

Japan's Ricoh to buy Pentax digital camera brand

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Japanese office equipment and camera maker Ricoh on Friday said it would buy Hoya Corporation's Pentax digital camera business as it looks to expand its consumer products business.

In a statement, the companies said Ricoh would use the Pentax brand name for its digital camera products, while Hoya would continue to use the Pentax brand for products such as [endoscopes](#). They did not provide a value for the deal.

The Nikkei business daily reported that the deal was worth an estimated 10 billion yen (\$124 million).

The acquisition, which is effective from October, is part of Ricoh's efforts to grow beyond office products such as printers, photocopiers and fax machines.

Companies face fierce [price competition](#) in the [compact digital camera](#) market, which is placing downward pressure on midsize makers' profits.

The move by Ricoh could trigger a major industry realignment, the Nikkei said.

In a statement, Ricoh said the acquisition was partly driven by its belief that "the borderline between office and home will fade and this will be reflected in a major change in products and services."

In May Ricoh said it planned to cut 10,000 jobs worldwide over three years to turn around sagging business operations amid the rise of a paperless trend driven by the emergence of smartphones and [tablet computers](#).

Ricoh was hit hard by the 2008-09 global financial crisis and the strong yen and has struggled to recover in the face of stiff competition.

The company employs 40,000 people in Japan and 68,900 overseas and has said it aims to shift more staff into areas with more growth potential, such as [information technology services](#) for corporate clients.

Hoya is looking to streamline its business to focus on medical products and materials for electronic devices using optics technologies.

Hoya will transfer the Pentax imaging systems business to a newly established subsidiary, and Ricoh will then acquire 100 percent of the outstanding shares of that new company, the statement said.

Hoya acquired the Pentax imaging business from Pentax Co. in 2008.

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