



Joint Release  
June 20, 2013

## **Announcement of Signing of Shareholder Agreement on Establishment of Joint Venture and Business Integration in Commercial Printing Machinery**

Mitsubishi Heavy Industries Printing & Packaging Machinery, Ltd. (MHI-PPM) and Ryobi Limited (Ryobi) have signed a shareholder agreement, dated June 20, 2013, on the establishment of a joint venture and implementation of business integration in the field of sheet-fed offset printing presses<sup>\*1</sup>. The signing took place following receipt of approval by the two companies' boards of directors.

### 1. Purpose of the Agreement

Both MHI-PPM and Ryobi manufacture and market sheet-fed offset printing presses. Recently, however, the market situation has deteriorated owing to shrinking demand, especially in the developed countries, due to the global economic crisis. This downturn has led both companies to promote internal structural reforms in order to sustain their market competitiveness and financial soundness.

As announced on January 23, 2013 in a press release titled "Announcement of Signing a Letter of Intent for Business Alliance on Commercial Printing Machinery", MHI-PPM and Ryobi agreed to study establishing a business alliance in the field of sheet-fed offset printing presses specifically targeted at improving competitiveness in that area, enhancing scale of operations, and solidifying their management base.

Subsequently the two companies held discussions on how to realize an ideal business alliance in this industry. The agreement announced today finalizes plans to establish a joint venture integrating their respective sheet-fed offset printing machinery businesses in a quest to achieve significant synergy effects including product line-up enhancement, expansion of product development capabilities, production cost reductions, and improvement in sales and service networks.

The commercial printing industry presently anticipates demand for printing machinery to strengthen in the emerging economies. Simultaneously demand for higher specification products is expected to grow further within the mature economies.

In creating their new joint venture, MHI-PPM and Ryobi seek to prevail against intensifying global competition and build a stronger presence in the global market. They also aim for the new entity to develop into a leading global company in the printing press industry by meeting customer expectations and providing innovative, high-quality products and outstanding services to the market.

\*1) Sheet-fed offset printing presses are machines that print high-quality visual images on cut-out paper sheets.

## 2. Overview of Joint Venture (Plan)

(1) Corporate name	RYOBI MHI Graphic Technology Ltd.
(2) Head office	800-2 Ukaicho, Fuchu City, Hiroshima, Japan
(3) Representative	To be announced
(4) Board of directors	5 directors (including 1 representative director): 3 from Ryobi, 2 from MHI-PPM
(5) Auditors	2 outside auditors: 1 each from Ryobi and MHI-PPM
(6) Scope of business	Manufacture and sale of printing machinery and other related materials; Design, implementation and supervision of equipment installations; Sale of used machinery
(7) Capitalization	100 million yen
(8) Commencement of operations	January 1, 2014 *2
(9) Employees	450
(10) Close of fiscal year	March 31
(11) Ownership	Ryobi 60%, MHI-PPM 40%
(12) FY2014 targets	Sales: 30 billion yen; Income before tax: 1.5 billion yen

\*2) “RM Limited” will be set up on July 31, 2013 as a preparatory company. The company name will be changed to “RYOBI MHI Graphic Technology Ltd.” and operations will commence on January 1, 2014.