

Growth Strategy for Document Business

FUJIFILM Holdings Corporation

February 6, 2020

Changes in the Contractual Relationship with Xerox and Strategic Direction of the Document Business

- ✓ In Nov 2019, FUJIFILM Holdings(FH) acquired the 25% stake in Fuji Xerox(FX) owned by Xerox Corporation(XC).
 - Terminate the Joint Enterprise Contract with XC
 - Enter into new agreement to supply OEM brand products globally
 - Continue product supply to XC in mid-to-long term(Maintain partner relationship with XC)
 - ✓ On January 6, 2020, FX announced the decision to end the Technology Agreement which sets the terms for technology/brand licenses and sales territories, on March 31, 2021.
- Accelerate strategic decision-making
 - Enable global OEM business
 - Discontinue brand royalty payment (about 10B JPY/year)
 - Enable global business expansion under FUJIFILM brand
- ✓ Accelerate global business expansion
 - ✓ Enable prompt decision making to acquire new growth opportunities
 - ✓ Pursue synergies within FUJIFILM group
 - ✓ Sustain and expand technology and business base

2

First, let me discuss the changes in the contractual relationship with Xerox Corporation(XC) and strategic direction of the document business.

Last November, FUJIFILM Holdings(FH) acquired the 25% stake in Fuji Xerox(FX) owned by XC and now FX operates as a wholly owned subsidiary of FH.

FH and XC terminated the Joint Enterprise Contract and the joint venture relationship in place over the last 57 years has ended.

At the same time, we entered into an agreement to supply OEM brand products globally.

Also, we amended the product supply agreement with XC and extended its terms to 5 years to continue the product supply relationship in the mid-to-long term.

As a result, FX will accelerate strategic decision-making and expand the OEM business globally.

Next, on January 6, we announced the decision to end the Technology Agreement, which sets the terms for technology/brand licenses and sales territories, on the scheduled expiration date, March 31, 2021.

To secure sufficient time to prepare for business operations under a new brand, such as product development and communication with customers, we decided to announce this on January 6.

The termination of the Technology Agreement enables us to discontinue the annual payment of 10B JPY as brand royalty and to expand business globally under the FUJIFILM brand.

Based on these contractual changes between XC, we aim to realize the following strategies.

First, accelerate global business expansion. Second, enable prompt decision making to acquire new growth opportunities. Third, pursue synergies within FUJIFILM group. Fourth, sustain and expand technology and business base.

Trade Name after April 2021

FUJIFILM

FUJIFILM Business Innovation Corp.

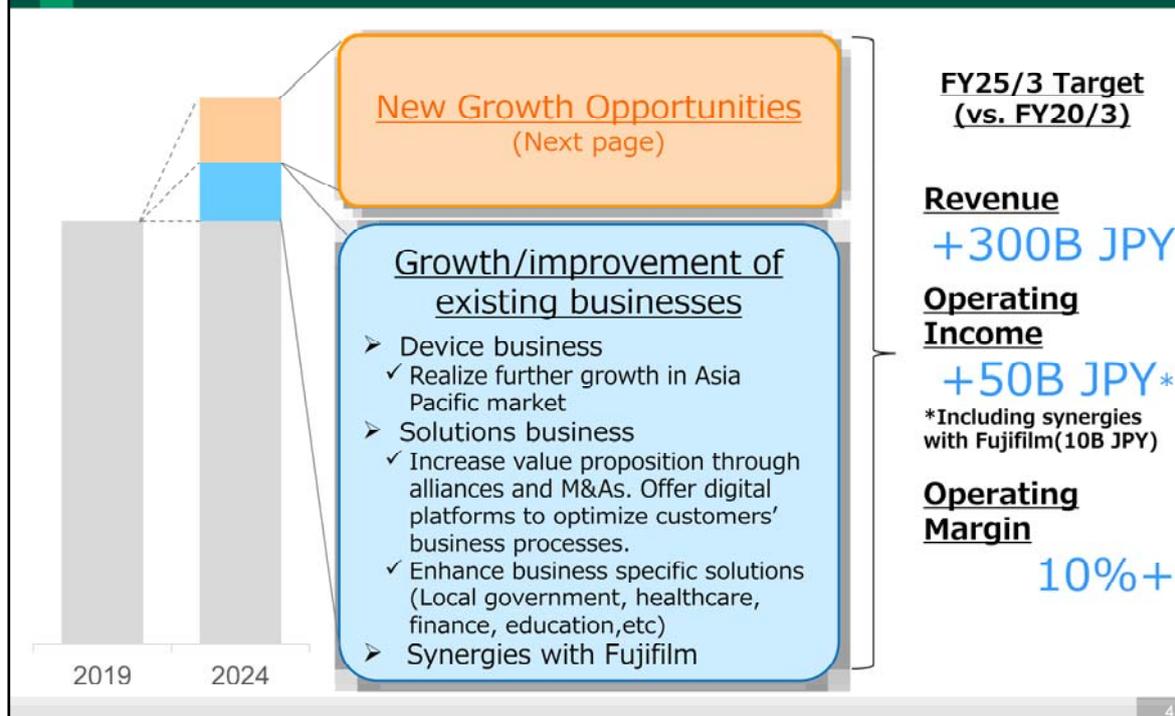
The new corporate name represents Fuji Xerox's commitment as part of the Fujifilm Group—which promotes "Value from Innovation" as its corporate slogan—to expand into a wide range of business areas going forward and to always continue delivering business innovations.

3

Fuji Xerox Co., Ltd. will change its corporate name to FUJIFILM Business Innovation Corp. on April 1, 2021.

The new corporate name represents Fuji Xerox's commitment as part of the Fujifilm Group—which promotes "Value from Innovation" as its corporate slogan—to expand into a wide range of business areas going forward and to always continue delivering business innovations.

Future Growth Scenario



We will continue business operations as FUJIFILM Business Innovation Corp. after April 1, 2021. By FY25/3, we are targeting 300B JPY revenue growth and 50B JPY increase in operating income from FY20/3, and over 10% operating margin.

To achieve this target, we will acquire new growth opportunities as well as realizing growth and improvement of existing businesses. I will talk about new growth opportunities in the next slide but let me first talk about existing businesses.

First, in the device business segment, I believe there still are growth opportunities in the AP region by promoting the use of color printing and enhancing marketing to SMB customers.

Next, in the solutions business segment, not only by our own development, but also through alliances with advanced technology providers (i.e. Esker (France) and DocuSign (United States)), we will establish solution platforms to optimize customers' business processes efficiency and provide customers with high-value-added solutions.

Also, by incorporating our own technology and Fujifilm's technology and knowhow, we will evolve solution offerings and provide customers in sectors such as local government, healthcare, finance and education with increased value.

To accelerate growth in these solution areas, we will take necessary measures including M&As.

Additionally, as a synergy with FUJIFILM, we will optimize operations by sharing overseas operation bases and infrastructures.

New Growth Opportunities

	FY25/3 Revenue Growth (vs. FY20/3)
Acquire OEM Business opportunities in the global market <ul style="list-style-type: none"> ✓ MFP/Printer OEM Business ✓ Sales alliances of Xerographic Components 	90B JPY
Explore new growth area outside of Document business	30B JPY
Introduction of innovative new products	20B JPY
Expand into global markets by utilizing FUJIFILM sales channels	10B JPY

5

Next, in this slide, I will describe new growth opportunities.

First, we will acquire business opportunities in the global market by expanding OEM business.

Our products are highly evaluated for its robustness, quality, and security. In addition to MFP/Printer OEM, we will provide Xerography components to OEM customers from April 2021.

Secondly, we will explore new growth areas outside of the document business to contribute to a wider range of customers. For example, we will provide increased value to customers in the medical sector such as automatically producing diagnosis report by incorporating FF imaging technology and FX language processing technology.

We also plan to introduce innovative new MFP/printer products which goes beyond common sense in our industry.

Finally, as a synergy with FUJIFILM, we will utilize FUJIFILM graphic sales channels in global markets to realize further growth in the professional printing business.

Through these strategies, we will acquire 150B JPY growth opportunities by FY2025/3.

As Fuji Xerox for about one year, and as Fujifilm business Innovation after April 2021, we will steadily implement necessary measures to realize business growth.

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.

<https://holdings.fujifilm.com/en>