

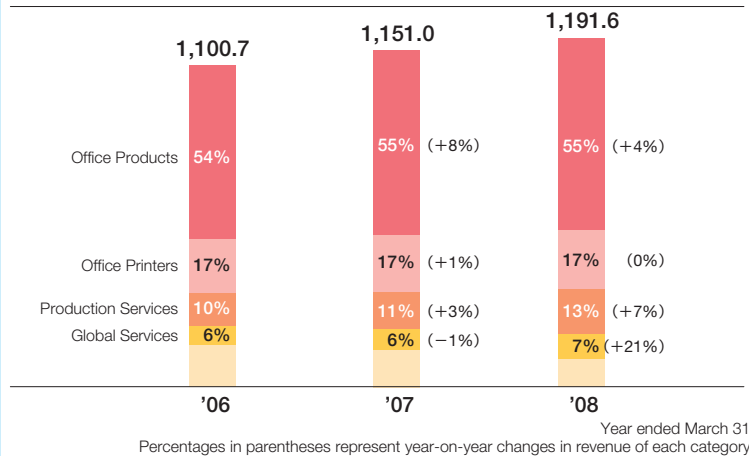
Document Solutions

The Document Solutions segment encompasses office copy machines and multifunctional devices, printers, production services and related products, paper, consumables, and office services.



Breakdown of Revenue (2006–2008)

(Billions of yen)

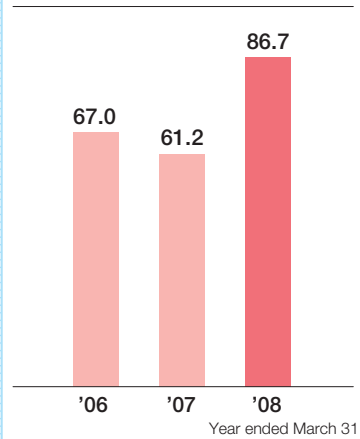


Reasons for YoY Changes

- + Benefits of increased exports to Europe and North America as well as sales growth in the Asia-Pacific region including China

Operating Income

(Billions of yen)



Reasons for YoY Changes

- + Higher office products business revenues in exports to the Asia-Pacific region including China, and sales in Europe and North America
- + Benefits of decrease in procurement costs and enhanced productivity

Results for Fiscal Year Ended March 31, 2008

Consolidated revenue in this segment rose 3.5%, year on year, to ¥1,191.6 billion, driven by strong growth in exports of color digital multifunction devices and on-demand publishing systems to Europe and North America and sales in the Asia-Pacific region including China. Operating income increased 41.6%, or 11.3% compared to pro forma operating income in the previous fiscal year, to ¥86.7 billion. Higher sales of office products in the Asia-Pacific region including China, a decrease in procurement costs and improved productivity contributed to growth in income.

Segment Outlook

In Japan, the segment will aim for a top market share by taking steps to strengthen its provision of high-value-added products in the office products field. In the Asia-Pacific region including China with high growth potential, Document Solutions will work to expand its production service business, while also promoting the popularization of color products. Furthermore, by implementing initiatives under the “Slim & Strong Drive,” it will work toward improving its cost to sales and SG&A ratios.

Office Products

In Japan, this business experienced healthy sales of the newly developed LED (light-emitting diode) print head-loaded, full-color, digital multifunction devices ApeosPort-III C3300/C2200 and DocuCenter-III C3300/C2200 that were launched in November 2007. However, owing to a drop in demand, mainly for monochrome models, sales volumes waned. In the Asia-Pacific region including China, sales of color devices surged. Also, due to a rise in exports to U.S.-based Xerox Corporation, which acquired a new sales channel, shipments increased for both monochrome and color devices destined for Europe and North America significantly increased.

Business Outlook

The office products business will aim for a No. 1 market share by providing information security and enhanced network-related products, solutions and services. At the same time, it will work to bolster the competitiveness of its products targeting major enterprise customers—an area where it boasts particular strengths.

Office Printers

In Japan, the office printers business released the LED print head-loaded, color laser printer DocuPrint C2250 to augment a printer lineup that includes the mainstay color laser printer DocuPrint C3050. As a result, sales of Fuji Xerox's own brand products increased. However, OEM sales dropped owing to a decline in OEM customers' sales. In the Asia-Pacific region including China, sales of color and monochrome devices increased on the back of ongoing market growth.

Business Outlook

The office printers business will look to continuously strengthen sales of color and monochrome devices in the high-demand Asia-Pacific region including China.



ApeosPort-III C3300/C2200



DocuPrint C2250

Production Services

Despite an increase in the sales volume of color on-demand publishing systems for Japan's digital printing market, domestic sales dropped slightly due to a decrease in prices of monochrome devices attributable to intensified market competition. In exports to Europe and North America, sales grew for the business's color publishing entry-level model, DocuColor 5000 Digital Press. In the Asia-Pacific region including China, sales volumes of monochrome devices in addition to color entry-level models increased.



Docu Color 5000 Digital Press EFI Fiery Color Server Model

Business Outlook

Mainly in the markets of the Asia-Pacific region including China, the business will expand its production services business by bolstering its product competitiveness and marketing capabilities.

Global Services

Global services, including consulting services targeting enhanced administrative processes for customers as well as the document outsourcing business that handles document management and general administrative operations, continued to grow both in Japan and overseas.

Business Outlook

Regardless of country or region, Fuji Xerox is working to expand its service lineups by collaborating with Xerox Corporation in order to accelerate the advancement of global services that contribute to the growth of customers' businesses.

Fuji Xerox's Environmental Technologies: EA*-Eco Toner

* Emulsion Aggregation

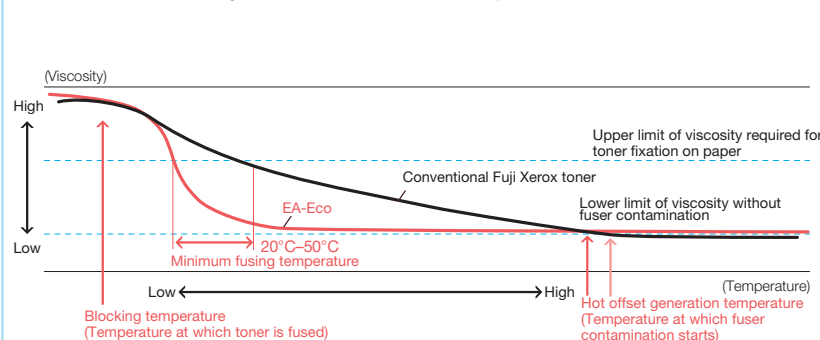
In December 2007, Fuji Xerox commenced the mass-production of the new EA-Eco Toner that realizes excellent energy-savings by cutting up to 40% of power consumption at the moment of fusing.

Toner fusion is the most power-intensive process on copy and multifunction devices, accounting for 50 to 80% of total power consumed. The reason for this is the large amount of energy required at the moment of fusing, which is when toner is melted at a high temperature onto paper. The EA-Eco Toner newly developed polyester that has different characteristics, including a different melting point, is mixed with other new products. Compared with Fuji Xerox's existing EA Toner, this new formula is able to lower the fusing temperature by 20°C–50°C. Owing to this development, a 20% decrease in power consumption at the

moment of fusing has been achieved. Similarly, in glossy mode, the decrease is 40%.

EA-Eco Toner, like the existing EA Toner, contains wax and is completely oil free. EA-Eco Toner is also able to realize a level of glossy finish appropriate for different types of paper through its unique fusion properties. As a result, the toner controls shine on regular paper, while reproducing a high-gloss finish on glossy paper. Furthermore, EA-Eco Toner's high-gloss reproducibility and low-temperature fusing both contribute to significant reductions in CO₂ emissions.

EA-Eco Toner Viscosity Levels in Relation to Temperature



Effect of EA-Eco Toner (Glossy Mode) on the Reduction of CO₂ Emissions

