

Briefing on “FY2019/3 1Q Results”
Main questions and answers

Q: How was the sales situation of each business in 1Q compared to the plan?

A: Almost all the businesses proceeded in line with the plan.

Q: What was the reason for a upward revision of the targeted annual unit sales of instax from 90.0 million to 100.0 million?

A: The sales volume of instax in 1Q totaled 1.75 million units, exceeding the plan, due to strong sales in the U.S., Europe and other regions. In addition to the actual strong sales, developing a worldwide major promotional campaign in collaboration with Taylor Swift, with whom we have made a global partnership agreement, we can expect further sales expansion.

Q: What was the reason for a sales decrease in the document business?

A: The sales decreased by about 15.0 billion yen compared to the previous fiscal year because of such reasons as a reduction in low-profit printer business, and a change in revenue recognition regarding purchased products to be recorded from “gross sales” to “net sales”. These two items had only minor impacts on operating income.

Q: How is the current situation regarding the business integration of Fuji Xerox and Xerox Corporation?

A: We are implementing strengthening of Fuji Xerox’s business. The business integration of Fuji Xerox and Xerox Corporation is a better option, but not indispensable. We still believe that the business integration scheme announced on January 31 is the best option for the future of both companies, and we will make an assertion carefully in an appellate instance, which is to start in September.

Q: What was the reason for the announcement of a buyback of the Company’s shares of 100.0 billion yen at this timing?

A: This announcement was in accordance with the strategies of our medium-term management plan. We decided a buyback of the Company’s shares of 100.0 billion yen, considering its cash-generating abilities and the ways to use it. We are planning to conduct a buyback of the Company’s shares of total 200.0 billion yen in three years from FY2018/3 to FY2020/3, out of which 50.0 billion yen of the shares were purchased in the previous fiscal year.

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