

❖ SUMMARY ❖

[2017 version of MFP Market Forecast]

**“The Future Prospects of the
Office Equipment Industry
in the Fast-paced Selection and
Integration Process”**
(Comprehensive Analysis / PPC Market /
Printer Market / Fax Market)

*= Diminishing in-house manufacturing and a move toward
OEM and EMS =*



HP "E77830dn"
(A3 color MFP:
30ppm in color and monochrome)



Sharp "MX-M6070"
(A3+ monochrome MFP: 60ppm)



**Brother Industries
"HL-L9310CDW"**
(A4 color printer:
31ppm in color and
monochrome)



Fuji Xerox "Iridesse Production Press" (A3+ color PP: 120ppm in color and monochrome)

March 2018
Data Supply Inc.



〈Overview〉

I. Theme

[2017 version of MFP Market Forecast]

『The Future Prospects of the Office Equipment Industry in the Fast-paced Selection and Integration Process』

= Diminishing in-house manufacturing and a move toward OEM and EMS =

II. Abstract

Realignment of the office equipment industry never seems to slow down. Office equipment giant, Xerox Corporation merged with Fuji Xerox and will go under the umbrella of the Fujifilm Group. This move will probably further accelerate the industry reorganization.

On the other hand, a major printer vendor Hewlett-Packard also spun off in November 2016 and acquired the printer/MFP unit of Samsung Electronics to make it look like it's on its way to becoming a comprehensive office equipment manufacturer. But is this the real intention? Attention is also focused on the impact of HP's A3 linehead inkjet MFP launched to target office users.

Looking at Japanese manufacturers, Canon, Ricoh, Fujifilm (Fuji Xerox) and Konica Minolta, known as the top four market leaders, are shifting quickly to an industrial inkjet, medical, or some other new business from the laser copier/printer business for office use with the aim of improving the operations.

As Taiwanese Hon Hai acquired Sharp, Chinese manufacturer acquired Lexmark, moving to a next big move.

With this backdrop in mind, this year's report will make a detailed analysis through a comprehensive coverage of various manufacturers.

We'd be pleased if the 27th report could serve as many businesses as possible in any way.

Speed range of hardware devices

① PC (1-10ppm)
② Segment 1 (11-20)
③ Segment 2 (21-30)
④ Segment 3 (31-40)
⑤ Segment 4 (41-69)
⑥ Segment 5 (70-90)
⑦ Segment 6 (91 and up)

Regions

Japan
North America
Europe
China
Other regions

Color speeds are classified as monochrome speeds.

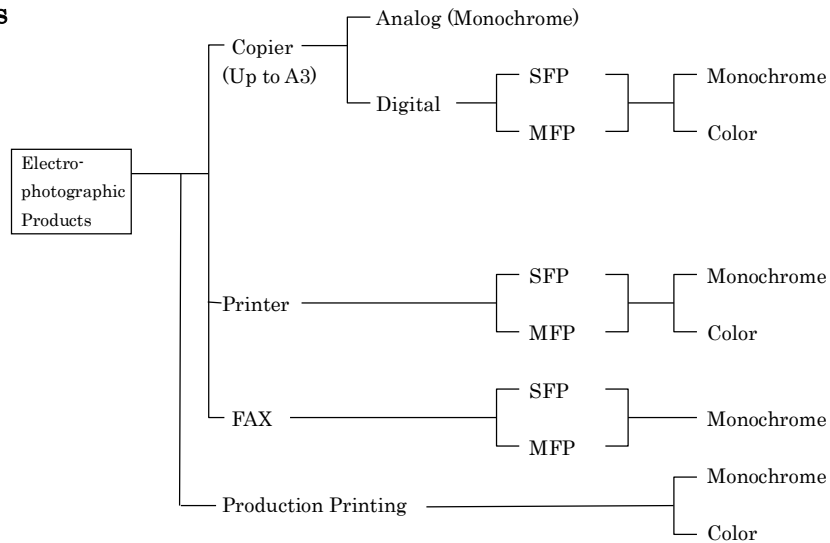
Scope of research on shipments of hardware devices

1. Shipments by engine manufacturers

- 1) Shipments by engine manufacturers (In-house brand / OEM supply)
- 2) Shipments of OEM-supplied devices

2. Shipments by major printer vendors

III. Research Items



IV. Target Makers

1. Major makers (vendors)

1) Copier makers (vendors)

Canon, Ricoh, Fuji Xerox, Xerox Corporation, Sharp, Toshiba TEC, Kyocera Document Solutions, Konica Minolta, HP (S-Printing Solution), Sindoh (South Korea)

2) Printer (laser/LED) makers (vendors)

Canon, Fuji Xerox, Xerox Corporation, Konica Minolta, Oki Data, Brother Industries, Kyocera Document Solutions, Ricoh, Lexmark, Seiko Epson, HP (S-Printing Solution), Dell, NEC, Fujitsu, Toshiba TEC, Sindoh (South Korea), Ninestar (China), Lenovo (China) and others

3) FAX makers (vendors)

Ricoh, Canon, Toshiba TEC, NEC, Panasonic, Brother Industries, Muratec, NTT East/West

4) Production printer makers (vendors)

Canon, Océ, Ricoh, Fuji Xerox, Konica Minolta

2. Related makers (vendors)

1) OEM makers 2) Major dealers (vendors) 3) Component/material makers

4) Other related partners

V. Research Period and Target Regions

1. Research period

Actual results between 2015 and 2016, and 2017 (estimates) through 2020 (forecasts)

2. Target regions

Regions are covered worldwide including Japan, North America, Europe, China, and elsewhere.

VI. Methodology

1. On-site and in-person interviews with makers

2. Analysis and review of open literatures, materials, statistics, and other sources

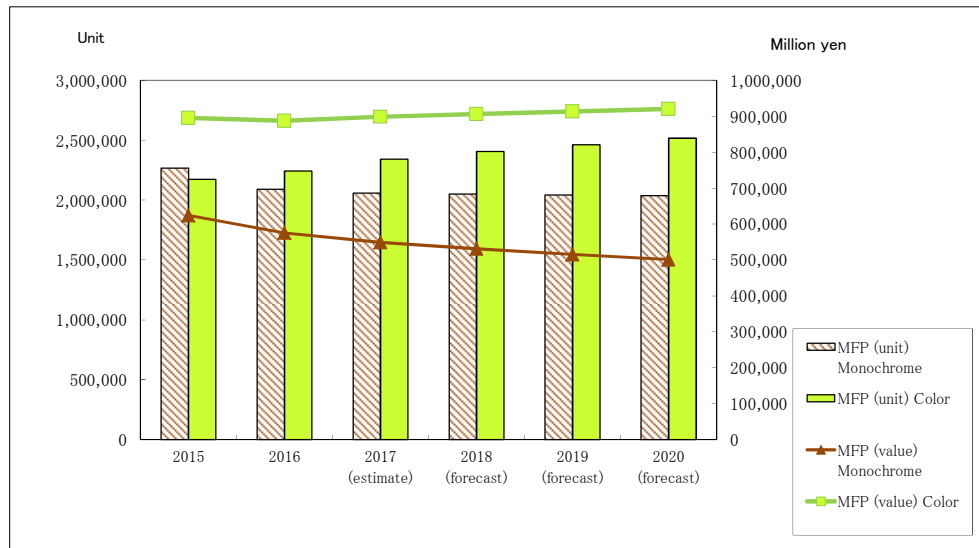
3. Analysis of Data Supply's own proprietary database

VII. Format and Report Preparation Period

1. Study format: Multi-client study
2. Report preparation period: October 2017 through December 2017
3. Publication date: **March 5, 2018**
4. Report format: A4 size/PDF format
5. Price: \$6,000- (for a full report)
 - 1) Comprehensive Analysis/Copier and MFP Market: \$3,500-
 - 2) Printer and MFP/Production Printer/FAX and MFP Market: \$3,500-
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7. How to Apply
Please send us an email with your name, company, department, and phone number provided to Data Supply Inc. at infods@datasupply.jp or researchers shown above.

Research highlights

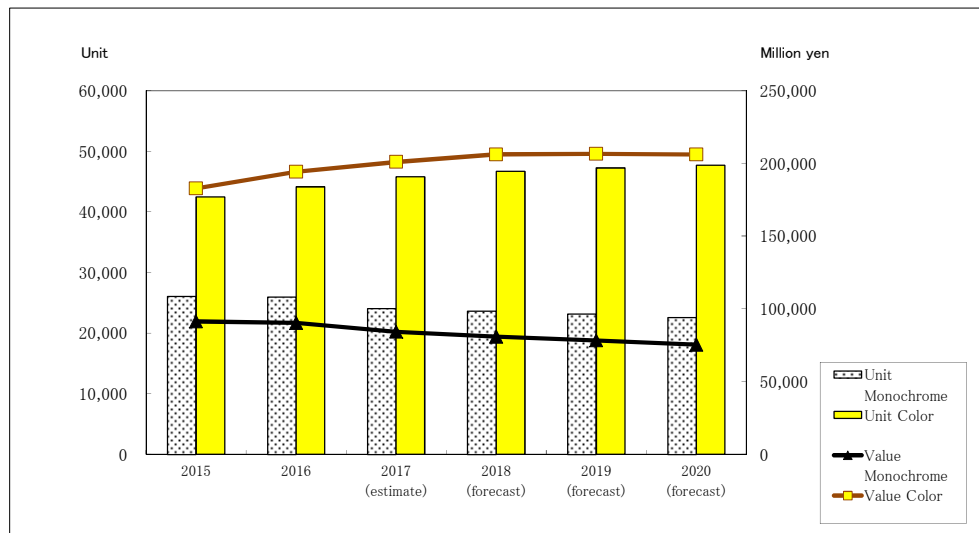
1. Office PPC (MFP) Market



Shipments of color devices were up 3% but failed to compensate for an 8% fall of shipments of monochrome devices in 2016, resulting to a decline by 2.4% in total. However, an increase in shipments of color devices will lead to an increase in total in 2017. This trend will continue after 2018.

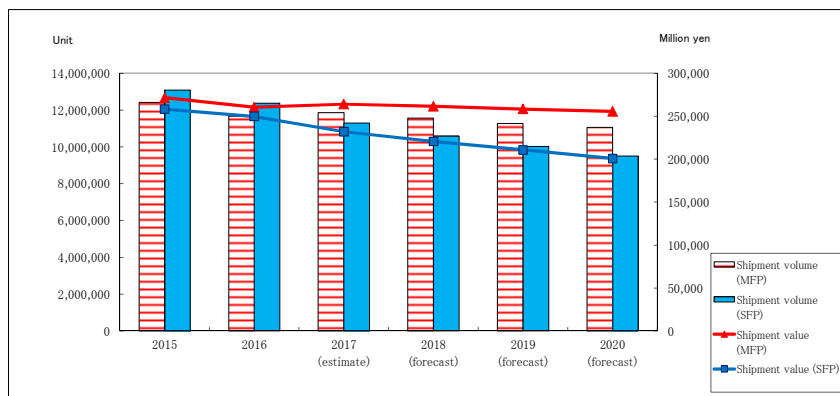
On the other hand, shipment value decreased in both monochrome and color devices in 2016. There'll be another slight decrease in 2017 and afterwards.

2. Production Printer (PP) Market



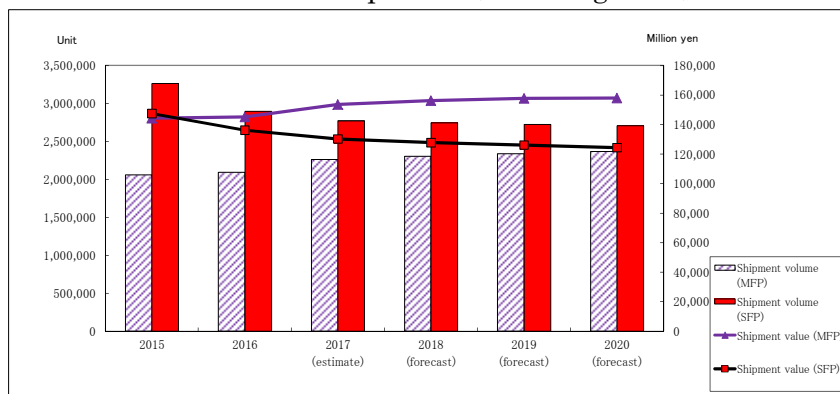
Shipments of production printers decreased slightly in the monochrome application, but they increased 4% in the color application in 2016, making the total shipments increase 2.3% from the previous year. In 2017, shipments of monochrome devices is decreasing, while those of color devices are increasing, resulting in a slight decrease in total. Shipments of color devices are growing as makers are launching new devices. There's a growing number of customers using production printers for professional applications such as designing and planning in their regular offices.

3. Shipment trend of monochrome laser/LED printer (including MFP)



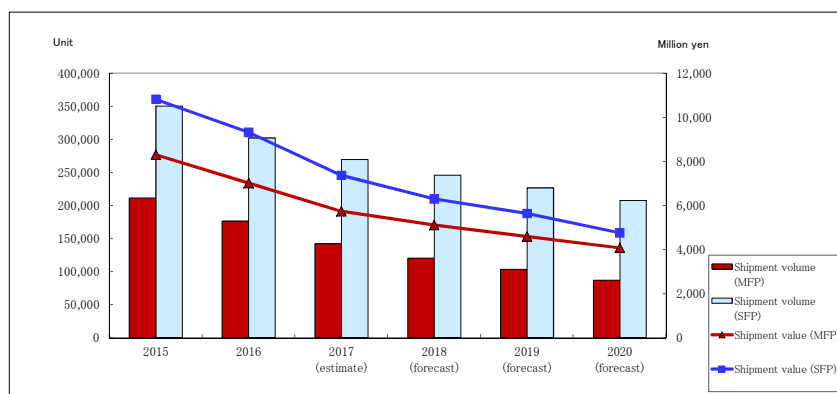
As in the previous year, shipments of monochrome printers continued to decline significantly in 2016. The same trend will continue in 2017, making shipments decrease to 880,000 units. The market will be too mature to increase shipments and the figure will inevitably decrease to around 900,000 each year.

4. Shipment trend of color laser/LED printer (including MFP)



Shipments of color printers were down about 6% in 2016. However, it's bottoming out and shipments will improve little by little in 2017 and afterwards.

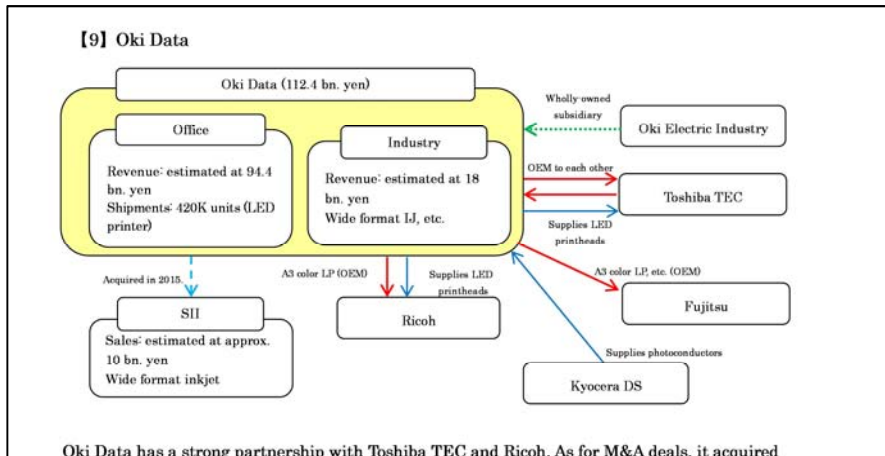
5. Shipment trend of FAX



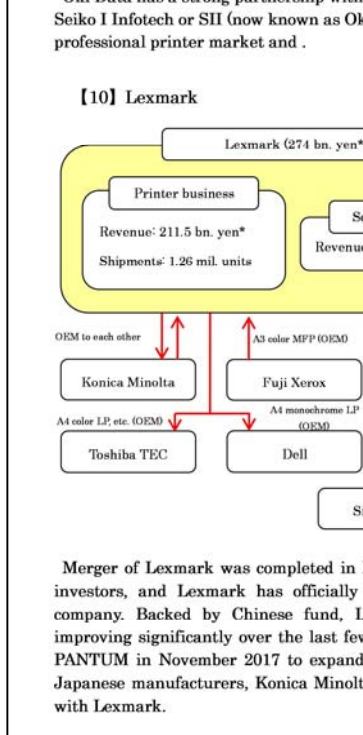
The fax market keeps shrinking with no sign of stopping. Giving and taking orders is becoming digital-based and only users handling security sensitive information on paper will use fax.

◆ Images of the content ◆

Extract from < Comprehensive Analysis >

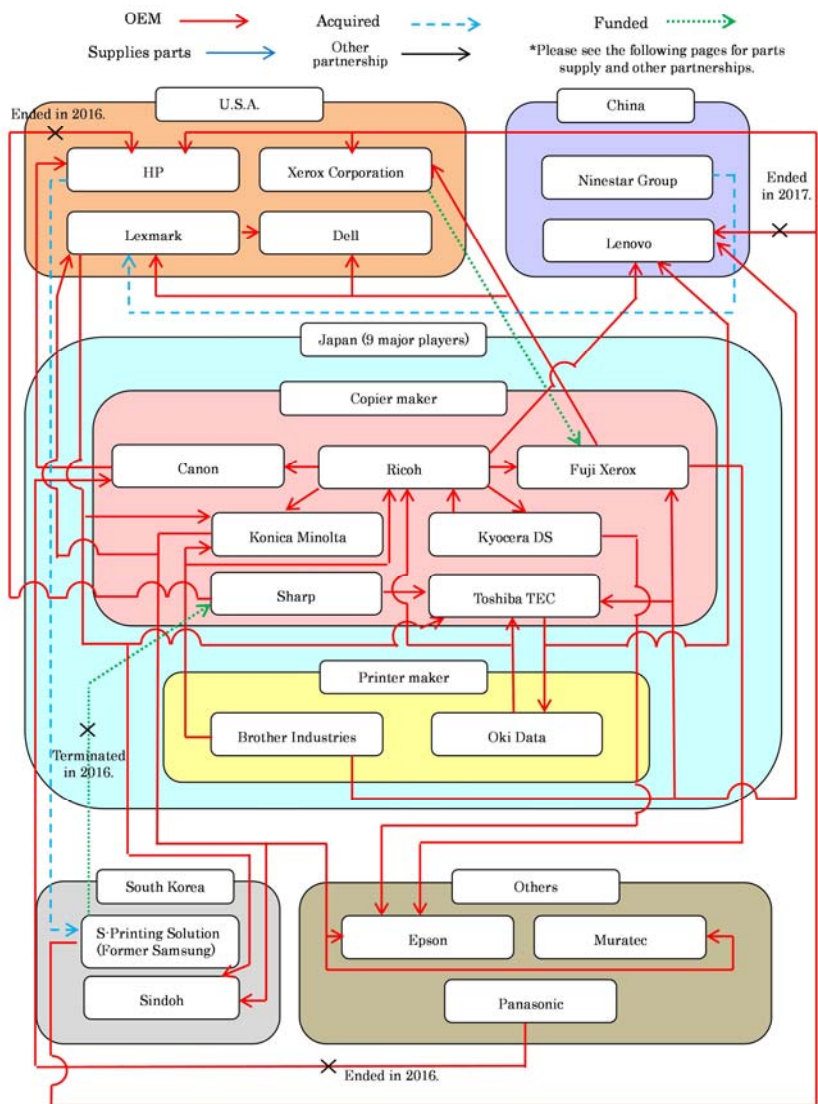


Oki Data has a strong partnership with Toshiba TEC and Ricoh. As for M&A deals, it acquired Seiko I Infotech or SII (now known as Oki) in the professional printer market and .



Merger of Lexmark was completed in 2016 with investors, and Lexmark has officially become a Chinese company. Backed by Chinese fund, Lexmark is improving significantly over the last few years. In November 2017 to expand its presence in Japan, Lexmark acquired Japanese manufacturers, Konica Minolta and Ricoh with Lexmark.

2. Flowchart of acquisitions, partnerships, and OEM relations among copier and printer makers
2-1. Flowchart of major worldwide makers



Extract from < PPC market >

*Charts are filled with numbers and comments in the full version.

6. Current sales rate of hardware and non-hardware products

	PPC		Printer		PP	
	Hardware	Non-hardware	Hardware	Non-hardware	Hardware	Non-hardware
Canon						
Ricoh						
Fuji Xerox						
Sharp						
Kyocera DS						
Toshiba TEC						
Konica Minolta						
HP (S-Printing Solution)						
Brother Industries						
Oki Data						
Casio Computer						
Lexmark (Ninestar Group)						

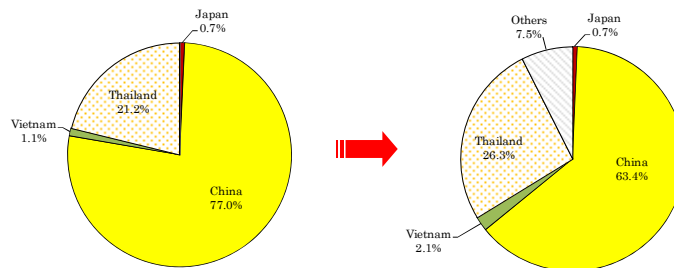
5. Changes in production volume (ratio) in Japan and overseas

5-1. Overall

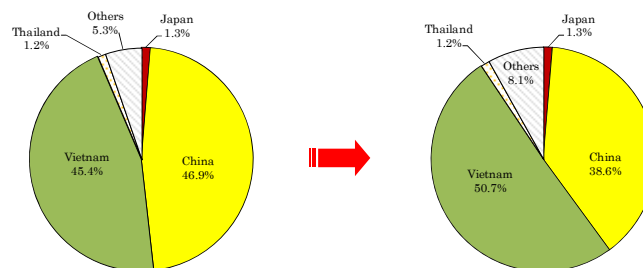
	2016						2020 (forecast)					
	Japan	Overseas				Total	Japan	Overseas				Total
		China	Vietnam	Thailand	Others			China	Vietnam	Thailand	Others	
PPC	0.7	77.0	1.1	21.2	0.0	100.0	0.7	63.4	2.1	26.3	7.5	100.0
Printer	1.3	46.9	45.4	1.2	5.3	100.0	1.3	38.6	50.7	1.2	8.1	100.0
FAX	0.0	34.8	41.1	0.2	23.9	100.0	0.0	22.6	62.5	0.0	14.9	100.0

*China is the center of production, but production volume mostly led by printers will be increasing in Thailand, Vietnam and other regions.

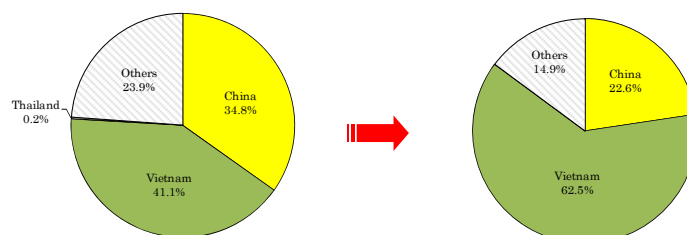
5-2. PPC (overall)



5-3. Printer (overall)



5-4. FAX (overall)



Extract from < PPC market >

*Charts are filled with numbers and comments in the full version.

8. Shipment volume / value of overall PPC (monochrome + color) by maker

1) Worldwide PPC market

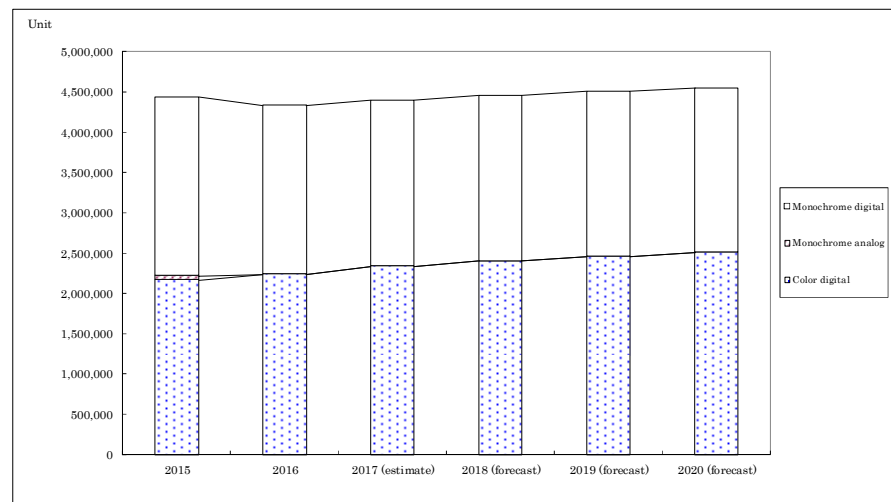
(1) Shipment volume

		Unit					
		2015	2016	2017 (estimate)	2018 (forecast)	2019 (forecast)	2020 (forecast)
		%	%	%	%	%	%
Canon	MFP						
	SFP						
	%						
Ricoh	MFP						
	SFP						
	%						
Fuji Xerox	MFP						
	SFP						
	%						
Sharp	MFP						
	SFP						
	%						
Kyocera Document Solutions	MFP						
	SFP						
	%						
Toshiba TEC	MFP						
	SFP						
	%						
Konica Minolta	MFP						
	SFP						
	%						
HP (S-Printing Solution)	MFP						
	SFP						
	%						
Sum total	%						

[B. PPC Market]
B-1. Data summary and analysis
1. Overall shipment volume

			Unit					
			2015	2016	2017 (estimate)	2018 (forecast)	2019 (forecast)	2020 (forecast)
			%	%	%	%	%	%
Monochrome	Digital	MFP						
		SFP						
	Digital Subtotal							
	Analog							
	Total		%					
Color	Digital	MFP						
		SFP						
	Total		%					
Sum total		%						

MFP: Multi Function Product
SFP: Single Function Product

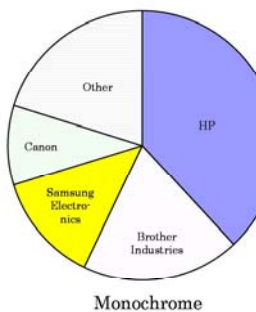


Extract from < Printer market >

*Charts are filled with numbers and comments in the full version.

9. Shipment volume by brand (2016)

Brand	Monochrome		Color		Total	
	Unit	%	Unit	%	Unit	%
HP						
Brother Industries						
Samsung Electronics						
Canon						
Kyocera Document Solutions						
Lexmark						
Fuji Xerox / Xerox Corporation						
Ricoh						
Lenovo						
Dell						
Oki Data						
Seiko Epson						
NEC						
Konica Minolta						
Fujitsu						
ToshibaTEC						
Other						
Total						



By brand, HP tops the market with the highest shipment volume, followed by Brother Industries and Samsung Electronics.

3. Shipment volume by region

1) 2016

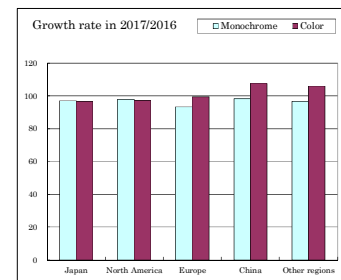
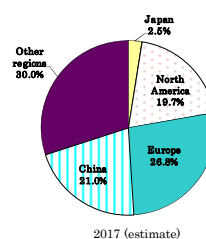
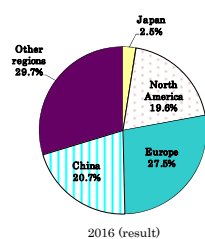
	2016 (result)										(Unit)	
	Japan	%	North America	%	Europe	%	China	%	Other regions	%	Total	%
Monochrome												
Color												
Sum total												

2) 2017

	2017 (estimate)										(Unit)	
	Japan	%	North America	%	Europe	%	China	%	Other regions	%	Total	%
Monochrome												
Color												
Sum total												

3) Growth rate in 2017/2016

	2017/2016						(%)	
	Japan	North America	Europe	China	Other regions	Total		
Monochrome								
Color								
Sum total								



Extract from < Production Printing Market >

*Charts are filled with numbers and comments in the full version.

C-3-2. Individual makers' trend
 [1] Fuji Xerox

1. Shipment of color devices by model (Japan and overseas)

1) Shipment volume

Year	2015		2016		2017 (estimate)		2018 (forecast)		2019 (forecast)		2020 (forecast)		Unit
		%		%		%		%		%		%	
1450GA/ 1257GA (Comprehensive layout)	Japan												
	Overseas												
	Total												
	%												
Versant 80/180/ DC5656P/DC7171P/ C60/C70 (Light)	Japan												
	Overseas												
	Total												
	%												
iGen 4/ iGen 150 Press/ iGen 5 150 Press (Heavy)	Japan												
	Overseas												
	Total												
	%												
Color 1000 Press/ 1000i Press/800 Press/ Versant 2100/3100/ Iridesse Production Press (Mid)	Japan												
	Overseas												
	Total												
	%												
Sum total	Japan												
	Overseas												
	Total												
	%												

2) Shipment value

Year	2015		2016		2017 (estimate)		2018 (forecast)		2019 (forecast)		2020 (forecast)		Unit
		%		%		%		%		%		%	
1450GA/ 1257GA (Comprehensive layout)	Japan												
	Overseas												
	Total												
	%												
Versant 80/180/ DC5656P/DC7171P/ C60/C70 (Light)	Japan												
	Overseas												
	Total												
	%												
iGen 4/ iGen 150 Press/ iGen 5 150 Press (Heavy)	Japan												
	Overseas												
	Total												
	%												
Color 1000 Press/ 1000i Press/800 Press/ Versant 2100/3100/ Iridesse Production Press (Mid)	Japan												
	Overseas												
	Total												
	%												
Sum total	Japan												
	Overseas												
	Total												
	%												

3. Shipment volume of Japanese makers' color production models by class (2015 to 2020)

1) Overall

Year	2015		2016		2017 (estimate)		2018 (forecast)		2019 (forecast)		2020 (forecast)		Unit
		%		%		%		%		%		%	
L	Japan												
	Overseas												
	Total												
	%												
M	Japan												
	Overseas												
	Total												
	%												
H	Japan												
	Overseas												
	Total												
	%												
Total	Japan												
	Overseas												
	Total												
	%												

①
 ②
 ③
 ④
 ⑤
 ⑥

① Light production printers are beginning to spread becoming more common. Shipments grew 104.1% in 2016 and 2017, with Fuji Xerox launching one,

② Shipments of mid-range production printers for 105.4% is expected in 2017 with the launch of new afterwards. Fuji Xerox and Konica Minolta launched

③ Fuji Xerox is the only maker in the heavy range followed by another expected growth by 102.8% year 2018 onward. A new model iGen5 150 Press was to the Japanese market in February 2016.

④ There were very few continuous-feed devices with Miyakoshi for the label market in the spring though they may be temporary. (please see the

Extract from < FAX market >

*Charts are filled with numbers and comments in the full version.

[D. FAX Market]

D-1. Data summary and analysis of FAX market

1. Overall shipment volume

		2015		2016		2017 (estimate)		2018 (forecast)		2019 (forecast)		2020 (forecast)	
		%		%		%		%		%		%	
Total	MFP												
	SFP												
	%												

Unit

2. Overall shipment value

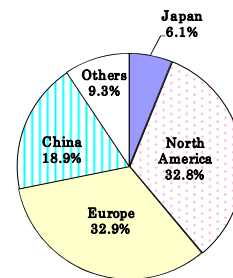
		2015		2016		2017 (estimate)		2018 (forecast)		2019 (forecast)		2020 (forecast)	
		%		%		%		%		%		%	
Total	MFP												
	SFP												
	%												

Million yen

3. Shipment volume by region

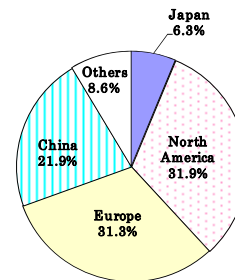
1) 2016

		2016 (result)					
		(unit)					
		Japan	North America	Europe	China	Others	Total
FAX							
	%						



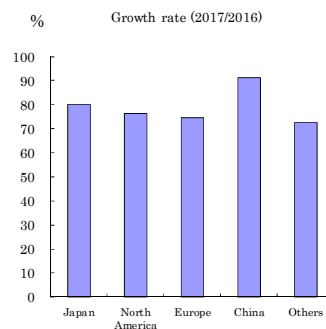
2) 2017

		2017 (estimate)					
		(unit)					
		Japan	North America	Europe	China	Others	Total
FAX							
	%						



3) Growth rate (2017/2016)

		2017/2016					
		%					
		Japan	North America	Europe	China	Others	Total
FAX							
	%						



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Overall shipment volume / Overall shipment value / Shipment volume by region / Production volume / Total shipment volume and value of PPC / Shipment volume and value of monochrome digital PPC (Japan and overseas) / Shipment volume and value of monochrome analog (Japan and overseas) / Shipment volume and value of color PPC (Japan and overseas) / Shipment volume of monochrome digital PPC by output size (Japan and overseas) / Shipment volume of monochrome analog PPC by output size (Japan and overseas) / Shipment volume of color PPC by output size (Japan and overseas) / Sales volume by model / Network support and mobile support ratio / Major OEM / Sales volume of in-house brand (in-house engine, OEM to each maker) and OEM supply / Changes in output volume / Trend of product development (launch of new products, overseas development, environmental friendliness, impact of inkjet devices) / Overall ratio of LED models and future trend / Sales channels (direct sales, sales company, sales dealer, mass retailer, mail/telephone-order, e-commerce) / Sales rate of hardware and non-hardware products (present and future)	
Canon / Ricoh / Fuji Xerox / Sharp / Kyocera Document Solutions / Toshiba TEC / Konica Minolta / HP (S-Printing Solution)	

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