

Briefing on FY2018/3 2nd Quarter Results**Main questions and answers**

Q: What are the details for increase and decrease of consolidated financial forecast for each segment, while consolidated financial forecast isn't unchanged?

A: Considering consolidated revenue for the first half of the fiscal year ending March 2018, revenue for the Imaging Solutions increases by 20.0 billion yen and revenue for the Document Solutions which revenue for the first half didn't reach its budget, decreases by 20.0 billion yen. Regarding the Information Solutions, revenue for cultivation of the cell culture medium business in Wako Pure Chemical Industries is rearranged from chemical business to regenerative medicine business. Regarding profits, the Imaging Solutions (+6.0 billion yen) including favorable digital camera business, and the Information Solutions (+5.0 billion yen) including favorable medical systems business cover a shortage in the Document Solutions (-12.0 billion yen).

Q: What are the backgrounds and scales for the additional provisions for doubtful receivables in the Document Solutions?

A: As one part of activities for strengthening governance by Fujifilm Holdings, we revaluated and account receivables in Fuji Xerox and its affiliates one-by-one and reconsidered it conservatively while consulting with accountants. As a result, we recorded around 6.0 billion yen in additional provisions for doubtful accounts and other accounting treatment.

Q: Are favorable sales for *instax* and Electronic Imaging business continuing?

A: We believe it's possible for both to continue their favorable sales in the fiscal year ending March 2018. The number of sales volume of *instax* cameras in the first half of the fiscal year ending March 2018 was 3 million units. The sales proceeded smoothly to the plan of this fiscal year of 7.5 million units. Sales of the Electronic Imaging also proceeded smoothly (YoY +40% both of 1Q and 2Q). Though we no longer pursue sales volume of digital cameras, the plan of sales volume in this fiscal year changed from 0.9 million units to 1.0 million units. Regarding profits in the business, the sales of high end products were favorable compared to the sales in the previous fiscal year and contributed to the sales and profits of the business.

Q: Regarding Japan Tissue Engineering Co., Ltd. (J-TEC), what is the forecast for the sales of *JACE*, which were favorable sales in the first half of the fiscal year ending March 2018?

A: J-TEC has high technical strength as you can see their achievement of getting first approval to selling regenerative medical products in Japan. Though their profits had been in red due to prior investment, they became profitable in the previous fiscal year. Owing to the solid operating base being readied, they will be able to expand sales of main products such as *JACE* and *JACK*. We are looking forward to the future of the company.