XEROX CORP
Form DEFA14A
January 31, 2018

SCHEDULE 14A

(Rule 14a-101)

INFORMATION REQUIRED IN PROXY STATEMENT

Proxy Statement Pursuant to Section 14(a) of

the Securities Exchange Act of 1934

(Amendment No.)

Filed by the Registrant Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting material Pursuant to Rule 14a-12

Xerox Corporation

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

PAYMENT OF FILING FEE (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

1) Title of each class of securities to which transaction applies:

2) Aggregate number of securities to which transaction applies:

3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (Set forth the amount on which the filing fee is calculated and state how it was determined):

4) Proposed maximum aggregate value of transaction:

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Fee paid previously with preliminary materials.

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1) Amount Previously Paid:

2) Form, Schedule or Registration Statement No.:

3) Filing Party:

4) Date Filed:

The presentation attached as Exhibit 1, the information attached as Exhibit 2, the employee communications attached as Exhibits 3 and 4, and the transcripts attached as Exhibits 5 and 6 hereto may be provided to stockholders of Xerox Corporation.

Xerox to Combine with Fuji Xerox Introducing a global leader in innovative print technologies and intelligent work solutions January 31, 2018 Exhibit 1

Additional Information and Where to Find It This release may be deemed to be solicitation material in respect of the transactions with FUJIFILM Holdings Corporation ("Fujifilm") described herein (the "Transactions") and/or the matters to be considered at the Company's 2018 Annual Meeting of Shareholders. In connection with the Transactions and the 2018 Annual Meeting, Xerox plans to file with the Securities and Exchange Commission ("SEC") and furnish to Xerox's shareholders one or more proxy statements and other relevant documents. BEFORE MAKING ANY VOTING DECISION, XEROX'S SHAREHOLDERS ARE URGED TO READ THE PROXY STATEMENT(S) IN THEIR ENTIRETY WHEN THEY BECOME AVAILABLE AND ANY OTHER DOCUMENTS TO BE FILED WITH THE SEC IN CONNECTION WITH THE TRANSACTIONS AND/OR THE COMPANY'S 2018 ANNUAL MEETING OR INCORPORATED BY REFERENCE IN THE PROXY STATEMENTS BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT THE TRANSACTIONS AND/OR THE COMPANY'S 2018 ANNUAL MEETING AND THE PARTIES RELATED THERETO. Xerox's shareholders will be able to obtain a free copy of documents filed with the SEC at the SEC's website at http://www.sec.gov. In addition, Xerox's shareholders may obtain a free copy of Xerox's filings with the SEC from Xerox's website at http://www.xerox.com under the heading "Investor Relations" and then under the heading "SEC Filings." Participants in the Solicitation The directors, executive officers and certain other members of management and employees of Xerox may be deemed "participants" in the solicitation of proxies from shareholders of Xerox in favor of the Transactions or in connection with the matters to be considered at the Company's 2018 Annual Meeting. Information regarding the persons who may, under the rules of the SEC, be considered participants in the solicitation of the shareholders of Xerox in connection with the Transactions or the Company's 2018 Annual Meeting will be set forth in the applicable proxy statement and other relevant documents to be filed with the SEC. You can find information about Xerox's executive officers and directors in Xerox's Annual Report on Form 10-K for the fiscal year ended December 31, 2016, Xerox's and such persons' other filings with the SEC and in Xerox's definitive proxy statement filed with the SEC on Schedule 14A. Forward-Looking Statements This release, and other written or oral statements made from time to time by management contain "forward-looking statements" as defined in the Private Securities Litigation Reform Act of 1995. The words "anticipate", "believe", "estimate", "expect", "intend", "will", "should" and similar expressions, as they relate to us, are intended to identify forward-looking statements. These statements reflect management's current beliefs, assumptions and expectations and are subject to a number of factors that may cause actual results to differ materially. Such factors include but are not limited to: our ability to address our business challenges in order to reverse revenue declines, reduce costs and increase productivity so that we can invest in and grow our business; changes in economic and political conditions, trade protection measures, licensing requirements and tax laws in the United States and in the foreign countries in which we do business; changes in foreign currency exchange rates; our ability to successfully develop new products, technologies and service offerings and to protect our intellectual property rights; the risk that multi-year contracts with governmental entities could be terminated prior to the end of the contract term and that civil or criminal penalties and administrative sanctions could be imposed on us if we fail to comply with the terms of such contracts and applicable law; the risk that partners, subcontractors and software vendors will not perform in a timely, quality manner; actions of competitors and our ability to promptly and effectively react to changing technologies and customer expectations; our ability to obtain adequate pricing for our products and services and to maintain and improve cost efficiency of operations, including savings from restructuring actions; the risk that individually identifiable information of customers, clients and employees could be inadvertently disclosed or disclosed as a result of a breach of our security systems; reliance on third parties, including subcontractors, for manufacturing of products and provision of services; our ability to manage changes in the printing environment and expand equipment placements; interest rates, cost of borrowing and access to credit markets; Safe Harbor

Safe Harbor (cont'd) Forward-Looking Statements (cont'd) funding requirements associated with our employee pension and retiree health benefit plans; the risk that our operations and products may not comply with applicable worldwide regulatory requirements, particularly environmental regulations and directives and anti-corruption laws; the outcome of litigation and regulatory proceedings to which we may be a party; the risk that we do not realize all of the expected strategic and financial benefits from the separation and spin-off of our Business Process Outsourcing business; the effects on our business resulting from actions of activist shareholders; and other factors that are set forth in the "Risk Factors" section, the "Legal Proceedings" section, the "Management's Discussion and Analysis of Financial Condition and Results of Operations" section and other sections of our Quarterly Reports on Form 10-Q for the quarters ended March 31, 2017, June 30, 2017 and September 30, 2017 and our 2016 Annual Report on Form 10-K, as well as our Current Reports on Form 8-K filed with the SEC. Furthermore, the actual results of the Transactions could vary materially as a result of a number of factors, including, but not limited to: (i) the risk that the transactions may not be completed in a timely manner or at all, which may adversely affect Xerox's business and the price of Xerox's common stock, (ii) the failure to satisfy the conditions to the consummation of the transactions, including the receipt of certain approvals from Xerox's shareholders and certain governmental and regulatory approvals, (iii) the parties may be unable to achieve expected synergies and operating efficiencies in the transactions within the expected time frames or at all, (iv) the transactions may not result in the accretion to Xerox's earnings or other benefits, (v) the occurrence of any event, change or other circumstance that could give rise to the termination of the transaction agreements, (vi) the effect of the announcement or pendency of the transactions on Xerox's and/or Fujifilm business relationships, operating results, and business generally, risks related to the proposed transactions disrupting Xerox's current plans and operations and potential difficulties in Xerox's employee retention as a result of the transactions, (vii) risks related to diverting management's attention from Xerox's ongoing business operations, (viii) the outcome of any legal proceedings that may be instituted against Xerox, its officers or directors related to the transaction agreements or the transactions and (ix) the possibility that competing offers or acquisition proposals for Xerox will be made. Xerox assumes no obligation to update any forward-looking statements as a result of new information or future events or developments, except as required by law. Fuji Xerox Co., Ltd. ("Fuji Xerox") is a joint venture between Xerox Corporation and Fujifilm in which Xerox holds a noncontrolling 25% equity interest and Fujifilm holds the remaining equity interest. In April 2017, Fujifilm formed an independent investigation committee ("IIC") to primarily conduct a review of the appropriateness of the accounting practices at Fuji Xerox's New Zealand subsidiary and at other subsidiaries. The IIC completed its review during the second quarter 2017 and identified aggregate adjustments to Fuji Xerox's financial statements of approximately JPY 40 billion (approximately $360 million) primarily related to misstatements at Fuji Xerox's New Zealand and Australian subsidiaries. We determined that our share of the total adjustments identified as part of the investigation was approximately $90 million and impacted our fiscal years 2009 through 2017. We concluded that we should revise our previously issued annual and interim consolidated financial statements for 2014, 2015 and 2016 and the first quarter of 2017 the next time they are filed. Our review of this matter has been completed. However, Fujifilm and Fuji Xerox continue to review Fujifilm's oversight and governance of Fuji Xerox as well as Fuji Xerox's oversight and governance over its businesses in light of the findings of the IIC. At this time, we can provide no assurances relative to the outcome of any potential governmental investigations or any consequences thereof that may happen as a result of this matter.

What We Are Announcing Today Strong Q4 Xerox results with significant improvement across all key metrics, providing positive momentum entering 2018 Xerox and Fuji Xerox to combine, creating a global leader in innovative print technologies and intelligent work solutions

Xerox Q4 and FY17 Results

Adjusted1 EPS and net income expand year-over-year Equipment turns to growth with increasing demand for new products; strategic growth areas up 5% in CC1 Achieved operating margin gains while supporting future revenue initiatives Continued strong adjusted1 operating cash flow, at higher end of guidance range Strong Fourth-Quarter Results Improvement across all key metrics; positions us well entering 2018 Revenue of $2.7B, up 0.5% or down 2.0% CC1 Equipment up 4.3% or 1.5% CC1 Post sale down 0.7% or 3.1% CC1 Revenue (CC1) (5.0)% (2.0)% Adj.1 operating margin: 14.4%, up 20 bps YOY Adjusted1 Operating Margin 14.2% 14.4% GAAP Loss : ($0.78), down $1.48 due to $400M tax charge2 Adj.1 EPS: $1.04, up 4 cents Adjusted1 EPS $ $1.00 $1.04 Note: All numerical comparisons shown above are on a year-over-year basis. Constant Currency (CC), Adjusted Operating Margin, Adjusted EPS and Net Income, Adjusted Operating Cash Flow: see Non-GAAP Financial Measures. Q4 2017 GAAP Loss per share from continuing operations includes estimated non-cash charge of $400M associated with the enactment of the U.S. Tax Act in December 2017.

Delivering on Our 2017 Commitments New Xerox Xerox + Fuji Xerox Combination Year 2 Strategic Transformation savings of $680M exceeded full-year target Enabled investment in the business and offset FY transaction currency headwinds of ~$75M Overachieved on Cost Transformation Drove Revenue Toward Growth Markets Reduced debt by $800M Contributed $836M to pension, significantly reducing underfunded gap Eliminated A/R sales programs, driving future savings and simplifying operations Optimized Capital Structure Xerox Fuji Xerox Successful launch of 29 new workplace devices 65 new dealer partners signed Strategic growth areas providing 40% of revenue and up 1% CC1 FY (up 5% CC1 in Q4) Presented comprehensive strategy at December 2016 Investor Day New Xerox launched January 1, 2017 with positive market reception Well Positioned Entering 2018 2017 Progress Provides Strong Foundation Building on 2017 progress, we will continue to execute on our strategy with focus on delivering on our 2018 commitments Revenue: down 4.7% in-line with down mid-single digits at CC1 Adj1 Operating Margin: 12.8%, up 30 bps within 12.5-13.5% range Adj1 EPS: $3.48 above $3.28-$3.44 range Adj1 Operating Cash Flow: $972M at high end of $800M-$1B range Achieved FY 2017 Guidance Note: All numerical comparisons shown above are on a year-over-year basis. Constant Currency (CC), Adjusted Operating Margin, Adjusted EPS, and Adjusted Operating Cash Flow from Continuing Operations: see Non-GAAP Financial Measures.

Overachieving on Strategic Transformation MPS = Managed Print Services. Sources of Productivity and Cost Savings Cumulative Gross Productivity & Cost Savings 13% 20% 20% 17% 30% $1,700M+ $1,500M $1,100M $500M Original Target Supply Chain & Procurement Delivery Cost of Production Sales & Contracting G&A Integrated supply chain Procurement MPS(1) delivery Technical service Remote connectivity Manufacturing RD&E and design efficiency Sales productivity Pricing tools Real estate IT Finance Management structure Facilities Delivery Cost of Production Sales & Contracting G&A Supply Chain & Procurement ~$550M ~$1,225M 2016 2017 Cumulative through 2018 (Actuals)

Xerox to Combine with Fuji Xerox

Xerox and Fuji Xerox – Better Together Combining to lead the evolution of the industry and unleash competitive strengths Notes: Assumes exchange rate of JPY114: US$1. Reflects 2017 actual revenue for Xerox and calendar year 2017 estimated revenue for Fuji Xerox (includes inter-company revenues of ~$0.1B for Xerox and ~$1.6B for Fuji Xerox). Recurring revenue is equal to Post sale revenue. $10.3 Billion 2017 Revenue1 $9.6 Billion 2017 Revenue1 Iconic, global technology brand Innovation DNA: Invented xerography and pioneered MPS Among the best operating margins in the industry >75% recurring revenue2 Xerox Regions Fuji Xerox Regions Strong market presence in faster-growing geographies World-class R&D, manufacturing and sales platform Leading in Office Products / Office Printer market ~40% of revenue from growing market segments of Graphic Communications and Solutions & Services #1 worldwide equipment revenue leader for 8 consecutive years #1 share in Asia #1 share in Japan for 8 consecutive years

Strategic Value Unlocked Fujifilm and Xerox have 56 years of history as one of the most successful Japan/U.S. cross-border collaborations Enables access to high growth territories Streamlined product portfolio strategy, including launch timing and R&D coordination More efficient R&D and corporate functions Shared access to critical IP and technology Enhanced customer value proposition on a broader global scale Fully integrated supply chain Common long-term vision and strategic growth development Opportunities for Optimization Fuji Xerox JV Today Xerox unable to access growth markets Separate product portfolios and go-to-market strategies, limiting effectiveness in global deals Product launch delays due to handoff processes R&D investment overlap Suboptimal supply chain and sourcing relationship Distinct visions for long-term growth and strategic investments in future IP

Financial Value Unlocked Funded through new Combined Company debt of $2.5B. Based on midpoint of 7 – 8x EBITDA range and 8.5% discount rate. $1.25B Annual cost synergies in 2022 7-8x EBITDA Illustrative industry valuation multiple Post Close Consideration Illustrative Value of Transaction Cost Synergies ~$12 / share[2] Implied present value based on 49.9% allocation to Xerox shareholders All of Fuji Xerox JV All of $1.25B Transaction Cost Synergies $450M Fuji Xerox JV Cost Savings $2.5B Cash Dividend[1] 49.9% Of Combined Company including: shareholders receive:

Compelling Strategic Rationale 1 Creates a global leader in innovative print technologies and intelligent work solutions with $18 billion in revenue 2 Delivers $1.7 billion in total annual cost savings, with $1.2 billion to be achieved by 2020 3 Accelerates path to revenue growth through enhanced global reach, scale and customer value proposition 4 Unleashes world-class innovation capabilities to capture significant long-term growth opportunities 5 Enhances financial profile and flexibility to support strategic growth investments and attractive capital returns

Substantial Value for Xerox Shareholders Transaction Consideration $2.5B Cash Dividend (~$9.80/share1) 49.9% of Combined Company Cost Savings Optimized Operating Structure $1.7B+ Total Annual Cost Savings by 2022 $1.2B Annual Cost Savings by 2020 Growth Opportunities Leadership in Key Growth Markets Above-Market Revenue Growth World-Class Innovation Improved Competitive Strength Based on current shares outstanding assuming no conversion of preferred shares. Attractive Capital Returns Capital Deployment Investment Grade Credit Rating Strategic Growth Investments Greater Financial Flexibility

Fujifilm – Ideal Long-Term Partner Japan-based leader in document, imaging and information solutions with strong culture of innovation and transformation Selectively concentrating resources to growth segments through M&A, capital and R&D investments Document Solutions Document-related business activities including the provision of digital multifunction devices for offices and related services Information Solutions Range of activities focusing mainly on B2B businesses, including healthcare and highly functional materials Imaging Solutions Provides photo-related products and services ranging from photo-taking to printing Revenue Breakdown – FY ended March 2017 Growth Strategies Figures in USD billions. Exchange rate of JPY114: US$1. Photo Imaging Other Photo Related Graphic Systems Healthcare Flat Panel Display Materials Recording Media and Others Document Solutions 46% Imaging Solutions ~15% Information Solutions ~39% ~$20B1

Combined Company Facts and Figures 180+ Countries Broad Global Scale Strong Financial Profile World-Class Innovation $18B+ In Annual Revenue 2020 Return To Revenue Growth 2022 High-teens Operating Margin $1.7B+ Total Annual Cost Savings ~$1B Combined R&D 6,600+ Engineers 6 Innovation Labs $1.5B FCF1 By 2020 11,470 Patents #1 Equipment Revenue Share ~$120B Total Addressable Opportunity Note: Assumes exchange rate of JPY114: US$1. Free cash flow defined as cash flow from operations minus CAPEX, including internal use software.

Transaction Summary Xerox shareholders to receive $2.5 billion special cash dividend (~$9.80/share1) at closing, for which committed funding has been obtained Xerox shareholders to own 49.9% of Combined Company; Fujifilm to own 50.1% Combined Company will be listed on the NYSE post-transaction under the ticker “XRX” Transaction Consideration Capital Structure and Returns Expect to maintain investment grade credit ratings at closing Maintain $1.00/share annual dividend Maintain Xerox’s current capital return policy of at least 50% of combined free cash flow2 to shareholders Opportunity for greater capital deployment including share repurchases and increased dividends over time Approvals and Timing Transaction expected to close in the second half of 2018, subject to customary conditions, regulatory and shareholder approval Value Creation Immediate, significant cash payment, representing more than 30% of Xerox’s unaffected share price of $30.35 as of January 10, 2018 market close At least $1.7 billion total annual cost savings opportunity – $1.2 billion to be achieved by 2020 Significant revenue synergy opportunities from innovation and footprint in faster-growing markets Governance Jeff Jacobson, current CEO of Xerox, to be named CEO of Combined Company Shigetaka Komori, current Chairman and CEO of Fujifilm, will serve as Chairman of the Board Board will include seven Directors appointed by Fujifilm and five Independent Directors from current Xerox Board Dual headquarters in Norwalk, CT and in Minato, Tokyo Note: Assumes exchange rate of JPY114: US$1. Based on current shares outstanding assuming no conversion of preferred shares as of January 31, 2018. Final determination of the portion of dividend versus return of capital, for purposes for individual tax treatment, will be made at closing. Free cash flow defined as cash flow from operations minus CAPEX, including internal use software.

The New Fuji Xerox

Compelling Strategic Rationale 1 Creates a global leader in innovative print technologies and intelligent work solutions with $18 billion in revenue 2 Delivers $1.7 billion in total annual cost savings, with $1.2 billion to be achieved by 2020 3 Accelerates path to revenue growth through enhanced global reach, scale and customer value proposition 4 Unleashes world-class innovation capabilities to capture significant long-term growth opportunities 5 Enhances financial profile and flexibility to support strategic growth investments and attractive capital returns

A Global Leader in Innovative Print Technologies and Intelligent Work Solutions Realization of Clear Industry Leadership Printing Revenue ($B)1 NEW FUJI XEROX 2 Notes: Reflects latest fiscal year available for each company; assumes exchange rate of JPY114: US$1. Segments used: HP: Printing; Canon: Office Business Unit; Ricoh: Imaging & Solutions; KM: Office Business. Reflects 2017 actual revenue for Xerox and calendar year 2017 estimated revenue for Fuji Xerox. Eliminates intercompany revenue. MPS=Managed Print Services; CPS=Centralized Print Solutions. 2 2 #1 Total Equipment Revenue Color A3 MFPs Production Cut Sheet Large Enterprise MPS3 & CPS3 1

Significant Cost Savings Opportunities ~$650M ~$400M ~$200M ~$450M $1.7B Total expected cost savings by 2022 Note: Assumes exchange rate of JPY114: US$1. Cost savings incremental to Xerox's ongoing Strategic Transformation program Leveraging Xerox's strong track record of productivity enhancements $450 million Fuji Xerox JV cost reduction program commencing immediately Combining best manufacturing practices to drive COGS efficiency One-time integration and restructuring costs of approximately $1.4 billion mainly in the first three years 2 At least $1.7 billion in total annual cost savings by 2022 – $1.2 billion to be achieved by 2020 ~$1.25B Transaction cost synergies

$1.7B in Total Annual Cost Savings R&D Eliminate redundancies and optimize footprint of research centers Integrate device controllers Combine print drivers, apps, solutions, MPS2 tools for best of class SG&A Consolidation of central support functions i.e. Finance, HR Optimize selling related costs Purchasing scale 100% ~70% ~45% Manufacturing and R&D costs reduction Product portfolio optimization SG&A productivity initiatives Fuji Xerox JV Savings COGS Plant footprint optimization Optimization of 3rd party outsourcers Improved design efficiency and scale Integrate supply chain and procurement ~85% Does not include Xerox expected ongoing Strategic Transformation cost savings. MPS=Managed Print Solutions. Sources of $1.7B Total Annual Cost Reductions1 Expected Cost Reduction Progression Post Close Timing Combining companies unlocks substantial incremental cost savings opportunities 2

$19B $28B $36B Enhanced Global Leadership Source: IDC and company estimates. Notes: Figures in USD billions. Exchange rate of JPY114: US$1. Market size in 2017 USD; Market share based on 2016 equipment revenues; Asia Pacific market share includes China. DMO is Developing Markets. Represents Total Addressable Opportunity. Represents CAGRs from 2016-2020. Reflects Xerox revenue breakdown for full-year 2017 and preliminary Fuji Xerox JV revenue breakdown for calendar year 2017. China segment includes Hong Kong. Market Opportunity1 Market Share By Region Revenue3 by Region (as % of $18.2B Total) Combined Company Combined Company ~$120B Global Opportunity1 Flat to Slightly Down2 $83B1 Low-Single Digit Decline2 Xerox Regions Fuji Xerox JV Regions $36B1 Low-Single Digit Growth2 $11B $8B $17B 3

Dramatically Accelerates Innovation Enables Combined Company to compete in adjacent Industrial Print and Intelligent Work Solutions markets Xerox PARC Yokohama R&D Square Wilson Center for Technology Takematsu Center Nakai Research Center Aubagne Inkjet Center World-Class R&D Driving Innovation Hardware Xerography Inkjet Digital Lithography Printed Sensors/Electronics Smart Object Printing Materials Materials Chemistry Ink Formulation & Testing Ink Production Innovation Software & Analytics Analytics: Text, image and video analytics Automation: Workflow and intelligent assistants Document & device security To Enter Adjacencies Growing $100B Industrial Print Opportunity Emerging Intelligent Work Solutions Opportunity 4

Enhanced Financial Profile Combined Company (Targets) Achieves revenue growth in 2020 Adjusted operating profit margin in the high teens in 2022 $1.5 billion free cash flow1 in 2020 Accretive to EPS in 2020 Revenue Adj. Operating Profit Margin1 Adj. EBITDA less Capex1,3 Adj. EBITDA1,2 Note: Assumes exchange rate of JPY114: US$1. All figures are based on calendar year. Adjusted Operating Profit/Margin is calculated by adjusting our reported pre-tax income and margin amounts for Amortization of intangible assets, Restructuring and related costs, Non-service retirement-related costs and Other expenses, net. Free cash flow defined as cash flow from operations minus CAPEX, including internal use software. In addition to the costs and expenses noted as adjustments for our Adjusted Operating Profit/Margin measure, Adjusted EBITDA also excludes Depreciation. Including change in equipment on operating lease. Combined Company (2017 Proforma) $1.8B $18.2B 10% $2.6B 5

Capital Structure and Balance Sheet Selected Balance Sheet Items at December 31, 20171 Note: Assumes exchange rate of JPY114: US$1. Reflects 2017 actuals for Xerox and calendar year 2017 estimated revenue for Fuji Xerox. Other post employment benefits reflects retiree health benefits. Finance Assets Include: Xerox: $3.7B of Finance receivables and $0.5B of Equipment on operating lease. Fuji Xerox: $1.6B of Finance receivables exclude Equipment on operating lease. $350M pension contribution required as a result of change in control. USD Billions Xerox plans to repay $265 million bond maturing in May 2018 with cash on hand Transaction impact: All Xerox and Fuji Xerox debt to be retained on the Combined Company's balance sheet $150 million of fees and expenses (preliminary estimate) $2.85 billion of new debt: $2.5 billion bridge financing commitment has been obtained to support the $2.5 billion special cash dividend to Xerox shareholders $350 million to fund mandatory pension contribution4 Cash & Cash Equivalents $1.3 $0.7 Total Debt $5.5 $0.5 Pension and OPEB2 (pre-tax) $2.1 $0.1 Finance Assets3 $4.2 $1.6

Capital Allocation Policy Maintain the principles of Xerox's disciplined return on investment approach Expected to maintain investment grade credit ratings Maintain a substantial liquidity position with cash on hand and committed credit facilities Stronger balance sheet supports credit rating profile and provides more financial flexibility Strengthened cash flows support incremental investments in growth and value creation opportunities Selectively pursue M&A in strategic growth areas to improve portfolio mix and drive profit expansion Maintain $1.00 annual dividend per share Maintain commitment to return at least 50% of free cash flow to shareholders Opportunity for greater capital deployment, including share repurchases and increased dividends over time Leverage Targeted Investments Capital Return

Summary Strong Q4 and FY17 performance reflects successful execution of our strategic priorities, providing positive momentum as we enter the new chapter of Xerox's transformation Combining forces with Fuji Xerox to create a global leader in innovative print technologies and intelligent work solutions Transaction unlocks substantial shareholder value and creates significantly stronger and more competitive combined company Combined Company will have enhanced prospects for revenue growth and margin expansion Committed to continued progress on our operational and financial performance in 2018, while driving toward the successful completion of our proposed combination with Fuji Xerox

Non-GAAP Financial Measures

Non-GAAP Financial Measures We have reported our financial results in accordance with generally accepted accounting principles (GAAP). In addition, we have discussed our financial results using the non-GAAP measures described below. We believe these non-GAAP measures allow investors to better understand the trends in our business and to better understand and compare our results. Accordingly, we believe it is necessary to adjust several reported amounts, determined in accordance with GAAP, to exclude the effects of certain items as well as their related income tax effects. A reconciliation of these non-GAAP financial measures to the most directly comparable financial measures calculated and presented in accordance with GAAP are set forth below as well as on our website at www.xerox.com/investor. These non-GAAP financial measures should be viewed in addition to, and not as a substitute for, the company’s reported results prepared in accordance with GAAP. Adjusted Earnings Measures Net income and Earnings per share (EPS) Effective tax rate Gross margin, RD&E and SAG (only adjusted for non-service retirement-related costs and transaction/proxy related costs) The above measures were adjusted for the following items: Amortization of intangible assets: The amortization of intangible assets is driven by our acquisition activity which can vary in size, nature and timing as compared to other companies within our industry and from period to period. The use of intangible assets contributed to our revenues earned during the periods presented and will contribute to our future period revenues as well. Amortization of intangible assets will recur in future periods.

Non-GAAP Financial Measures Restructuring and related costs: Restructuring and related costs include restructuring and asset impairment charges as well as costs associated with our Strategic Transformation program beyond those normally included in restructuring and asset impairment charges. Restructuring consists of costs primarily related to severance and benefits paid to employees pursuant to formal restructuring and workforce reduction plans. Asset impairment includes costs incurred for those assets sold, abandoned or made obsolete as a result of our restructuring actions, exiting from a business or other strategic business changes. Additional costs for our Strategic Transformation program are primarily related to the implementation of strategic actions and initiatives and include third-party professional service costs as well as one-time incremental costs. All of these costs can vary significantly in terms of amount and frequency based on the nature of the actions as well as the changing needs of the business. Accordingly, due to that significant variability, we will exclude these charges since we do not believe they provide meaningful insight into our current or past operating performance nor do we believe they are reflective of our expected future operating expenses as such charges are expected to yield future benefits and savings with respect to our operational performance. Non-service retirement-related costs: Our defined benefit pension and retiree health costs include several elements impacted by changes in plan assets and obligations that are primarily driven by changes in the debt and equity markets as well as those that are predominantly legacy in nature and related to employees who are no longer providing current service to the company (e.g. retirees and ex-employees). These elements include (i) interest cost, (ii) expected return on plan assets, (iii) amortized actuarial gains/losses and (iv) the impacts of any plan settlements/curtailments. Accordingly, we consider these elements of our periodic retirement plan costs to be outside the operational performance of the business or legacy costs and not necessarily indicative of current or future cash flow requirements. Adjusted earnings will continue to include the elements of our retirement costs related to current employee service (service cost and amortization of prior service cost) as well as the cost of our defined contribution plans.

Non-GAAP Financial Measures Other discrete, unusual or infrequent items: In addition, we also excluded the following items given their discrete, unusual or infrequent nature and their impact on our results for the period: Losses on early extinguishment of debt in the first and fourth quarter of 2017 A benefit from the remeasurement of a tax matter in the first quarter of 2017 that related to a previously adjusted item Costs incurred in the fourth quarter of 2017 related to the recently announced transaction with Fujifilm as well as to our expected proxy contest. These costs are primarily for third-party investment banking, legal, accounting, consulting and other similar services. An estimated non-cash charge in the fourth quarter 2017 reflecting the impact associated with the enactment of the Tax Cuts and Jobs Act (the "Tax Act") in December 2017. See our Fourth Quarter 2017 Earnings Release on Form 8-K filed with the Securities and Exchange Commission. We believe the exclusion of these items allows investors to better understand and analyze the results for the period as compared to prior periods and expected future trends in our business. Adjusted Operating Income/Margin We also calculate and utilize adjusted operating income and margin measures by adjusting our reported pre-tax income and margin amounts. In addition to the costs and expenses noted as adjustments for our Adjusted Earnings measures, adjusted operating income and margin also exclude Other expenses, net. Other expenses, net is primarily comprised of non-financing interest expense and also includes certain other non-operating costs and expenses. We exclude these amounts in order to evaluate our current and past operating performance and to better understand the expected future trends in our business. Adjusted Operating income and margin also include Equity in net income of unconsolidated affiliates. Equity in net income of unconsolidated affiliates primarily reflects our 25% share of Fuji Xerox net income. We include this amount in our measure of operating income and margin as Fuji Xerox is our primary intermediary to the Asia/Pacific market for distribution of Xerox branded products and services.

Non-GAAP Financial Measures Constant Currency To better understand trends in our business, we believe that it is helpful to adjust revenue to exclude the impact of changes in the translation of foreign currencies into U.S. dollars. We refer to this adjusted revenue as “constant currency.” This impact is calculated by translating current period activity in local currency using the comparable prior year period's currency translation rate. This impact is calculated for all countries where the functional currency is the local country currency. The constant currency impact for signings growth is calculated on the basis of plan currency rates. Management believes the constant currency measure provides investors an additional perspective on revenue trends. Currency impact can be determined as the difference between actual growth rates and constant currency growth rates. EBITDA Adjusted EBITDA represents Income before Income Taxes adjusted for depreciation and amortization, restructuring and related costs, non-service retirement related costs, transaction/proxy contest costs and other expenses, net, which includes interest expense. Adjusted EBITDA is not intended to represent cash flows from operations, income before taxes or net income as defined by U.S. GAAP and is not necessarily comparable to similar measures disclosed by other companies as not all companies calculate Adjusted EBITDA in the same manner. We believe Adjusted EBITDA is useful to investors and other users of the financial statements in evaluating operating performance because it provides an additional tool to compare business performance across companies and across periods. Free Cash Flow To better understand trends in our business, we believe that it is helpful to subtract amounts for capital expenditures (inclusive of internal use software) from cash flows from continuing operations. Management believes this measure gives investors an additional perspective on cash flow from operating activities in excess of amounts required for reinvestment. It provides a measure of our ability to fund acquisitions, dividends and share repurchase.

Non-GAAP Financial Measures Summary: Management believes that all of these non-GAAP financial measures provide an additional means of analyzing the current period's results against the corresponding prior period's results. However, these non-GAAP financial measures should be viewed in addition to, and not as a substitute for, the company's reported results prepared in accordance with GAAP. Our non-GAAP financial measures are not meant to be considered in isolation or as a substitute for comparable GAAP measures and should be read only in conjunction with our consolidated financial statements prepared in accordance with GAAP. Our management regularly uses our supplemental non-GAAP financial measures internally to understand, manage and evaluate our business and make operating decisions. These non-GAAP measures are among the primary factors management uses in planning for and forecasting future periods. Compensation of our executives is based in part on the performance of our business based on these non-GAAP measures. A reconciliation of these non-GAAP financial measures and the most directly comparable measures calculated and presented in accordance with GAAP are set forth on the following tables:

Exhibit 2

Exhibit 3

On January 31, 2018, the following communication was sent from Jeff Jacobson, Chief Executive Officer of Xerox Corporation, to all Xerox employees and was posted on the company s internal website.

Team Xerox,

It is an exciting new day for our company. This morning we announced that Xerox and Fuji Xerox will combine into one company to create a global leader in innovative print technologies and intelligent work solutions. We also announced our fourth-quarter financial results that demonstrated meaningful improvement across all key metrics and put us in a position of strength as we enter 2018.

Before I elaborate on our encouraging financial performance, I would like to provide more insight into the Fuji Xerox transaction and what makes the combination so compelling for our customers and you.

Better. Together. Xerox and Fuji Xerox

The combination of Xerox and Fuji Xerox will position us to better compete in today s marketplace, creating a company with truly global scale, an increased presence in fast-growing markets, and innovation capabilities to effectively meet our customers rapidly evolving demands. In addition, the combined company s strong financial profile will enable investments that support continued market leadership, while also providing opportunities to increase shareholder value.

Combining Xerox and Fuji Xerox expands our longstanding partnership with Fujifilm Holdings and is the right next step for our company. By joining forces, we will be able to better structure how we work together to become a stronger company. We will align core competencies such as manufacturing, supply chain and R&D. We will also make the best use of our combined resources to grow market share and innovate for our customers.

This move will enable us to face our competition head on, by further strengthening our total portfolio and improving our time-to-market. This transaction will also accelerate our expansion and entry in growing areas such as high-speed inkjet, packaging, industrial printing and workplace automation, as well as future development opportunities in artificial intelligence, machine learning, the Internet of Things and augmented reality.

As part of this transaction, we intend to eliminate $1.7 billion of costs by 2022. Of this, $450 million will come from a program beginning immediately in the current

Founded 56 years ago, Fuji Xerox is a joint venture between Fujifilm Holdings and Xerox, and is one of the most successful cross-border collaborations between U.S. and Japanese companies. Xerox currently has a 25 percent ownership stake; Fujifilm has the other 75 percent.

The New Fuji Xerox

Following the completion of the proposed transaction, the new Fuji Xerox will have a presence in over 180 countries, approximately $18 billion in annual revenue, a strong portfolio of more than 11,000 patents, with manufacturing sites and innovation labs across the world.

Fuji Xerox operations. Separately, we will continue to implement Xerox Strategic Transformation initiatives to keep our operations financially fit. This will mean continued enhancements to simplify our operations, which will put us in a better position to invest in the areas that are necessary to lead the evolution of our industry.

Current Xerox shareholders will own 49.9 percent of the combined company, and Fujifilm will own the remaining 50.1 percent.

For more information, view the

The New Fuji Xerox Fact Sheet.

We expect the transaction, which requires Xerox shareholder approval, to close in the second half of 2018. For now, both companies will continue to be separate, independent organizations and will operate as usual. Over the coming months, we will plan how to best integrate the two organizations. I assure you that we will be thoughtful in the planning process and that we are committed to ongoing communications with you. To that end, we ve created a special site on The Hub where you can find more information, including an employee FAQ and tools to help you share the announcement with your customers.

I m honored to have been named the CEO of the new company which will be called Fuji Xerox. We will continue to go to market under the iconic Xerox brand in our current operating regions, and the Fuji Xerox brand will be used in its current regions. The new company will maintain dual headquarters in Norwalk, CT and Minato, Tokyo, Japan.

You will hear a lot of talk about the transaction in the coming weeks, but it is important that we all stay focused on the task of supporting our customers. In turn, I am committed to sharing updates as we progress toward one combined company.

Fourth-Quarter and Full Year 2017 Earnings

While our decision to combine with Fuji Xerox is likely to be the headline of the day, I am very proud of the strong fourth-quarter results we reported this morning and you should be too. We made significant improvements, and for this, I thank you. Here are the financial highlights for the quarter:

- Total revenue was $2.7 billion, up 0.5 percent year-over-year, or down 2 percent in constant currency. This is a meaningful improvement over the 5 percent decline in the fourth quarter of last year.

- Equipment sale revenue grew for the first time in many quarters up 4.3 percent, or 1.5 percent in constant currency. We set a goal to grow equipment sale revenue, and we did it! This is the result of all of the new products launched during the year and our continued channel expansion.

- Strategic Transformation initiatives contributed to a solid operating profit margin of 14.4 percent, up 0.2 points over last year, while supporting investments to drive growth and simplification.

- During the quarter, like many U.S. multi-national companies, we took a non-cash charge of $400 million related to the enactment of the U.S. tax reform. Including this charge, we had a fourth-quarter GAAP loss from continuing operations of 78 cents per share. On an adjusted basis, which excludes the charge, our earnings per share was $1.04, up 4 cents year-over year.

This solid performance in the quarter enabled us to deliver on the full-year goals we set for the company. It really was a team effort. When we look at the individual organizations, although not every organization met every line item of their plan, there was a strong effort across the board. In total, we did what we said we would do and delivered on our commitments. Thank you.

Moving Forward

I know there has been a significant amount of change in the last few years. Your determination and dedication to Xerox have enabled us to continue improving the company s performance and to build the foundation for a bright future.

Our top priority remains delivering on our 2018 priorities, as outlined in my year-start letter. Today s announcement should not affect your day-to-day responsibilities. We must all maintain a relentless focus on our customers and delivering on our individual goal plans so that together, we achieve our operational and financial goals again this year.

I m sure you have questions about today s announcements. I will be hosting an all-employee Webcast today at 11am (EDT) to discuss the news. In the following days and weeks, the leadership team will hold communications sessions, town halls and roundtables across many Xerox locations to address your questions.

Thank you for the contributions you make every day to our company s success. I am enthusiastic about our future, and I hope you share in my excitement.

Jeff Jacobson

Chief Executive Officer

Additional Information and Where to Find It

This release may be deemed to be solicitation material in respect of the transactions with FUJIFILM Holdings Corporation (Fujifilm) described herein (the Transactions) and/or the matters to be considered at the Company s 2018 Annual Meeting of Shareholders. In connection with the Transactions and the 2018 Annual Meeting, Xerox plans to file with the Securities and Exchange Commission (SEC) and furnish to Xerox s shareholders one or more proxy statements and other relevant documents. BEFORE MAKING ANY VOTING DECISION, XEROX S SHAREHOLDERS ARE URGED TO READ THE PROXY STATEMENT(S) IN THEIR ENTIRETY WHEN THEY BECOME AVAILABLE AND ANY OTHER DOCUMENTS TO BE FILED WITH THE SEC IN CONNECTION WITH THE TRANSACTIONS AND/OR THE COMPANY S 2018 ANNUAL MEETING OR INCORPORATED BY REFERENCE IN THE PROXY STATEMENTS BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT THE TRANSACTIONS AND/OR THE COMPANY S 2018 ANNUAL MEETING AND THE PARTIES RELATED THERETO. Xerox s shareholders will be able to obtain a free copy of documents filed with the SEC at the SEC s website at http://www.sec.gov. In addition, Xerox s shareholders may obtain a free copy of Xerox s filings with the SEC from Xerox s website at http://www.xerox.com under the heading Investor Relations and then under the heading SEC Filings.

Participants in the Solicitation

The directors, executive officers and certain other members of management and employees of Xerox may be deemed participants in the solicitation of proxies from shareholders of Xerox in favor of the Transactions or in connection with the matters to be considered at the Company s 2018 Annual Meeting. Information regarding the persons who may, under the rules of the SEC, be considered participants in the solicitation of the shareholders of Xerox in connection with the Transactions or the Company s 2018 Annual Meeting will be set forth in the applicable proxy statement and other relevant documents to be filed with the SEC. You can find information about Xerox s executive officers and directors in Xerox s Annual Report on Form 10-K for the fiscal year ended December 31, 2016, Xerox s and such persons other filings with the SEC and in Xerox s definitive proxy statement filed with the SEC on Schedule 14A.

Cautionary Statement Regarding Forward-Looking Statements

This release, and other written or oral statements made from time to time by management contain forward-looking statements as defined in the Private Securities Litigation Reform Act of 1995. The words anticipate , believe , estimate expect , intend , will , should and similar expressions, as they relate to us, are intended to identify forward-looking statements. These statements reflect management s current beliefs, assumptions and expectations and are subject to a number of factors that may cause actual results to differ materially. Such factors include but are not limited to: our ability to address our business challenges in order to reverse revenue declines, reduce costs and increase productivity so that we can invest in and grow our business; changes in economic and political conditions, trade protection measures, licensing requirements and tax laws in the United States and in the foreign countries in which we do business; changes in foreign currency exchange rates; our ability to successfully develop new products, technologies and service offerings and to protect our intellectual property rights; the risk that multi-year contracts with governmental entities could be terminated prior to the end of the contract term and that civil or criminal penalties and administrative sanctions could be imposed on us if we fail to comply with the terms of such contracts and applicable law; the risk that partners, subcontractors and software vendors will not perform in a timely, quality manner; actions of competitors and our ability to promptly and effectively react to changing technologies and customer expectations; our ability to obtain adequate pricing for our products and services and to maintain and improve cost efficiency of operations, including savings from restructuring actions; the risk that individually identifiable information of customers, clients and employees could be inadvertently disclosed or disclosed as a result of a breach of our security systems; reliance on third parties, including subcontractors, for manufacturing of products and provision of services; our ability to manage changes in the printing environment and expand equipment placements; interest rates, cost of borrowing and access to credit markets; funding requirements associated with our employee pension and retiree health benefit plans; the risk that our operations and products may not comply with applicable worldwide regulatory requirements, particularly environmental regulations and directives and anti-corruption laws; the outcome of litigation and regulatory proceedings to which we may be a party; the risk that we do not realize all of the expected strategic and financial benefits from the separation and spin-off of our Business Process Outsourcing business; the effects on our business resulting from actions of activist shareholders; and other factors that are set forth in the Risk Factors section, the Legal Proceedings section, the Management s Discussion and Analysis of Financial Condition and Results of Operations section and other sections of our Quarterly Reports on Form 10-Q for the quarters ended March 31, 2017, June 30, 2017 and September 30, 2017 and our 2016 Annual Report on Form 10-K, as well as our Current Reports on Form 8-K filed with the SEC. Furthermore, the actual results of the Transactions could vary materially as a result of a number of factors, including, but not limited to: (i) the risk that the transactions may not be completed in a timely manner or at all, which may adversely affect Xerox s business and the price of Xerox s common stock, (ii) the failure to satisfy the conditions to the consummation of the transactions, including the receipt of certain approvals from Xerox s shareholders and certain governmental and regulatory approvals, (iii) the parties may be unable to achieve expected synergies and operating efficiencies in the transactions within the expected time frames or at all, (iv) the transactions may not result in the accretion to Xerox s earnings or other benefits, (v) the occurrence of any event, change or other circumstance that could give rise to the termination of the transaction agreements, (vi) the effect of the announcement or pendency of the transactions on Xerox s and/or Fujifilm business relationships, operating results, and business generally, risks related to the proposed transactions disrupting Xerox s current plans and operations and potential difficulties in Xerox s employee retention as a result of the transactions, (vii) risks related to diverting management s attention from Xerox s ongoing business operations, (viii) the outcome of any legal proceedings that may be instituted against Xerox, its officers or directors related to the transaction agreements or the transactions and (ix) the possibility that competing offers or acquisition proposals for Xerox will be made. Xerox assumes no obligation to update any forward-looking statements as a result of new information or future events or developments, except as required by law.

Fuji Xerox Co., Ltd. (Fuji Xerox) is a joint venture between Xerox Corporation and Fujifilm in which Xerox holds a noncontrolling 25% equity interest and Fujifilm holds the remaining equity interest. In April 2017, Fujifilm formed an independent investigation committee (IIC) to primarily conduct a review of the appropriateness of the accounting practices at Fuji Xerox s New Zealand subsidiary and at other subsidiaries. The IIC completed its review during the second quarter 2017 and identified aggregate adjustments to Fuji Xerox s financial statements of approximately JPY 40 billion (approximately $360 million) primarily related to misstatements at Fuji Xerox s New Zealand and Australian subsidiaries. We determined that our share of the total adjustments identified as part of the investigation was approximately $90 million and impacted our fiscal years 2009 through 2017. We concluded that we should revise our previously issued annual and interim consolidated financial statements for 2014, 2015 and 2016 and the first quarter of 2017 the next time they are filed. Our review of this matter has been completed. However, Fujifilm and Fuji Xerox continue to review Fujifilm s oversight and governance of Fuji Xerox as well as Fuji Xerox s oversight and governance over its businesses in light of the findings of the IIC. At this time, we can provide no assurances relative to the outcome of any potential governmental investigations or any consequences thereof that may happen as a result of this matter.

Exhibit 4

On January 31, 2018, the following questions and answers were posted on Xerox Corporation s internal website.

The New Fuji Xerox

What it Means for Employees

Xerox and Fujifilm Holdings announced an agreement to combine Xerox and Fuji Xerox, creating a global leader in innovative print technologies and intelligent work solutions. The proposed transaction is anticipated to be completed during the second half of 2018.

Although many of the details of this transaction are still being determined, below are some of the questions you may have that we can currently answer. More information will be provided as it becomes available.

Until the transaction closes, it is important that we continue to operate business as usual and that we focus on delivering on our commitments and serving our customers.

Why did Xerox decide to combine with Fuji Xerox? By integrating with Fuji Xerox, our combined company will be better positioned to compete in today s marketplace with truly global scale, an increased presence in fast-growing markets, and innovation capabilities to effectively meet our customers rapidly evolving demands. The proposed combination will build on our 56-year history of working together.

Why didn t Xerox purchase Fuji Xerox?

Based on a comprehensive review of our strategic and financial alternatives led by the independent directors on Xerox s Board, we believed that the best move is the proposed transaction with Fuji Xerox.

Where will the combined company be headquartered?

The new Fuji Xerox will have dual headquarters in Norwalk, CT and in Minato, Tokyo, Japan.

Who will be the CEO of the new Fuji Xerox?

Jeff Jacobson will serve as the chief executive officer of the combined company. The leadership team will reflect the management strengths and capabilities of both companies.

If our results are good and our strategy is working, why are we doing this?

The company s fourth quarter 2017 results were good, and we are seeing progress on our strategy. The proposed combination with Fuji Xerox provides a step-function change to the longer-term prospects for our company. The combined company will have global scale with an increased presence in fast-growing markets, and innovation capabilities to meet our customers rapidly evolving demands.

What happens to the iconic Xerox brand?

The combined company will maintain the Xerox and Fuji Xerox brands, each used in their current operating regions.

What are the plans for integration? Who will lead the integration process?

Both companies will continue to be separate, independent organizations and will operate business as usual until the close of the transaction. Over the coming months, we will form an integration planning team, which will include members of both organizations. This team will develop plans on how to best bring the companies together. We will provide updates as decisions are made and additional details are available.

What will the new organizational structure look like?

It is too early to speculate about any new structure. The integration process takes time, and we are still in the very early stages. The management team is committed to keeping you updated regarding important developments as we progress toward the close.

Will jobs be eliminated?

We will continue to reduce costs and simplify the way we operate. Unfortunately, as we begin to look at synergies as part of the integration, there will be some reductions in workforce. We are committed to providing you more details as they are available.

How do we intend to achieve the cost saving targets?

We have established a cumulative cost savings target of $1.7 billion by 2022. This includes approximately $450 million from a new cost savings program that will begin immediately within the current Fuji Xerox operations. In addition, we will continue to implement Xerox Strategic Transformation initiatives to keep our operations financially fit. This will mean changes to simplify how we work, which will put us in a better position to invest in the areas that are necessary to lead the evolution of our industry.

How do the cultures of the two companies compare?

While there are some differences in our corporate cultures, both companies share a respect and a passion to serve customers well. From the founding of Xerox, we have always embraced differences. Bridging these gaps is part of what makes Xerox unique. Our culture, Our Winning Way, will continue to underpin how we work together to achieve success.

How should I respond to customers, vendors and others who ask about the transaction?

You can remind your customers that our focus remains on serving them well and until the deal closes, Xerox and Fuji Xerox will continue to operate as separate, independent businesses. Tools for communicating with your customers and others are available on the Better. Together. site on The Hub.

What company will I work for after the transaction is complete?

After the close of the transaction, we will all be part of the combined company named Fuji Xerox.

Will my role or responsibilities change?

For most employees, your role will remain the same, and it is important you continue to work with your manager to prepare your 2018 goal plan. We all must stay focused to deliver another year of strong performance. Please note, however, that the ongoing Strategic Transformation initiatives and post-transaction synergies will lead to some changes as we progress through the year and the integration process.

Will my salary or benefits change?

Until the transaction closes, we will continue to operate business as usual. The management team is committed to keeping you updated regarding important developments as we progress toward the close.

What will happen to the Xerox stock that I own?

Under the terms of the agreement, Xerox shareholders will own a 49.9% stake in the combined company. Xerox shareholders, including employees that own shares of Xerox, will receive a special cash dividend of approximately $9.801 per share when the transaction closes.

1 Based on current shares outstanding assuming no conversion of preferred shares. Final determination of the portion of dividend versus return of capital, for purposes of individual tax treatment, will be made at closing.

Can I change jobs within Xerox?

Until the transaction is complete, we will continue to follow existing HR practices. We will have an additional review process to ensure employee movement does not disrupt the business. January 31, 2018 Xerox Internal Use Only 3

What happens to pricing and product offerings after the transaction closes? How is Xerox handling sales and renewals during the transition?

The announcement is just the first step, and it is too soon to speculate about specific offerings for the new Fuji Xerox. It is important to note that our relationships with customers and partners will remain at the core of our business. As we bring our companies together, we look forward to sharing more about the benefits we believe this combination will create.