

October 24, 2019

Notice of Agreement to Propose Acquisition of Australian Office IT Services Provider, CSG

Fuji Xerox Co., Ltd ("Fuji Xerox"), which is a group company of the Company, announces that its subsidiary Fuji Xerox Asia Pacific Pte Ltd ("Fuji Xerox Asia Pacific") has entered into an agreement with CSG Limited (ASX: CSV, "CSG")—the office IT services provider headquartered in Melbourne, Australia—to propose the acquisition of CSG. Under the agreement, Fuji Xerox Asia Pacific proposes to acquire all of the shares in CSG by way of Scheme of Arrangement*¹ ("the Scheme") under Australian law. Upon completion of the Scheme, Fuji Xerox Asia Pacific will acquire all of CSG's shares and CSG will become a subsidiary of Fuji Xerox Asia Pacific.

The proposed acquisition will be for cash consideration. Future steps necessary to complete this acquisition include obtaining approval of CSG's shareholders at a shareholders' meeting, receiving approval from an Australian court, and obtaining necessary approvals from Australian and New Zealand regulatory authorities and the satisfaction of other customary conditions. The Scheme is expected to be completed by mid-February, 2020.

Through this acquisition, Fuji Xerox aims to further expand business operations in relation to small- and medium-sized businesses ("SMBs") in Australia and New Zealand, by harnessing the synergies between the two businesses in relation to the supply of office printing equipment and IT services.

CSG is an independent company based in Australia and New Zealand that provides printing equipment and IT services for the offices of nearly 10,000 client companies, mainly SMBs. The company was founded in Darwin, Australia in 1988, posted sales of approximately 217.6 million AUD for the fiscal period of June 2019 and currently serves 27 locations with 670 employees.

While CSG has a strong foothold with SMB customers, a majority of Fuji Xerox's business is from large enterprise customers; thus, the two companies' businesses are largely complementary. About 90 percent*2 of the companies in Australia and New Zealand are SMBs, and by acquiring CSG, Fuji Xerox seeks to strengthen its structure to provide SMB customers with optimal IT services and products, enhancing its strong position in Australia and New Zealand.

Overview of CSG Limited

Head office location: Melbourne, Australia

Locations: Australia – Melbourne, Sydney, Brisbane, plus 12 locations

New Zealand - Auckland, Wellington, Christchurch, plus nine locations

Established / Listed year: Established in 1988, ASX listed in 2007

Current management: Bernie Campbell (Chairman), Mark Bayliss (Acting CEO and

Managing Director)

Number of employees: 670, as of September 2019#

Business operations: Sales, installations, maintenance and providing services of office IT

equipment for SMBs

^{*1} A method for acquiring 100 percent of the shares of an Australian listed company

^{*2} According to Fuji Xerox's own survey