



MEMBERSHIP

May 19, 2023

Company name: Ricoh Company, Ltd.  
President and CEO: Akira Oyama  
Stock code: 7752 (Prime of Tokyo Stock Exchange)  
Contact: Takashi Kawaguchi, Executive Corporate Officer and CFO  
Tel. +81-50-3814-2805

Company name: Toshiba Tec Corporation  
President and CEO: Hironobu Nishikori  
Stock code: 6588 (Prime of Tokyo Stock Exchange)  
Contact: Akira Abe, General Manager of  
Corporate Communications Division  
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**Notice regarding a Business Partnership between Ricoh Company, Ltd., and Toshiba Tec Corporation by necessary procedures such as Company Split (Simplified Absorption-type Company Split), and the conclusion of a Business Integration Agreement and a Shareholders Agreement related to the integration of MFPs' development and manufacturing**

Ricoh Company, Ltd. (President and CEO: Akira Oyama; hereinafter "Ricoh") and Toshiba Tec Corporation (President and CEO: Hironobu Nishikori; hereinafter "Toshiba Tec") hereby announce that today at meetings of the Boards of Directors of both companies, the two companies resolved to conclude an agreement to set the terms and conditions for integrating businesses (hereinafter the "Integration Agreement") regarding the development and manufacturing of multifunction printers and other devices (hereinafter "MFPs") by necessary procedures such as company split effective on a specific day between April 1, 2024 and June 30, 2024 to be separately agreed upon by the two companies (hereinafter the "Business Integration"). The Boards of Directors of both companies also resolved to conclude a shareholders agreement related to the Business Integration (hereinafter the "Shareholders Agreement").

Based on these resolutions, the two companies will perform procedures such as company split with the aim of realizing a joint venture effective on a specific day between April 1, 2024 and June 30, 2024 to be separately agreed upon by the two companies, that takes on the role of MFPs' development and manufacturing with both companies as shareholders.

## **1. Background and External Environment**

Although the office printing market is recovering from the sharp decline in printing volume caused by the spread of the COVID-19 pandemic, the pre-existing and ongoing trend toward a paperless transition continues. The global market as a whole will continue on a gradual downward trend.

Against the backdrop of expanding remote work and a worsening labor shortage due to Japan's shrinking workforce, the need for digitalization of various operations in offices and in the frontlines has become apparent. Companies in the office printing industry are positioning Digital Transformation (hereinafter "DX") demand as a growth area and focusing on developing and providing solutions using IT (information technology).

As the competitive landscape shifts from providing stand-alone hardware to solutions combined with software and services, a common challenge has become a growing competitiveness in the development and production of printing devices. In addition, there is a need to build resilient supply chains that can respond flexibly to rising geopolitical risks. On the other hand, opportunities exist for creating new customer value based on printing-related technology through the expansion of digitalization of office and field operations.

## **2. Outline of the Business Integration**

Ricoh is committed to transforming itself into a digital services company with its mission and vision of “Fulfillment through Work” to achieve sustainable growth and further development. Ricoh is working closely with its customers to contribute to the transformation of their business processes and the creation of new value by combining various edge devices and optimal applications.

Toshiba Tec aims to become “a global top solutions partner” that co-creates solutions leading to new value and resolving social issues together with its customers and partners by practicing its corporate philosophy, “Create with You.”

To respond to the previously described market changes, the two companies will enter into a joint venture that takes on the role of MFPs’ development and manufacturing to realize the following:

### **(1) Strengthen competitiveness and business foundations of office printing device manufacturing**

By bringing the two companies’ respective technological strengths in the development and production of office printing equipment, the two companies will expand their planning, design, and development functions. The two companies will also make joint purchases for parts and materials, and mutually utilize their production bases to build a resilient supply chain that responds flexibly to heightened geopolitical risks and aims to achieve more robust manufacturing. Furthermore, the two companies will contribute to the realization of a circular economy by enhancing the efficiency and sophistication of reuse and recycling efforts to collect used MFPs.

### **(2) Collaborate on the planning and development of new solutions in the frontlines utilizing the technologies and resources of the two companies**

The Business Integration will enable the two companies to shift their resources to focus more on areas of innovation and individual areas of differentiation, thereby increasing their competitiveness and strengthening their business foundations. Furthermore, the two companies will work on joint planning and development of new solutions to support customers’ DX by integrating image recognition technology utilizing Toshiba Tec’s barcode printer, RFID, etc., and Ricoh’s optical and image processing technologies, such as cameras and projectors.

The two companies will provide competitive, high-quality, and high-value-added products created through co-creation to the global market through their respective branded products that pursue their unique user experience. Each of the two companies will provide solutions combined with various software and services through their respective sales channels to help customers enhance their productivity by digitalizing and improving workflows tailored to the needs of each of their operations. Thus, each of the two companies will contribute to resolving social issues by helping customers realize DX in their workplaces.

## **3. Summary of the Business Integration**

### **(1) Method of the Business Integration**

The Business Integration covers MFPs’ development and the manufacturing operations of the two companies in Japan and overseas, excluding certain countries’ businesses\* of Toshiba Tec. This coverage is hereinafter collectively referred to as the “Business.” The Business is, furthermore, hereinafter specified as “Ricoh’s Business” and “Toshiba Tec’s Business.” The Business Integration will be implemented mainly by an

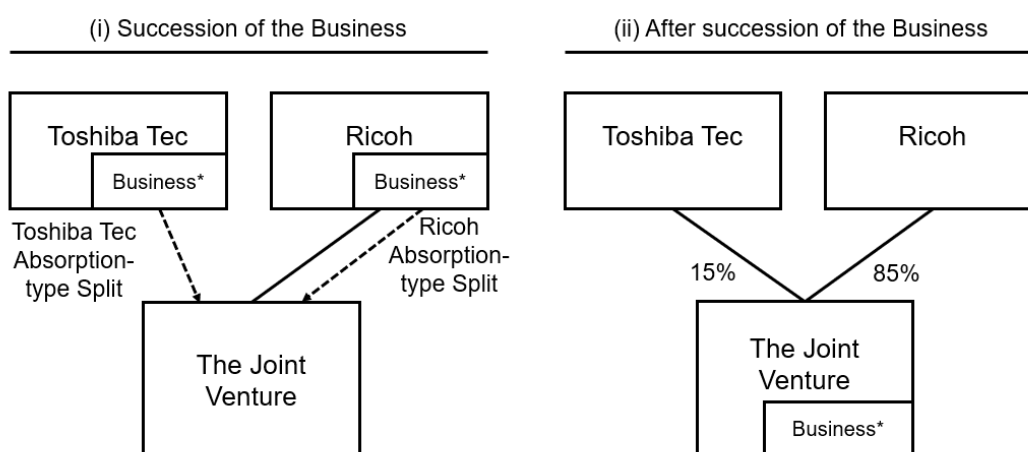
absorption-type split in order to succeed Ricoh’s Business and Toshiba Tec’s Business to Ricoh Technologies Company, Ltd., a subsidiary company of Ricoh in Japan (hereinafter the “Joint Venture”).

The investment ratio in the Joint Venture after the Business Integration shall be 85% by Ricoh and 15% by Toshiba Tec.

The absorption-type split of Ricoh to implement the Business Integration is hereinafter referred to as the “RicoH Absorption-type Split,” and the absorption-type split agreement between Ricoh and the Joint Venture for the RicoH Absorption-type Split is hereinafter referred to as the “RicoH Absorption-type Split Agreement.” The absorption-type split of Toshiba Tec to implement the Business Integration is hereinafter referred to as the “Toshiba Tec Absorption-type Split,” and the absorption-type split agreement between Toshiba Tec and the Joint Venture for the Toshiba Tec Absorption-type Split is hereinafter referred to as the “Toshiba Tec Absorption-type Split Agreement.”

Furthermore, the RicoH Absorption-type Split and the Toshiba Tec Absorption-type Split are hereinafter collectively referred to as the “Absorption-type Split,” and the RicoH Absorption-type Split Agreement and the Toshiba Tec Absorption-type Split Agreement are hereinafter collectively referred to as the “Absorption-type Split Agreement.”

\* Toshiba Tec businesses in certain countries may also be included in Toshiba Tec’s Business at Toshiba Tec’s discretion after the completion of certain procedure.



\* Includes shares of subsidiaries and other entities engaged in the subject business.

(2) Schedule of the Business Integration

Both companies’ Board of Directors to approve the conclusion of the Integration Agreement and the Shareholders Agreement	May 19, 2023 (today)
Conclusion of the Integration Agreement and the Shareholders Agreement	May 19, 2023 (today)
Both companies’ Board of Directors to approve the conclusion of the Absorption-type Split Agreement	Undecided
Conclusion of the Absorption-type Split Agreement	Undecided
Effective date of the Absorption-type Split	A specific day between April 1, 2024 and June 30, 2024 to be separately agreed upon by the two companies (scheduled)

(Note 1) Both Ricoh Absorption-type Split and Toshiba Tec Absorption-type Split will be conducted as a simplified absorption-type split under Article 784, Paragraph 2 of the Companies Act, without obtaining approval at the shareholders' meetings of both companies.

(Note 2) The implementation of the Business Integration is subject to the conditions that, among others, (i) all procedures under the competition laws (including procedures such as notifications and obtaining clearances, etc.) and notifications and other procedures under foreign investment regulations in Japan and other countries or regions have been completed, and (ii) no event has occurred or been found that has or may have a material adverse effect on the assets, business, financial condition, operating results or cash flow status or other value of the Business of both companies.

(Note 3) The above schedule is the schedule as of today and is subject to change upon consultation between the two companies in the course of the procedures for the Business Integration, depending on the obtainment of permits and approvals from the relevant authorities or for other reasons.

#### **4. About the Absorption-type Split and the Business Partnership**

(1) Purpose of the Absorption-type Split, reason and details of the Business Partnership

Please refer to "1. Background and External Environment" and "2. Outline of the Business Integration" above.

(2) Schedule of the Absorption-type Split and the Business Partnership

Please refer to "(2) Schedule of the Business Integration" in "3. Summary of the Business Integration" above.

(3) Method of the Absorption-type Split

Ricoh Absorption-type Split is an absorption-type split in which Ricoh will be the absorption-type split company, and the Joint Venture will be the successor company in the absorption-type split. Toshiba Tec Absorption-type Split is an absorption-type split in which Toshiba Tec will be the absorption-type split company, and the Joint Venture will be the successor company in the absorption-type split.

(4) Details of the allotment related to the Absorption-type Split

The Joint Venture will allot and deliver its common shares to the two companies as consideration for the Joint Venture's assumption of rights and obligations upon the Absorption-type Split becoming effective. However, whether the Joint Venture will issue new shares, as well as the number of such common shares to allot and deliver, has not been determined at this time and will be announced as soon as the details are determined.

(5) Handling of stock acquisition rights and bonds with stock acquisition rights upon the Absorption-type Split  
Ricoh has not issued any stock acquisition rights or bonds with stock acquisition rights.

Toshiba Tec has issued stock acquisition rights, but there will be no changes in the treatment of the stock acquisition rights issued by Toshiba Tec due to the Absorption-type Split. Toshiba Tec has also not issued any bonds with stock acquisition rights.

(6) Change in share capital due to the Absorption-type Split

There will be no change in the two companies' share capital as a result of the Absorption-type Split.

(7) Rights and obligations to be assumed by the successor company in absorption-type split

The rights and obligations are related to the Business of the two companies. The Joint Venture will assume the rights and obligations as set forth in the Absorption-type Split Agreement.

(8) Prospects of fulfillment of obligations

The Joint Venture's assets are expected to exceed its liabilities even after the Absorption-type Split, and it is not currently anticipated that any situation will hinder the fulfillment of their obligations to be borne. Therefore, the two companies believe that there are no issues with the prospect of fulfilling such obligations with regard to the obligations to be borne by the Joint Venture in connection with the Absorption-type Split.

## 5. Rationale of the allotment in connection with the Company Split

### (1) Basis and rationale for allocations

After discussions between the two companies, taking into account their earnings situations, future prospects, and other factors in the Business to be split off from Ricoh and Toshiba Tec as a result of the Company Split, the two companies have reached an agreement to make the allotment related to the Company Split as described above.

As stated above, the number of such common shares to be allotted and delivered by the Joint Venture to the two companies has not been determined at this time.

### (2) Matters related to calculation

The two companies have not yet obtained the valuation report from their calculation agent with respect to the Absorption-type Split.

### (3) Prospect of delisting and reasons for delisting

Not applicable.

### (4) Measures to ensure fairness

Not applicable.

### (5) Measures to avoid conflicts of interest

Not applicable.

## 6. Outline of the companies involved in the Absorption-type Split and the Business Partnership

### (1) Outline of the absorption-type split companies (as of March 31, 2023)

(1) Trade name	Ricoh Company, Ltd.	Toshiba Tec Corporation
(2) Address	1-3-6, Nakamagome, Ohta-ku, Tokyo Japan	1-11-1, Osaki, Shinagawa-ku, Tokyo Japan
(3) Representative name	Yoshinori Yamashita, President and CEO	Hironobu Nishikori, President and CEO
(4) Principal business	Development, production, sales, support and services of Digital Services, Digital Products, Graphic Communications, Industrial Solutions, and Other	Development, manufacturing, sales and support and services of POS system, MFPs, Auto ID system, Inkjet heads, and those related products
(5) Capital stock	135,364 million yen	39,970 million yen
(6) Date established	February 6, 1936	February 21, 1950
(7) Total Shares Issued	609,521,978	57,629,140
(8) Accounting Date	March 31	March 31
(9) Number of Employees	81,017	18,906
(10) Main Bank	MUFG Bank, Ltd., Sumitomo Mitsui Trust Bank	Sumitomo Mitsui Banking Corporation, MUFG Bank, Ltd., Resona Bank, Limited.,

			Sumitomo Mitsui Trust Bank, Limited, The Shizuoka Bank, Ltd.	
(11) Major Shareholders and Percentage of Shares Held	The Master Trust Bank of Japan, Ltd. (Trust Account)	18.19%	Toshiba Corporation	52.08%
	Custody Bank of Japan, Ltd. (Trust Account)	5.33%	The Master Trust Bank of Japan, Ltd. (Trust Account)	6.80%
	GOLDMAN SACHS INTERNATIONAL (Standing proxy: Goldman Sachs Japan Co., Ltd.)	4.96%	Morgan Stanley MUFG Securities Co., Ltd.	5.53%
	Nippon Life Insurance Company	4.35%	Custody Bank of Japan, Ltd. (Trust Account)	2.16%
	Shinsei Trust & Banking Co., Ltd. ECM MF Trust Account 8299004	3.45%	State Street Bank and Trust Company 510312	1.88%
	BNYMSANV AS AGENT/CLIENTS LUX UCITS NON TREATY 1 (Standing proxy: MUFG Bank, Ltd.)	2.71%	Digital Garage, Inc.	1.82%
	Ichimura Foundation for New Technology	2.60%	Goldman Sachs International	1.77%
	CGML PB CLIENT ACCOUNT/COLLATERAL (Standing proxy: Citibank, N.A., Tokyo Branch)	1.94%	State Street Bank and Trust Company 510311	1.48%
	J.P. MORGAN SECURITIES PLC FOR AND ON BEHALF OF THEIR CLIENTS JPMSP RE CLIENT ASSETS-SEGR ACCT (Standing proxy: Citibank, N.A., Tokyo Branch)	1.81%	Toshiba Tec Employees Shareholding Association	1.32%
	MUFG Bank, Ltd.	1.77%	The Dai-ichi Life Insurance Company, Limited	1.32%

(12) Relationships between two companies							
	Capital	None in particular					
	Personnel	None in particular					
	Business	Toshiba Tec has contracted Ricoh to manufacture MFPs' options.					
	Status as a related party	None in particular					
(13) Business results and financial condition of the companies over the last three years (million yen)							
		Ricoh			Toshiba Tec		
Fiscal Year	FY ended March 2021	FY ended March 2022	FY ended March 2023	FY ended March 2021	FY ended March 2022	FY ended March 2023	
Consolidated net assets*	923,852	905,825	958,082	109,862	117,662	102,206	
Consolidated total assets	1,887,868	1,853,254	2,149,956	289,313	310,256	310,692	
Consolidated net assets per share*	1,281.29 yen	1,416.08 yen	1,529.46 yen	1,867.01 yen	2,023.35 yen	1,738.02 yen	
Consolidated net sales	1,682,069	1,758,587	2,134,180	405,694	445,317	510,767	
Consolidated operating profit	-45,429	40,052	78,740	8,263	11,566	16,078	
Consolidated ordinary profit*	-41,028	44,388	81,308	7,193	10,197	13,149	
Net income	-32,730	30,371	54,367	7,126	5,381	-13,745	
Consolidated net income per share	-45.20 yen	45.35 yen	88.13 yen	129.55 yen	97.68 yen	-248.37 yen	
Dividend per share	15 yen	26 yen	34 yen	20 yen	40 yen	40 yen	

\*Ricoh prepares its consolidated financial statements in accordance with International Financial Reporting Standards (hereinafter "IFRS"). Consolidated net assets, consolidated net assets per share, and consolidated ordinary profit represent total equity, equity attributable to owners of the parent per share, and income before income taxes, respectively.

(2) Outline of the successor company in absorption-type split (the Joint Venture) (as of March 31, 2022\*)

(1)	Trade name	Ricoh Technologies Company, Ltd.
(2)	Address	2-7-1, Izumi, Ebina Kanagawa, Japan
(3)	Representative name	Mikio Ishibashi, President and CEO
(4)	Principal business	Development, design, and sales of office equipment, optical equipment, printing-related peripheral equipment, and those consumables, etc.
(5)	Capital stock	10 million yen
(6)	Date established	December 19, 2012
(7)	Total Shares Issued	200
(8)	Accounting Date	March 31
(9)	Number of Employees	493
(10)	Major Customers	Ricoh Company, Ltd.
(11)	Main Bank	None

(12) Major Shareholders and Percentage of Shares Held	Ricoh Company, Ltd.		100%
(13) Relationships with two companies			
Capital	100% invested by Ricoh Company, Ltd.		
Personnel	3 Directors (out of 3) and 2 auditors (out of 2) from Ricoh Company, Ltd.		
Business	Consignment of design and businesses from Ricoh Company, Ltd. Original Equipment Manufacturing to Toshiba Tec		
Status as a related party	Related parties of Ricoh Company, Ltd.		
(14) Business results and financial condition of the company over the last three years*	(million yen)		
Fiscal Year	FY ended March 2020	FY ended March 2021	FY ended March 2022
Net assets	697	849	904
Total assets	2,729	2,659	2,814
Net assets per share	3,486,141 yen	4,249,521 yen	4,522,965 yen
Net sales	7,826	7,313	9,015
Operating profit	-830	176	123
Ordinary profit	-797	219	206
Net income	-572	152	207
Net income per share	-2,862,800 yen	763,379 yen	1,036,824 yen
Dividend per share	None	763,379 yen	1,036,824 yen

\* The financial figures for the fiscal year ended March 2022 are shown because the financial figures for the fiscal year ending March 2023 have not yet been finalized and so cannot be shown as of the disclosure date (May 19, 2023).

## 7. Outline of the splitting businesses

### (1) Nature of business of the division to be split

Ricoh	Toshiba Tec
Development, manufacturing and Original Equipment Manufacturing of MFPs, Printers, and those related peripheral equipment and consumables	Development, manufacturing of MFPs, Auto ID system, and those related products

### (2) Business results of the division to be split (FY ended March 2022\*)

Ricoh	Toshiba Tec
Net sales 370,393 million yen	Net sales 73,737 million yen

\* With regard to the sales of the Business, the financial figures for the fiscal year ended March 2022 are shown because the financial figures for the fiscal year ending March 2023 have not yet been finalized and so cannot be shown as of the disclosure date (May 19, 2023).

### (3) Items and book value of assets and liabilities to be split (as of March 31, 2022\*)

#### Ricoh

Assets		Liabilities	
Current assets	94,345 million yen	Interest-bearing debt	33,486 million yen
Fixed assets	64,065 million yen	Other liabilities	33,615 million yen
Total	158,409 million yen	Total	67,101 million yen



Toshiba Tec

Assets		Liabilities	
Current assets	27,826 million yen	Interest-bearing debt	2,140 million yen
Fixed assets	8,234 million yen	Other liabilities	20,644 million yen
Total	36,060 million yen	Total	22,784 million yen

\* With regard to the book value of assets and liabilities of the Business, the financial figures for the fiscal year ended March 2022 are shown because the financial figures for the fiscal year ending March 2023 have not yet been finalized and so cannot be shown as of the disclosure date (May 19, 2023).

## 8. Status after the Absorption-type Split

### (1) Status of the splitting companies after the Absorption-type Split

(1) Trade name	Ricoh Company, Ltd.	Toshiba Tec Corporation
(2) Address	1-3-6, Nakamagome, Ohta-ku, Tokyo, Japan	1-11-1, Osaki, Shinagawa-ku, Tokyo Japan
(3) Representative name	Akira Oyama, President and CEO	Hironobu Nishikori, President and CEO
(4) Principal business	Development, production, sales, support and services of Digital Services, Digital Products, Graphic Communications, Industrial Solutions, and Other	Development, manufacturing, sales and support and services of POS system, Inkjet heads, and those related products Sales and support and services of MFPs, Auto ID system, and those related products
(5) Capital stock	135,364 million yen	39,970 million yen
(6) Accounting date	March 31	March 31
(7) Net assets	Not determined at this time	Not determined at this time
(8) Total assets	Not determined at this time	Not determined at this time

### (2) Status of the successor company in absorption-type split after the Absorption-type Split

The trade name, address, name and title of representative, principal business, capital stock and accounting date of the successor company after the Absorption-type Split have not been determined at this time. The name of the successor company in absorption-type split is scheduled to be changed from the current name of the successor company in absorption-type split by the effective date of the Absorption-type Split (the effective date of the Business Integration).

## 9. Accounting overview

The accounting treatment will be based on the “Accounting Standard for Business Combinations” (ASBJ Statement No. 21, January 16, 2019) and the “Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures” (ASBJ Guidance No. 10, January 16, 2019), etc., or IFRS 3 Business Combinations.

## 10. Future outlook

We are investigating the impact of the Absorption-type Split and the Business Partnership on the consolidated business results of both companies for the fiscal year ending March 2024. When a matter that should be disclosed is decided or occurred, we will disclose it promptly.