



FUJIFILM Holdings Corporation

Kenji Sukeno

President and Chief Operating Officer

June 27, 2018

Notice of Response to the Letter from Xerox Corporation

FUJIFILM Holdings Corporation (the “Company”) announces that today the Company made a written response as attached to the letter from Xerox Corporation’s CEO, Mr. John Visentin dated June 25, 2018.

June 27, 2018

Mr. John Visentin
Vice Chairman and
Chief Executive Officer
Xerox Corporation
45 Glover Avenue
Norwalk, Connecticut 05856 USA

Dear Mr. Visentin,

I write in response to your letter dated June 25, 2018.

First of all, although Xerox seems to justify its termination of the Share Subscription Agreement with the reason that Fujifilm committed material breach, we will clearly argue that we did not commit such at all and your termination of the agreement lacked legitimate reason.

Our agreements to combine Xerox and Fuji Xerox were fairly negotiated at arms' length by sophisticated parties and were unanimously approved by the boards of directors of both Xerox and Fujifilm. Although you desperately attempt to justify your unilateral termination of these agreements in your letter, we are confident that the court will see through your misleading misstatements and conclude what is obvious to objective observers: that your stated reasons for terminating our deal are merely a thinly veiled pretext to bargain for a higher price from Fujifilm at the behest of two minority shareholders.

In addition, your misleading reference to "surreptitious" conduct by Fujifilm seeks to whitewash that it was the conduct of your former CEO and directors that caused the New York Supreme Court to enjoin, preliminarily, the transaction.

It was Xerox that first approached us with the proposed transaction. We entered into discussions with Xerox since we believed the transaction could be beneficial for the shareholders of both companies, but specifically for yours given the shrinkage of market and low market shares of Xerox in your territories. Indeed, the financial impact of Xerox's unjustified purported termination of the transaction appears to have been significant for Xerox shareholders: following the announcement of the transaction on January 31, 2018, Xerox's common stock closed at \$34.13 per share; yesterday, it closed at \$25.33 per share, a decline of more than 25%. The market appears to understand that our agreed-upon transaction was substantially superior to the status quo for Xerox shareholders. We continue to maintain that Xerox should take all steps to allow its shareholders to decide for themselves whether to approve the transaction with Fuji Xerox.

I do not intend to dignify every misstatement in your letter with a response, but I am afraid I have no choice but to address your outrageous mischaracterizations of the past accounting issues at Fuji Xerox. As you very well know, Fuji Xerox has devoted extensive resources to ensure that past accounting issues have been properly resolved and there is no reason to assert that these issues continue to exist. Audits have been completed by two top-tier auditing firms, for all of Fuji Xerox's operating companies in its territory, including China. In addition, while you criticize Fujifilm as a shareholder of Fuji Xerox for its questionable accounting issue, you should note that Xerox is another shareholder of Fuji Xerox and it is obvious mistake to accuse only one party of the joint venture for the accounting issue.

As for your stated intent to not renew the Technology Agreement in 2021 and conduct business in the Asia Pacific market, we are prepared to respond by competing with Xerox here in Asia Pacific, and by marketing in territory where Xerox is currently doing business unchallenged by us, such as America and Europe. While Xerox presently has no marketing facilities here in Asia Pacific, we have global infrastructure that we can utilize for marketing worldwide. Accordingly, we believe it would be enormously costly and difficult for Xerox to gain business in Asia Pacific.



Value from Innovation

Shigetaka Komori
Chairman and Chief Executive Officer

FUJIFILM Holdings Corporation
FUJIFILM Corporation

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Lastly, I need to point out that you did not attend Fuji Xerox's annual shareholders' meeting and board meeting on June 20, in spite of the fact that you were to be elected as a new director of the board of Fuji Xerox at the meeting. Your letter was sent without any prior communication from you and was actually publicized before it even reached me. This is impolite and wrong, and I hope our communications will be in a more respectful manner going forward.

Best Regards,

A handwritten signature in black ink, appearing to read "S. Komori", written over a horizontal line.

Shigetaka Komori
Chairman and Chief Executive Officer
FUJIFILM Holdings Corporation