's industry and operations. Furthermore, Ricoh aims to improve customers' convenience by evolving RICOH Smart Integration, a cloud platform that integrates edge devices and applications, into a business innovation platform that transforms customers' end-to-end business workflows and contributes to their DX by analyzing and utilizing accumulated digital data to advance and automate their future operations.

PFU is the global leader in document scanners, which have been the entry points for the accelerating digitalization of paper documents in recent years, and in customer base. Its mainstream DI (Document Imaging) business possesses hardware/software-related technologies and expertise in resolving business issues that are used in a wide variety of industries and business sites. In the ICS (Infrastructure Customer Service) business, PFU is strong in multi-vendor support in ICT (Information and Communication Technology), where it possesses two strengths. First, in construction and operation services for multi-cloud environments, which are expected to grow in the future, and second, in managed security services through its SOC (Security Operation Center), providing one of the most advanced technology and support capabilities in Japan. Furthermore, in the CP (Computer Products) business for industrial equipment manufacturers, PFU has the No. 1 share in the Japanese market for industrial computer boards and boasts an extensive product lineup.

Through this share acquisition, Ricoh intends to achieve the following:

1. Expand Ricoh's unique Digital Services to support customers' document workflow innovation

Ricoh aims to expand its recurring revenue business by offering a combination of distinctive edge devices, business applications, and cloud platforms that enable the handling of special documents that are difficult to handle with existing MFPs (Multifunction Printers). This includes documents such as "unequal sized slips and forms," "non-carbon paper application forms," and "driver's licenses and ID cards," which are generated in accounting, application, and teller window operations. Ricoh will expand its business by enhancing business scanners in offices and areas where more advanced and continuous document volumes are expected, such as teller window operations at medical and public institutions and document processing operations in financial institutions and corporation back offices.

Ricoh will also introduce PFU's existing users to new services by integrating Ricoh's AI-OCR solution and CSP (Contents Service Platform), represented by Ricoh's DocuWare business, to realize digitalization that matches the workflow of each industry and business. Ricoh will create new services with higher added value using accumulated data by increasing the amount of digital data flowing into RICOH Smart Integration.

2. Strengthen IT management service functions in Japan

Ricoh will strengthen its ability to support customers' IT environments by expanding the number of professionals who support digital services, thereby helping to ensure smooth business operations. In particular, by combining PFU's strengths in building and operating multi-cloud environments, IT management services such as security services, and IoT (Internet of Things) equipment operation services with the nationwide support and services provided by Ricoh Japan, a Group domestic sales company, Ricoh will further expand its Office Services business in Japan.

3. Generate stable earnings through synergies in the industrial computer business

The combination of PFU's CP (Computer Products) business and Ricoh's electronics business will create synergies in production, purchasing, and development to increase cost competitiveness and develop new edge devices that will advance the digitalization of frontlines.

Ricoh and PFU will leverage their products, services, technologies, and know-how, plus their customer bases, to accelerate frontlines' DX in various industries. Ricoh will revolutionize customers' work by improving operational efficiency and productivity.

Ricoh will acquire 80% of the outstanding shares of PFU owned by Fujitsu. In the coming years, Ricoh and the Fujitsu Group will seek to establish an alliance relationship that complements and strengthens their areas of expertise to realize their respective goals of becoming a "digital services company" and a "DX company."

2. Outline of Subsidiary Subject to Change (PFU Limited)

(1)	Trade name	PFU Limited
(2)	Address	Nu 98-2 Unoke, Kahoku-shi, Ishikawa, Japan
(3)	Representative name	Izumi Nagahori
(4)	Principal business	Document scanners, industrial computing products and other hardware; security and document management and other software & services; configuration of IT infrastructure; and multivendor services provided in cooperation with third-party companies

((5)	Capital stock	15,000 million yen			
(6)	Date established	May 17, 1962			
(7)	7)	Major shareholders and	Fujitsu Limited			100.0%
(7)	shareholding ratios				100.0%
			Capital	None	in particular	
1	O)	Relationships with listed company	Personnel	None	None in particular	
((8)		Business	Ricoh purchases document scanners from the		
				comp	any.	
((9) Business results and financial condition of the company over the last three years					
	Fiscal Year		FY ended March 2019		FY ended March	FY ended March
		riscai teai	Prended March	2019	2020	2021
	Net assets		54,870 millio	n yen	58,739 million yen	60,209 million yen
	Total assets		88,382 million yen		86,492 million yen	89,754 million yen
	Net assets per share		14,235.38 yen		15,239.25 yen	15,620.47 yen
	Net sales		113,764 million yen		117,395 million yen	114,938 million yen
	Operating profit		4,042 million yen		4,989 million yen	1,207 million yen
	Ordinary profit		4,854 million yen		5,622 million yen	1,990 million yen
	Net income		4,963 million yen		4,767 million yen	2,311 million yen
	Net income per share		1,287.74 yen		1,236.98 yen	599.65 yen

3. Outline of the counterparty of the share acquisition (Fujitsu Limited)

(1)	Trade name	Fujitsu Limited		
(2)	Address	4-1-1 Kamikodanaka, Nakahara-ku, Kawasaki, Kanagawa, Japan		
(3)	Representative name	Takahito Tokita		
(4)	Principal business	Technology solutions, Ubiquitous solutions, and Device solutions		
(5)	Capital stock	324,625 million yen		
(6)	Date established	June 20, 1935		
(7)	Net Assets	1,642,400 million yen		
(8)	Total Assets	3,115,599 million yen		
	Major shareholders and shareholding ratios	The Master Trust Bank of Japan, Ltd. 8.45%		
(9)		Ichigo Trust Pte. Ltd. 7.49%		
		Custody Bank of Japan, Ltd. 5.22		
	Relationships with listed company	Capital	None in particular	
		Personnel	None in particular	
		Business	Ricoh and the company have business transactions related to Ricoh's MFPs, printers, and other	
			products, and purchase transactions related to the	
(10)			company's personal computers and other products.	
			There are no other business transactions with the	
			company that are worthy of special mention.	
		Status as a	None in portionles	
		related party	None in particular	

4. Number of shares to be acquired, acquisition price and ownership of shares before and after the acquisition

(1)	Number of shares held	0 shares (number of voting rights: 0, equity ownership: 0.0%)	
	before the acquisition	o shares (number of voting fights. 0, equity ownership. 0.0 %)	
(2)	Number of shares to be	2 092 506 charge (number of voting rights: 2 092 506)	
	acquired	3,083,596 shares (number of voting rights: 3,083,596)	
(3)	Acquisition price	The Target Company Share: 84,000 million yen	
		Advisory Expenses or other (estimated): 200 million yen	
		Total (estimated): 84,200 million yen	
(4)	Number of shares to be	3,083,596 shares (number of voting rights: 3,083,596, equity	
	held after the acquisition	ownership: 80.0%)	

5. Schedule

(1)	Resolution of the Board of Directors	April 28, 2022
(2)	Contract date	April 28, 2022
(3)	Date of share	July 1, 2022 (planned)
	acquisition	

6. Future Outlook

As a result of this share acquisition, PFU will become a consolidated subsidiary of Ricoh. The impact on our business performance for the fiscal year ending March 2023 is currently under scrutiny. We will promptly announce any matters that should be publicly announced in the future.

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