

# Document Solutions

The Document Solutions segment encompasses office copy machines and multifunction devices, printers, production services and related products, paper, consumables and back-office outsourcing services.

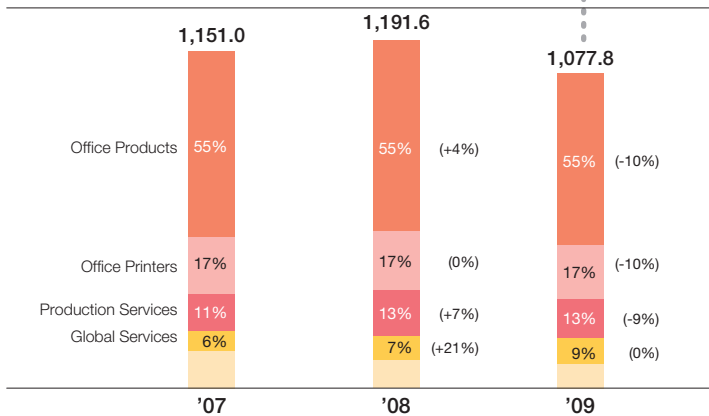


## Breakdown of Revenue

### Reasons for YoY Changes

- Lower sales due to global demand contraction, as well as to radical fluctuations in foreign exchange rates
- Effects of the yen's appreciation, totaling ¥46.6 billion

(Billions of yen)



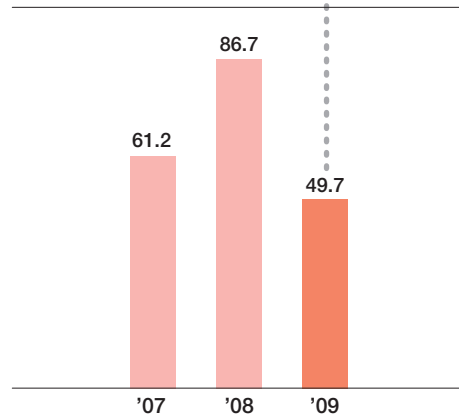
Year ended March 31  
Percentages in parentheses represent year-on-year changes in revenue of each category

## Operating Income

### Reasons for YoY Changes

- Lower sales more than offsetting effects of reduced manufacturing costs and SG&A expenses

(Billions of yen)



Year ended March 31

### Results for Fiscal Year Ended March 31, 2009

Consolidated revenue in this segment fell 9.6% year on year to ¥1,077.8 billion, due to a decline in sales volume attributable to the rapid deterioration of economic conditions in the second half as well as unfavorable movements in the exchange rates of the U.S. dollar and Asian and Oceanian currencies against the yen. Operating income also fell 42.7% year on year to ¥49.7 billion, owing to such factors as the economic slowdown and the yen's appreciation.

### Segment Outlook

Fuji Xerox started the V06 Management Reform Program and entered a new stage of reform with the Management Innovation Activities in the fiscal years ended March 31, 2005 and 2009, respectively. Going forward, Fuji Xerox is expanding these activities. Specifically, we will improve productivity in our back-office operations and reallocate the human resources generated through this initiative to our sales frontlines to strengthen marketing activities. Also, we will improve our R&D efficiency by consolidating R&D facilities into a new base. In order to cut total manufacturing costs, we will keep enhancing our production technologies to achieve further cost reductions, while optimizing our production functions.

### Office Products

#### Year in Review

In Japan, the office products business experienced a sales volume decrease, significantly impacted by decreased demand and a rapid downturn in the second half. Also, the cost reduction efforts of the entire corporate sector have led to a decline in the sales of consumables and maintenance services. Sales in the Asia and Oceania regions dropped substantially, adversely affected by the yen's appreciation against the region's currencies and the rapid economic slowdown. Regarding exports to U.S.-based Xerox Corporation, overall shipment volume grew thanks to the expansion of U.S. sales channels through an acquisition made by Xerox Corporation in the previous fiscal year and increased demand in newly industrializing countries (NICs) and other regions in the first half.

#### Business Outlook

Fuji Xerox will strengthen products and services that enable enhanced information security and networking environments in response to the strong market demand for them. At the same time, it will bolster proposal capabilities to improve operational flows and efficiency, focusing on such fields as document management and printing services. Through these activities, Fuji Xerox will reinforce its wide-ranging solutions for various corporate issues, including the establishment of an internal control system, the reduction of the environmental impact of office operations and general cost cutting. In this way, we will promote the growth of the office products business.

### Office Printers

#### Year in Review

In Japan, the office printers business suffered sales volume decline due to weak demand. Concerning performance in the Asia and Oceania regions and exports to Xerox Corporation, sales deteriorated due to negative factors including the rapid appreciation of the yen, despite a substantial growth in color device sales volume.

#### Business Outlook

In Japan, and in the high-demand Asia-Pacific region, including China, the office printers business will continue to expand color device sales and boost the volume of color printing through the reinforcement of our devices' compatibility with advanced security and other applications.



ApeosPort-III C7600



DocuPrint C3360



700 Digital Color Press

## Production Services

### Year in Review

Sales volume increased significantly in Japan, thanks to the successful launch of a new product for the color light production market. Similarly, the volume of export sales to Xerox Corporation grew substantially, reflecting robust sales of such products as the 700 Digital Color Press color on-demand publishing system. However, overall sales in the production services business declined, primarily attributable to weakening demand in the Asia and Oceania regions and the yen's appreciation.

## Global Services

### Year in Review

Global services continued to show steady performance both in Japan and overseas. These services include consulting services targeting enhanced business processes for customers, as well as document outsourcing services, in which Fuji Xerox comprehensively manages document-related operations outsourced from customers.

### Business Outlook

Mainly in Japan and the markets of the Asia-Pacific region, including China, Fuji Xerox will further expand its production services business by launching competitive products and bolstering specialized expertise in its marketing operations.

### Business Outlook

By strengthening collaboration with Xerox Corporation, Fuji Xerox is working to expand its service lineups to accelerate the growth of the global services business, thereby supporting the development of multinational enterprise customers.

### ● Fuji Xerox's "beat" Secure Network Outsourcing Service Wins the Trust of the G8

At the 2008 G8 Kyoto Foreign Ministers' Meeting (June 26 to 27, 2008) and the G8 Hokkaido Toyako Summit (July 7 to 9, 2008), Fuji Xerox and FUJIFILM Imagetec Co., Ltd. (FJIT), which provides professional-use imaging and information services, joined forces to support the Japanese government's service to distribute official photos of these events. As official photos of these events are used by various media and press organizations worldwide, it is definitely an important issue for host countries to enable their smooth distribution. This matter was solved for the G8 events through the integration of Fuji Xerox's "beat"\* and FJIT's "IMAGE WORKS."

FJIT's "IMAGE WORKS" is an application service provider (ASP) facility that stores, shares and distributes large-capacity data in a secure environment via a server on the Internet. "IMAGE WORKS" provided the central functions in the official photo distribution service. The service for these G8 events involved: the transmission of digital image data from mobile computers used at the venues of those events to the International Media Center (IMC); the selection and processing of digital images; and the uploading of the digital images to the Website of the Ministry of Foreign Affairs (MFA) of Japan. (See the diagram below for

details.) However, there was a concern that the "IMAGE WORKS" operations alone could not ensure the information immediacy and security required in cases where digital image data must be transmitted via non-dedicated lines installed at, for example, a restaurant in the reception area of these events. Fuji Xerox's "beat" service solved this issue.

The "beat" service uses advanced encryption of data transmission, which enables image and other data to be safely and rapidly transmitted via the Internet to remote locations, protecting against interception and unauthorized alteration. The combination of "beat" and "IMAGE WORKS" supported the efficient and reliable distribution of official live photos of various activities that took place during the G8 events. These services provided by Fuji Xerox and FJIT contributed significantly to the success of these important events.

\* "beat" is an all-in-one secure network outsourcing service that provides IT infrastructure with enhanced network security functions. Being an affordable service, "beat" offers: (1) Fuji Xerox's proprietary firewall function to prevent unauthorized access; (2) an intrusion prevention system (IPS); (3) anti-virus and anti-spyware services; and (4) other functions and services indispensable to business operations, such as simplified groupware and shared folders.

