

**FUJIFILM Holdings to own 50.1% of  
Xerox Corporation's shares,  
and the combination of Fuji Xerox and Xerox Corporation**

**Shigetaka Komori  
Chairman and CEO,  
FUJIFILM Holdings Corporation**

**January 31, 2018**

**FORWARD-LOOKING STATEMENTS**

Forward-looking statements, such as those relating to earnings forecasts and other projections contained in this material, are management's current assumptions and beliefs based on currently available information. Such forward-looking statements are subject to a number of risks, uncertainties, and other factors. Accordingly, actual results may differ materially from those projected due to various factors.

This is Komori, from Fujifilm Holdings.

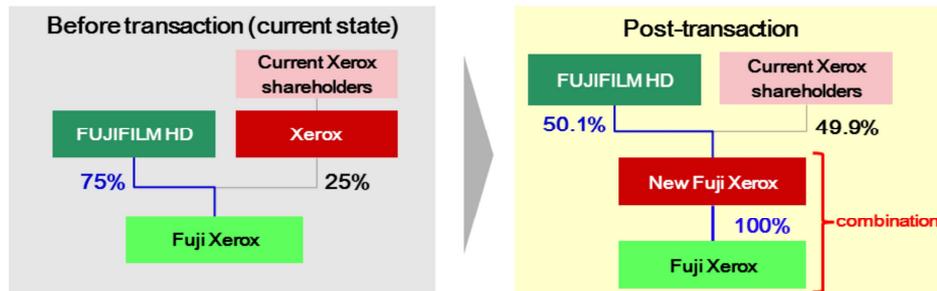
Thank you very much for participating today.

Fujifilm Holdings has come to an agreement with Xerox Corporation regarding Fujifilm Holdings' acquisition of 50.1% stake in Xerox, as well as the combination of our subsidiary Fuji Xerox with Xerox.

First, I will explain the rationale and objectives of this transaction.

# 1 . Transaction Overview

- Combination of Fuji Xerox and Xerox Corporation
- The current Xerox will be renamed "Fuji Xerox"<sup>(1)</sup> ( will maintain NYSE listing )
- Shigetaka Komori<sup>(2)</sup> to be named Chairman of BoD, Jeff Jacobson to be named CEO
- Dual headquarters in Minato, Tokyo and in Norwalk, CT USA
- FUJIFILM HD will own 50.1% (= management rights) of new shares of New Fuji Xerox, without any cash outflow from the FUJIFILM group



### < Strategy of New Fuji Xerox >

- Offer new value in improving office productivity, as a world-leading document solution company
- Expand into new markets such as industrial printing

Note(1) For simplification, in this material, the current Xerox is referred to as "New Fuji Xerox" after the change in company name, in order to distinguish it with the existing Fuji Xerox. 2  
(2) To continue to serve as Chairman and CEO of FUJIFILM HD, and Chairman of Fuji Xerox.

I will start with an overview of the transaction.

After the transaction, Fuji Xerox will be combined with Xerox, thereby becoming its 100% subsidiary, and Fujifilm Holdings will own a 50.1% stake in Xerox.

Over this transaction, no cash outflow from FUJIFILM group would be necessary.

The current Xerox Corporation would be renamed "Fuji Xerox" while maintaining NYSE listing.

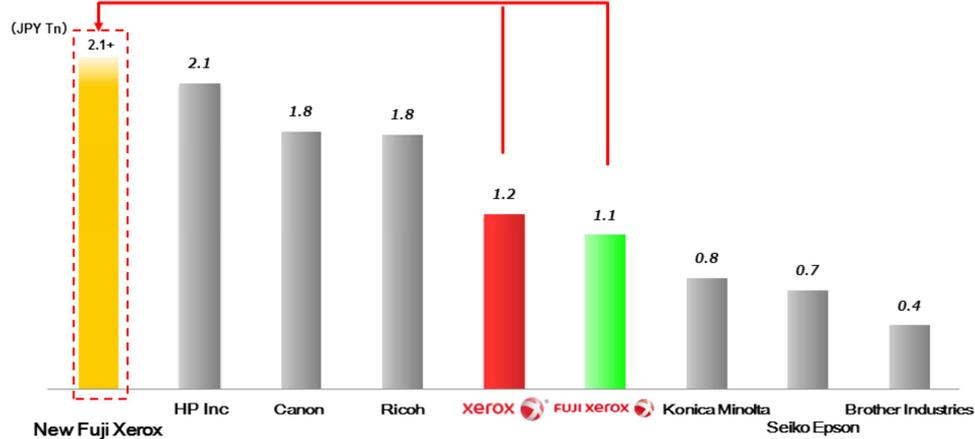
It is planned that I would be named Chairman of the BoD and current Xerox CEO Jeff Jacobson would be named CEO of the New Fujifilm Xerox.

The New Fuji Xerox would have dual headquarters in Minato, Tokyo and in Norwalk, CT USA.

The New Fuji Xerox will become a world-leading document solution company, accelerating its growth by offering new value in office productivity improvement, as well as by expanding into new markets such as industrial printing.

## 2 . Industry Ranking Post-combination

- To be a document solution company with one of the largest revenue scale in the world<sup>(1)</sup>
- Expected improvement in profitability, through sales growth and cost savings by achieving various synergies
- Accelerate business growth as a document solution company



Note (1) Represents revenue of each company's document business in the latest fiscal year (FY Oct 2017 for HP Inc., FY Dec 2016 for Xerox and Canon, FY March 2017 for the rest). Applied exchange rate of USD/JPY=110. For New Fuji Xerox, intercompany transactions have been deducted.

3

The combination of these two companies will lead to the birth of one of the largest document solution companies in the world in terms of revenue.

By combining the management, the New Fuji Xerox will be able to operate under a globally unified management strategy, and will improve its earnings capability through sales expansion and cost improvement, based on synergies.

Moreover, the New Fuji Xerox will benefit not only from its size but also from its top level management resources, including its vast array of technologies, high quality talent and strong brand power.

In addition, by leveraging its technologies with the vast and unique technologies of FUJIFILM HD, such as photography, inkjet, photo-lithography, optical etc., New Fuji Xerox will develop innovative products and expand its market domain.

### 3 . Strategic Direction of New Fuji Xerox

■ Together with New Fuji Xerox's own growth strategies, the new company will lead innovation in the print business by leveraging the technologies of FUJIFILM HD

#### What New Fuji Xerox aspires to become

- Based on a globally unified marketing strategy, accelerate the provision of products and services far superior to that of peers, market share gains in each region, and the acquisition of global accounts
- Optimize the entire value chain, including R&D, production, procurement, logistics. Simultaneously achieve timely launches of new products as well as better cost competitiveness

#### Leveraging FUJIFILM HD's advanced technologies

- By leveraging FUJIFILM HD's image processing technology and New Fuji Xerox's document-related AI technologies, offer solution services that contribute to the automation of business and productivity improvement of customers
- Moreover, by leveraging FUJIFILM HD's advanced technologies in photography, inkjet, photo-lithography<sup>(1)</sup>, optical, etc., develop innovative products unrivaled by peers, and expand market domain

Note(1) A technology used to create fine/minute patterns using photo-lithography technology, used in the manufacturing process of semiconductors etc.

4

Next, I will explain the business strategy of New Fuji Xerox.

New Fuji Xerox will execute a globally unified marketing strategy, and provide competitive products and services, gain market share in each region, and reach by meeting needs of global customers.

Moreover, by optimizing the entire value chain, including R&D, production, procurement and logistics, New Fuji Xerox will simultaneously achieve the capability of making timely launches of new products, and better cost competitiveness.

New Fuji Xerox will accelerate innovation, by applying Fujifilm HD's wide range of advanced technologies.

For example, by combining the image processing technologies, which FUJIFILM HD has strengths in, with New Fuji Xerox's AI technologies, it will be able to offer Solution Services that make a significant contribution to business process automation and productivity improvements on behalf of its customers.

By leveraging the AI technologies, New Fuji Xerox will make business processes of our customers more efficient and improved, making the most use of big data stimulated through our MFPs installed at the office.

## 4 . FUJIFILM HD's Business Outlook Following Transaction

- Through this transaction, simultaneously achieve “further reinforcement of the document business, our largest business”, and “continue growth investments in business areas that will become the next pillars of FUJIFILM HD”
- Accelerate the corporate value improvement of FUJIFILM HD, through the simultaneous execution of the two business strategies

### Leap in the Document Business

- Use management resources, including brand power, high quality talent, client base etc., to the fullest extent in global business expansion
- Further strengthen cash generation ability, by achieving synergies and expanding into new markets

### Further leap in the growth areas (healthcare, highly functional materials, etc.)

- No change in policy of actively investing in growth areas, centered around healthcare and highly functional materials
- FUJIFILM HD will secure financial flexibility and investment capability post this transaction

We will pursue a further leap in our document business, by utilizing our management resources, including brand power, high quality talent, client base, to the fullest extent in our global business expansion.

We will secure investment capability post this transaction with no cash outflow from FUJIFILM group. Our policy of actively investing in businesses such as healthcare and highly functional materials remains.

By simultaneously executing the two strategies – further strengthening the document business, our largest business, and continuing growth investments in business areas that will become the future pillars, we will further accelerate the corporate value improvement of FUJIFILM HD.

Since the founding of Fuji Xerox, FUJIFILM HD and Xerox have deepened our cooperation in the past 56 years, and built a strong relationship of trust.

This transaction is the optimal conclusion for both Fujifilm and Xerox, reached after evaluating various options to enhance each corporate value.

Please look forward to the next steps by New Fuji Xerox in the document solution business and further growth of FUJIFILM group as well.

## Business outlook of the New Fuji Xerox

Kenji Sukeno  
President and COO  
FUJIFILM Holdings Corporation

January 31, 2018

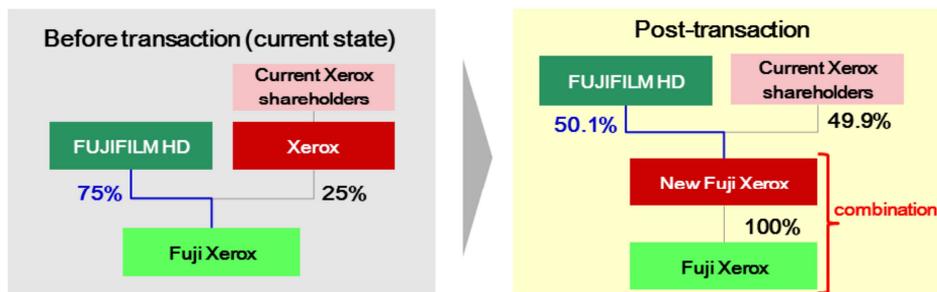
This is Kenji Sukeno of FUJIFILM HD.

I will go over the business outlook of New Fuji Xerox.

1. Transaction Structure
2. Company Overview of Fuji Xerox/Xerox
3. Market Environment of Document Business
4. Strengths of Xerox/Fuji Xerox
5. Synergies to be Achieved by New Fuji Xerox
6. Governance and Management of New Fuji Xerox
7. Impact on FUJIFILM HD's Financials
8. Expected Timeline

## 1 . Transaction Structure

- Buyback 75% shares by Fuji Xerox from FUJIFILM HD for 671Bn yen
- FUJIFILM HD to own 50.1% of Xerox shares by subscribing for newly issued shares for \$6.1Bn(=671Bn yen)
- Special dividend of \$2.5Mil by Xerox paid to its current shareholders
- After completion of transaction, Fuji Xerox to combine with Xerox to be its wholly owned subsidiary. FUJIFILM HD to own management rights of New Fuji Xerox
- No cash outflow from the FUJIFILM group over this transaction



8

I will start with a structure of the transaction.

Fuji Xerox buys back 75% of its own shares from FUJIFILM HD for 671.0Bn yen, raising Xerox's stake in Fuji Xerox from 25% to 100%.

Also, special dividend will be paid from Xerox to current Xerox shareholders.

FUJIFILM HD will use the cash of 671.0Bn yen (=\$6.1Bn) received from Fuji Xerox, to purchase Xerox's new shares and own a 50.1% stake in New Fuji Xerox.

After completion of transaction, while Fuji Xerox will be combined with Xerox to be its wholly owned subsidiary, FUJIFILM HD will own management rights of New Fuji Xerox.

Again, no cash outflow from the FUJIFILM group over this transaction shall be seen by leveraging the cash received in exchange for 75% Fuji Xerox shares to purchase new shares of Xerox.

## 2 . Company Overview of Fuji Xerox/Xerox

**FUJIFILM**  
Value from Innovation

Fuji Xerox 	Xerox 
Established : 1962	Established : 1906
HQ : Minato, Tokyo, Japan	HQ : Norwalk, Connecticut, U.S.A.
Revenue : 1.1 trillion yen ( FY 2016 )	Revenue : \$11Bn ( FY 2016 )
Employees : 47,350 ( as of E/FY 2016 )	Employees : 37,600 ( as of E/FY 2016 )
<ul style="list-style-type: none"><li>■ Rare success case of a cross border joint venture</li><li>■ Established a strong presence in the Asia Pacific region</li></ul>	<ul style="list-style-type: none"><li>■ Leading the office productivity revolution</li><li>■ Strong brand power in the global print market</li></ul>



First, allow me to once again introduce Fuji Xerox and Xerox, the two companies that will be combining.

Fuji Xerox was founded as a domestic sales company in 1962. It was a joint venture between Fuji Photo Film and Rank Xerox.

Since then, it has expanded its functions from sales to development and production, while extending its sales territory to all of the Asia Pacific, and has steadily grown its business.

Today, it's sales exceed 1 trillion yen, and is known as one of the rare success cases of a cross border joint venture.

At present, Fuji Xerox has established a powerful presence in the Asia Pacific region, including Japan.

Xerox was founded in 1906, and has been leading the office productivity revolution over the years since then, developing the first plain paper copier in the world using its xerography technology.

Xerox has strong brand power in the office market around the world, and conducts business worldwide with the exception of Asia Pacific, centered in the Western markets.

As you can see, the two companies have a long history of cooperation. They have been supporting their customers' communication activities and value creation through various products and services in their respective territories, and offering solutions and services that help solve management/business issues.

### 3. Market Environment of Document Business

- Market remains large in developed countries, and demand is robust
- Market is expanding in emerging countries, driven by economic growth. Needs similar to that of developed countries exist in urban areas

#### Developed countries

- Although paper output volume is on the decline, the office document market remains large, and robust demand is expected
- There are three key growth factors:
  1. Expansion of the solutions & services business in the office (MPS<sup>(1)</sup>/BPO<sup>(2)</sup>)
  2. Significant heightening of demand for productivity improvement in the office, with the advance of AI, IoT, cloud, and other technologies
  3. Expansion into large-scale printing markets (commercial printing, etc.)

#### Emerging countries

- Expansion of office document market, driven by economic growth
- In urban areas, there is an increase in solutions & services business demand, similar to that seen in developed countries.

Note (1) MPS: Managed Print Services. Hereinafter "MPS"  
(2) BPO: Business Process Outsourcing. Hereinafter "BPO"

10

Next, I will explain the market environment of the document business.

The state of the office document market is quite different between developed and emerging countries.

The office document market in developed countries is seeing a decline in paper output volume, but the market size remains large, and demand is expected to remain robust going forward.

However, it is becoming difficult to sustain growth using the traditional business model of generating profits from consumables and maintenance services in addition to selling hardware.

In order to continue growing in such an environment, it is important to expand the office solutions & services business, capture needs for productivity improvement that will heighten with technological advances in AI, IoT, cloud etc., and expand into large markets such as commercial printing.

Meanwhile, in the emerging countries, economic growth is driving the expansion of the office document market, and there is sufficient room for growth even with the traditional business model. Moreover, in the urban areas, there is demand growth for solution & services similar to that in developed countries.

In the next slide, I will go over the strengths of Xerox and Fuji Xerox, with the current market conditions in mind.

## 4 . Strengths of Xerox

- Creates new business models, and leads the office productivity revolution
- As pioneer in the services business, has secured significant presence and a high quality customer base

### Differentiation through strength of products and services

- The pioneer in introducing MPS, which optimizes and manages the office printing environment, and remains the leader in the field
- Newly created the on demand printing market, using its xerography technology, and maintains significant presence as the pioneer

### Strong development and production capabilities

- Established a structure to develop tools and offer support, in order to support the optimization of the office printing environment, including business process analysis (crucial when introducing MPS), and monitoring systems following the introduction
- Development and production of iGen, the on demand publisher that supports on demand printing

### Marketing capability

- Built a powerful partner network, as leader of the production service market
- Maintains a powerful sales channel and capabilities in North America, through high quality sales subsidiaries such as GIS<sup>(1)</sup>

### Strong positioning

- Remains strong in the A3MFP market (market size of \$23Bn)
- Top runner in MPS for large enterprises, and centralized print services <sup>(2)</sup>
- Leads the market of the high-speed production printer

**Note (1)** GIS: Global Imaging System. Acquired by Xerox in 2007  
**(2)** Consultation-based in house printing service

Xerox not only developed the plain paper copier, but has been creating new business models and leading the office productivity revolution, for example as pioneer in introducing Managed Print Services, which optimizes the office printing environment and manages it on behalf of customers. Xerox has secured significant presence in North America, the largest market in the world, as well as in other markets. Xerox is the pioneer in the services business, having strong position in MPS for large enterprises and centralized print services, and has a high quality customer base and sales network.

## 4 . Strengths of Fuji Xerox

- Strong operational capabilities in all functions, from R&D, production to sales
- Utilizes its collaborative relationship with Xerox to win business in Solution & Services

### Differentiation through strength of products and services

- Supports the workstyle reform of customers, by making the business process more efficient, through the provision of MFPs that are highly compatible with various cloud services
- Utilizes its collaborative relationship with Xerox, the pioneer in Solution & Services, to secure a strong position in the Asia Pacific region

### Strong development and production capabilities

- Is in charge of developing and manufacturing both the Fuji Xerox and the Xerox brand products, and supplies a wide range of products globally
  - Development capability :
    - Develops solutions utilizing connections to cloud services and AI
    - Develops MFPs that balance environmental features, such as energy saving and resource saving, and productivity at a high level
  - Production capability :
    - Manufactures and ships efficiently from factories in China and Vietnam

### Marketing capability

- Sales channel strategy suitable for each country
  - Developed countries:
    - strong customer base with larger enterprises and government bodies, through the direct sales structure
  - Emerging countries :
    - provides strong support to large enterprises and government bodies through the direct sales structure
    - Utilizes distributors to cover mid-to-small sized customers, thereby expanding its sales network while securing profitability

### Strong positioning

- Maintains No.1 market share in A3MFPs in Asia Pacific including Japan
- Achieved No.1 customer satisfaction in Japan, China, Hong Kong, Taiwan, Thailand, Singapore, Australia, etc.

Next, let me illustrate Fuji Xerox's strengths.

Fuji Xerox has strong operational capabilities in all functions including R&D, production and sales. As the global supplier of its own brand as well as the Xerox brand, Fuji Xerox is in charge of multiple processes, ranging from R&D to production.

Fuji Xerox has a powerful customer base, including large enterprises and government bodies, and a sales network covering all of Asia Pacific, including Japan. In the Solutions & Services area, Fuji Xerox has secured strong position in Asia Pacific, thanks to its collaboration with Xerox, the pioneer in the field.

## 5 . Synergies to be Achieved by New Fuji Xerox

- Transaction will maximize the strengths of the three companies
- A “win-win-win” scheme for all the three companies

### **FUJIFILM**

#### A mid-to-long term strategy and management focus in speed

- Methodology and experience in corporate innovation, having successfully reformed business structures and revitalized businesses
- Vast range of basic technologies, including material chemistry, and a diverse business portfolio
- Inkjet-related technologies that are highly compatible with New Fuji Xerox

#### Combine the strengths of the three companies

#### **FUJI XEROX**

##### Strong R&D, production and sales capabilities

- Track record of developing equipment and materials for both the Fuji Xerox and the Xerox brands
- Strong customer base in Asia Pacific, including Japan
- High market share in Asia, through the introduction of direct sales

#### **xerox**

##### Advantages in Solution & Services

- Leading position in production printing and global services
- Strong brand power in the print market
- Powerful customer base in North America, the largest market in the world

Next, I will explain the synergies that New Fuji Xerox will achieve.

FUJIFILM HD, Fuji Xerox, and Xerox have their own advantages in business which secure their business growths. We will be able to combine and thereby maximize each others' strengths through this combination, leading to a “Win-Win-Win” relationship that can generate powerful synergies.

Going forward, the three companies will conduct business as one, generating powerful synergies by combining the strong R&D, production and sales capabilities of Fuji Xerox mentioned earlier, together with Xerox's advantages in the Solutions & Services domain, with FUJIFILM HD's mid-to-long term strategic abilities and speed-oriented management.

The transaction enables New Fuji Xerox to offer global companies solution & services based on the unified platform, which would further enhance our customer satisfaction.

In addition, FUJIFILM HD's methodology and experience of turning business structures around and revitalizing businesses successfully as well as financial strength will be of help in executing the growth strategy of the New Fuji Xerox. Meanwhile, the vast range of basic technologies and inkjet-related technologies of FUJIFILM HD are highly compatible with New Fuji Xerox's business, and we can expect to see significant collaboration effects.

## 5 . Synergies to be Achieved by New Fuji Xerox

- High probability of sales and cost synergies arising from this combination
- At least \$1.7Bn<sup>(1)</sup> cost savings per annum by FY2022
  - \$1.2Bn cost savings per annum by FY2020
  - Take the opportunity of the combination to conduct fundamental structural reforms at Fuji Xerox. \$0.45Bn cost savings per annum expected

<b>Sales synergies</b>	<ul style="list-style-type: none"><li>■ Globally unified marketing strategy. Enrichment of product portfolio<ul style="list-style-type: none"><li>– Accelerate the gains of global customers as well as market share in each region</li></ul></li><li>■ Provision of Solution Services, by leveraging FUJIFILM HD's image processing technology</li><li>■ Innovative product development and expansion into new markets, by utilizing FUJIFILM HD's technologies in photography, inkjet, photolithography, etc.</li></ul>
<b>Cost synergies</b>	<ul style="list-style-type: none"><li>■ Optimize the entire value chain, including R&amp;D, production, procurement, logistics<ul style="list-style-type: none"><li>– Timely launches of new products</li><li>– Better cost competitiveness</li><li>– Optimization of production facilities and procurement functions. Removal of functional overlaps in production</li><li>– Improved efficiency in back office and administrative operations</li></ul></li></ul>

Note (1) Pre-tax basis

14

Now, I will go over the sales and cost synergies.

We expect the combination to lead to at least \$1.7Bn cost savings per annum by FY2022, including \$0.65Bn from production mainly with optimization of production facilities, \$0.4Bn from SG&A by mergers of administrative operations and others. We also expect to enjoy the synergies up to \$1.2Bn per annum in two years.

Sales synergies will include the enrichment of the product portfolio, the provision of Solution Services through the technological combination with FUJIFILM HD, innovative product development, as well as expansion into new markets.

Cost synergies will include various effects, through the optimization of the entire value chain including R&D, production, procurement and logistics, which will allow timely launches of new products and better cost competitiveness.

Furthermore, as part of the cost improvement efforts, we will take the opportunity of this combination to conduct fundamental structural reforms at Fuji Xerox, thus becoming leaner and meaner.

## 6. Governance and Management of New Fuji Xerox

- Governed by BoD, where majority of members are appointed by FUJIFILM HD
- As a U.S. listed company, and by appointing independent directors, will establish a governance structure that fully considers the interests of minority shareholders

### New Fuji Xerox Board

- The majority (7 out of 12) of the Board members of New Fuji Xerox will be appointed by FUJIFILM HD. The remaining 5 members will be appointed from the current Xerox Board
- Shigetaka Komori to be named Chairman of BoD<sup>(1)</sup>
- A Conflicts Committee<sup>(2)</sup> is to be set up, comprising of independent directors, to protect minority shareholders

### Business execution

- Jeff Jacobson to be named CEO
- Establish an organizational structure that maximizes the strength of both Fuji Xerox and Xerox
- Personnel appointments will be made to maximize the strengths of New Fuji Xerox, and not based on capital relations or which company the individual is from

**Note (1)** To continue to serve as Chairman and CEO of FUJIFILM HD, and Chairman of Fuji Xerox.

**(2)** A committee that will evaluate and approve transactions between related parties (FUJIFILM HD / Fujifilm and New Fuji Xerox) beforehand, from a conflict of interest perspective

I will now explain the governance and business execution at the New Fuji Xerox.

FUJIFILM HD will be appointing 7 out of the 12 Board members, securing the majority, and thus leading the governance of New Fuji Xerox. The remaining 5 Board members will be appointed from the current independent Directors of Xerox. The BoD, whose chairman is Shigetaka Komori will secure the governance of the New Fuji Xerox.

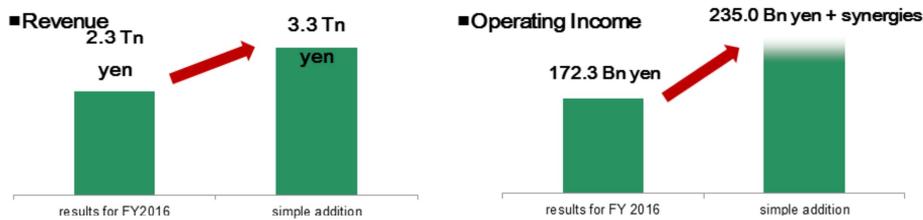
As a U.S. listed company, and in order to establish a governance structure that fully takes into consideration minority shareholders, independent directors will be appointed, and a Conflicts Committee comprising of independent directors will be placed in the Board. This Committee will evaluate and approve in advance related party transactions between Fujifilm and New Fuji Xerox, from a conflict of interest perspective.

In terms of business execution, an organizational structure that maximizes the strengths of both Fuji Xerox and Xerox will be established, and appointments will be made accordingly, regardless of capital relations or which company the individual is from.

## 7. Impact on FUJIFILM HD's Financials

■ Growth in sales and operating income, and early achievement of the 8.0% ROE target

	FUJIFILM HD consolidated (FY2016A)	FUJIFILM HD/Xerox Combined (FY2016A) <sup>(1)</sup>
Sales	2.3 Tn yen	3.3 Tn yen <sup>(2)</sup> ( +approx. 45% )
Operating income	172.3 Bn yen	235.0 Bn yen ( +approx. 35% ) – Plus, \$1.7Bn+ synergies per annum by FY2022 <sup>(3)</sup>



**Note (1)** Currency assumption: USD/JPY=110  
**(2)** Intercompany transactions between Fuji Xerox and Xerox have been deducted from revenue  
**(3)** Based on operating income

16

Now I will talk about the financial impact, of making New Fuji Xerox a subsidiary, on our consolidated books.

This is for reference purposes only, but if you do a simple addition of our results and Xerox's results for FY2016, total sales will become 3.3tn yen, up 45% from 2.3tn yen, and operating income will become 235bn yen, up 35% from 172.3bn yen.

As for operating income, we are expecting at least \$1.7Bn synergies by FY2022.

We will seek to achieve the 8.0% ROE target for FY2020 early, through these measures to improve profitability.

## 8 . Expected Timeline

- Transaction scheduled to close following approval at Xerox's shareholders' meeting, as well as various approvals from authorities



Lastly, I will go over the expected timeline.

We expect the closing to take place some time in June through September this year, following approval in Xerox's shareholders' meeting, as well as the various approvals from the authorities.

This concludes my presentation regarding the strategy and governance of New Fuji Xerox, as well as FUJIFILM HD's business outlook.

Taking this transaction into consideration, we will develop a new medium-term management plan of FUJIFILM HD before long.

Thank you for your attention.

# FUJIFILM

## Value from Innovation

At Fujifilm, we are continuously innovating — creating new technologies, products and services that inspire and excite people everywhere.

Our goal is to empower the potential and expand the horizons of tomorrow's businesses and lifestyles.

### **FUJIFILM Holdings Corporation**

Corporate Communication Office, Corporate Planning Div.

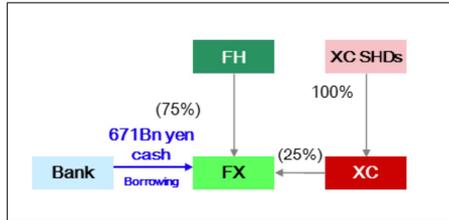
<http://www.fujifilmholdings.com/en/index.html>

# Reference

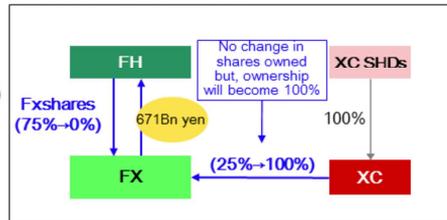
## Reference: Detailed Transaction Structure

### ■ FX to acquire 75% of its own shares from FH

FX to borrow 671Bn yen from Bank to fund share buy back

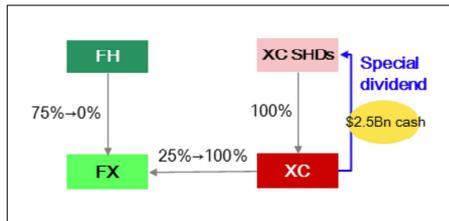


FX to repurchase 75% of its shares from FH  
XC will own 100% shares in FX



### ■ Special dividend by XC to current XC shareholders

XC to pay \$2.5Bn special dividend to current shareholders



FH : Fujifilm Holdings FX : Fuji Xerox XC : Xerox

**Note**

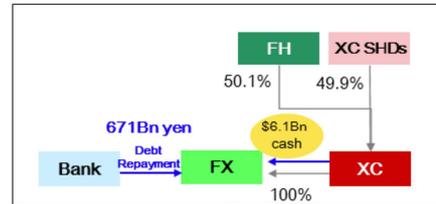
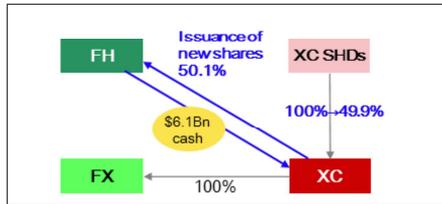
1. Although these steps will take place in one go, as a package, we have separated the steps for explanatory purposes. Details regarding existing cash and deposits and existing 20 interest-bearing debt have been abbreviated

## Reference: Detailed Transaction Structure

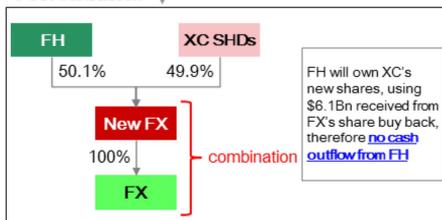
### ■ Issuance of new shares by XC to FH

FH will utilize the cash of 671Bn yen (= \$6.1Bn), received from FX, to purchase new shares of XC, thereby acquiring a 50.1% stake in XC

XC will transfer to FX the cash of \$6.1Bn, received from FH, which will be used to repay FX's borrowing



### Post transaction



FH will own XC's new shares, using \$6.1Bn received from FX's share buy back, therefore **no cash outflow from FH**

FH : Fujifilm Holdings FX : Fuji Xerox XC : Xerox

### Note

1. Although these steps will take place in one go, as a package, we have separated the steps for explanatory purposes. Details regarding existing cash and deposits and existing 21 interest-bearing debt have been abbreviated

**FUJIFILM**

Value from Innovation