

Earnings of FY2018/3 3Q

FUJIFILM Holdings Corporation

Jan. 31, 2018

FORWARD-LOOKING STATEMENTS

Forward-looking statements, such as those relating to earnings forecasts and other projections contained in this material, are management's current assumptions and beliefs based on currently available information. Such forward-looking statements are subject to a number of risks, uncertainties, and other factors. Accordingly, actual results may differ materially from those projected due to various factors.

I would like to present FUJIFILM Holdings' financial results for the third quarter of the fiscal year ending March 2018.

Consolidated Performance for FY2018/3 3Q (Apr. 2017 – Dec. 2017)

	(Billions of yen)		Change		
	FY2017/3 3Q 9 Months	FY2018/3 3Q 9 Months		Influence of exchange rate	Currency- neutral basis
Revenue	1,692.3	1,809.7	117.4	54.8	62.6
	100.0%	100.0%	+6.9%		+3.7%
Operation income excluding one-time expenses	122.4	141.3	18.9	12.7	6.2
	+7.2%	7.8%	15.4%		+5.1%
One-time expenses including structural reform expenses	4.1	※ 12.7	8.6	0.0	8.6
Operating Income	118.3	128.6	10.3	12.7	(2.4)
	7.0%	7.1%	+8.7%		-2.0%
Income before Income Taxes	130.5	174.5	44.0	11.2	32.8
	7.7%	9.6%	+33.7%		+25.1%
Net Income Attributable to FUJIFILM Holdings	78.7	124.5	45.8	7.8	38.0
	4.7%	6.9%	+58.1%		+48.2%
Net Income Attributable to FUJIFILM Holdings per Share	¥176.57	¥284.49	¥107.92		
Exchange Rates	US\$/ ¥	¥107 ¥118	¥5 ¥11		

※ One-time expenses: 1H: ¥7.9 billion 3Q: ¥4.8 billion

(Other factors of change (YoY))

Operating income — Raw material prices: -¥5.3 billion

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Consolidated revenue for the third quarter of the fiscal year ending March 2018 totaled 1,809.7 billion yen, up 6.9% from the same period in the previous fiscal year, reflecting such factors as increased sales in electronic imaging, medical systems, and electronic materials businesses.

Operating income was 128.6 billion yen, up 8.7% year-on-year due to the improved profitability of each of our businesses.

One-time expenses, including structural reform expenses in Document Business, totaled 12.7 billion yen during nine months of fiscal year 2017. On an operating basis, which excludes this effect, it totaled 141.3 billion yen, up 15.4% from the same period in the fiscal year.

Income before income taxes came to 174.5 billion yen, up 33.7 % over the same period during the previous fiscal year as a result of profit gained from the stock valuation of Wako Pure Chemical Industries, Ltd. which became a consolidated subsidiary in April 2017. Net income attributable to FUJIFILM Holdings totaled 124.5 billion yen, up significantly 58.1% over the same period in the previous fiscal year.

Consolidated Revenue and Operating Income by Segments

(Billions of yen)

Revenue	9M		Change		Influence of exchange rate	Currency-neutral basis	
	FY2017/3	FY2018/3					
Imaging Solutions	257.5	297.7	40.2	(+15.6%)	14.4	25.8	(+10.0%)
Healthcare	260.6	309.1	48.5	(+18.6%)	8.9	39.6	(+15.2%)
Information Solutions	642.4	728.3	85.9	(+13.4%)	21.5	64.4	(+10.0%)
Document Solutions	792.4	783.7	(8.7)	(-1.1%)	18.9	(27.6)	(-3.5%)
Total	1,692.3	1,809.7	117.4	(+6.9%)	54.8	62.6	(+3.7%)

Note: After elimination of intersegment transaction.

(Billions of yen)

Operating Income	9M		Change		Influence of exchange rate	Currency-neutral basis	
	FY2017/3	FY2018/3					
Imaging Solutions	28.4	50.0	21.6	(+76.1%)	6.1	15.5	(+54.6%)
Healthcare	1.4	7.4	6.0	(5.0 times)	3.0	3.0	(3.0 times)
Information Solutions	55.7	61.2	5.5	(+9.8%)	6.0	(0.5)	(-1.0%)
Document Solutions	56.6	40.5	(16.1)	(-28.5%)	0.7	(16.8)	(-29.7%)
Corporate Expenses & Eliminations	(22.4)	(23.1)	(0.7)		(0.1)	(0.6)	
Total	118.3	128.6	10.3	(+8.7%)	12.7	(2.4)	(-2.0%)

Let's move on to consolidated revenue and segment-specific operating income.

Our Imaging Solutions segment recorded revenue of 297.7 billion yen, up 15.6% year-on-year.

Operating income totaled 50.0 billion yen, up 76.1% over the same period during the previous year.

The information Solutions segment recorded the revenue of 728.3 billion yen, up 13.4% year-on-year.

Operating income totaled 61.2 billion yen, up 9.8% over the same period during the previous year.

Within the Information Solutions segment, our healthcare business recorded revenue of 309.1 billion yen, up 18.6% year-on-year.

Operating income totaled 7.4 billion, up 5.0 times from the same period during the previous year.

Document Solutions recorded revenue of 783.7 billion yen, down 1.1% year-on-year.

Operating income totaled 40.5 billion yen, down 28.5% from the same period during the previous year.

Summary by Operating Segment

■ Imaging Solutions	(Billions of yen)				
	Revenue	YoY		Operating income	YoY
	297.7	40.2	(+15.6%)	50.0	21.6 (+76.1%)

- In the photo imaging business, sales were strong, particularly in Europe and the United States, for instant photo systems such as the *instax* series and *instax* films. *Wall Decor*, *Photobook* and other value-added printing businesses also enjoyed solid sales.
- In the electronic imaging business, revenue increased on strong sales of the X Series of mirrorless digital cameras, including the *FUJIFILM X-E3*, which was launched in September 2017, *FUJIFILM X-T20*, which was launched in February 2017 and the *FUJIFILM GFX 50S*, a medium format mirrorless digital camera equipped with a large sized sensor, as well as their accompanying interchangeable lenses.
- In the optical device business, sales increased, reflecting the strong sales of various industrial use and *MK lenses* as a series of cinema camera lenses. Its profitability was improved largely.

In the Imaging Solutions segment, sales rose and operating income significantly increased due to the significant rise in electronic imaging sales combined with strong sales in other businesses.

First, I would like to present the results for our Imaging Solutions segment.

In the photo imaging business, sales were strong, particularly in Europe and the United States, for instant photo systems such as the *instax* series and *instax* films. The *instax SP-3*, smartphone printer, which employs a square format, was released in November 2017. It offers a new photo printing method that will boost demand among smartphone users. *Wall Decor*, *Photobook* and other value-added printing businesses also enjoyed solid sales.

In the electronic imaging business, revenue increased on strong sales of mirrorless digital camera X Series, including the *FUJIFILM X-E3* which was launched in September 2017, the *FUJIFILM X-T20* and *FUJIFILM X100F*, which were launched in February 2017, and the *FUJIFILM GFX 50S*, a medium format mirrorless digital camera equipped with a large sized sensor, as well as their accompanying interchangeable lenses. Professional photographers and camera enthusiasts have given high praise to our proprietary technology, which produces impressive depictions reproducing brilliant colors that remain vivid in people's memories, and the extensive line-up of 31 lenses.

In the optical device business, sales increased, reflecting the strong performance of various industrial-use lenses such as those for vehicle cameras and projectors. The *MK lens* series was also launched, offering a new series of cinema camera lenses designed for the expanding market of online and related types of video recording.

In the Imaging Solutions segment, sales rose and operating income significantly increased largely year-on-year due to a significant rise in electronic imaging sales combined with strong sales in other businesses.

Summary by Operating Segment

Information Solutions

Revenue	YoY		Operating income	(Billions of yen) YoY	
	85.9	(+13.4%)		61.2	5.5
728.3					

- In the healthcare field, Fujifilm's medical systems business enjoyed brisk sales in high-growth areas such as In-vitro Diagnostic (IVD) systems and endoscopes. The Bio-CDMO business division saw favorable orders received for contract development and manufacture of biopharmaceuticals. In the pharmaceutical business, Fujifilm is steadily moving forward with development of our pipeline where we have decided to start clinical trials for *FF-10832* in the U.S. in 2018. Favorable sales by Japan Tissue Engineering Co., Ltd. contributed to sales in our regenerative medicine business.
- As for our highly functional materials, sales in the display materials business sales remained unchanged, which reflects a decline in sales of TAC products due to production adjustments and other effects while sales in new business fields related to organic EL and others remained strong. Among our industrial products, *EXCLEAR* sales delivered good results. In the electronic materials business, sales increased for advanced products as photo resists and peripheral materials related to photolithography. In the fine chemical business, sales increased of highly functional chemicals, such as polymerization initiator.
- In the recording media business, sales decreased due to the inventory adjustment of magnetic tape for data storage.
- In the graphic systems business, sales decreased due to a decline in total demand for graphic arts film, CTP plates and other products. Fujifilm's and Fuji Xerox's domestic sales functions for inkjet digital presses in delivering optimum products and solutions in the increasingly digitizing printing market. Sales have been solid in our inkjet business with strong sales of inks and industrial inkjet printheads.

In the Information Solutions segment, sales and operating income increased due to strong sales of medical systems, electronic materials, and improved profitability in each business.

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Next, as for our Information Solutions segment...

In the healthcare field, Fujifilm's medical systems business enjoyed brisk sales in high-growth areas such as In-vitro Diagnostic (IVD) systems and endoscopes.

The Bio-CDMO business division saw favorable orders received for contract development and manufacture of biopharmaceuticals. With the goal of further business expansion, Fujifilm set out to develop new production processes for biopharmaceuticals in the U.K. in September 2017, and started operating a new production site in the U.S. in January 2018. In addition, in November 2017, Fujifilm decided to bolster its investment in process development and production facilities in the U.S and U.K.

In the pharmaceutical business, Fujifilm is steadily moving forward with development of our pipeline where we have decided to start clinical trials for *FF-10832* in the U.S. in 2018.

Favorable sales by Japan Tissue Engineering Co., Ltd. contributed to sales in our regenerative medicine business.

In the life science business, revenue increased due to strong sales of skin whitening products, such as *ASTALIFT WHITE Bright Lotion*, as well as other products including *MetabARRIER S* which has been certified as a functional food.

As for our highly functional materials, sales in the display materials business remained mostly unchanged reflecting a decrease in sales of TAC products due to production adjustments in the second quarter but sales were strong in new business fields related to organic EL and other products.

Among our industrial products, *EXCLEAR* and *Prescale* sales delivered good results.

In the electronic materials business, sales increased for advanced products as photo resists and peripheral materials related to photolithography. As the semiconductor market expands, Fujifilm aims to achieve growth that exceeds the market rate with our extensive product line-up.

In the fine chemical business, sales increased for highly functional chemicals, such as polymerization initiator which is one of raw materials for high water absorption resin, used in daily necessities.

In the recording media business, sales decreased on account of adjustments made in our magnetic tape inventory for data storage.

In the graphic systems business, sales decreased due to a decline in total demand for graphic arts film, CTP plates and other products. Through a partnership with Xerox Corporation in North America, joint development with Heidelberg in Europe, as well as Fujifilm's and Fuji Xerox's integration of inkjet digital press sales functions in Japan, we will offer optimum products and solutions in the increasingly digitalized printing market.

Sales have been solid in our inkjet business with strong sales of inks and industrial inkjet printheads. Fujifilm plans to expand its sales not only in the existing fields but also into new areas including industrial printing applications for textiles and other materials.

In the Information Solutions segment, sales and operating income increased due to strong sales of medical systems and electronic materials, and improved profitability in each business.

Summary by Operating Segment

■ Document Solutions	Revenue		YoY		Operating income		YoY	
	(8.7)	(-1.1%)	40.5	(16.1)	(-28.5%)			
<p>(Billions of yen)</p> <p>783.7 (8.7) (-1.1%) 40.5 (16.1) (-28.5%)</p> <ul style="list-style-type: none"> In the office products and printers business, sales of multifunction devices in the office products segment decreased in Japan and Oceania, but were positive in China as were sales of new products for export to the United States and Europe, so that overall sales remained at the same level year-on-year. In the office printer business, both the number of units and sales fell in Japan, Asia and Oceania due to an upward shift in product mix. However, exports mainly of new products to Europe and the United States remained favorable in terms of both sales and the number of color printers sold. In the production services business, the number of units sold in Europe and the United States decreased, but sales in China continued to remain strong. Strong sales of the <i>Iridesse Production Press</i>, which was released in November 2017 and comes equipped with gold, silver and clear toners as well as other features, catering to needs to print catalogs, manuals, promotional materials and various other color printing requirements, were seen. In the solutions and services business, sales declined in Asia and Oceania, but there was a strong increase in sales of various solutions designed for specific industries in Japan. <p>In the Document Solutions segment, revenue decreased due to a decline in sales in Oceania and decline unit sales due to an upward shift in product mix. One-time expenses, decreased sales in Oceania as well as other factors lowered income.</p>								

Lastly, I would like to talk about the Document Solutions segment.

First, the office products category within our office products and printers business registered a decline in unit sales of multifunction devices in Japan and Oceania, but sales in China were positive as were sales of new products for export to the United States and Europe, so that the number of units sold overall was the same as the previous year. With respect to office printers, an upward shift in the product mix led to a decrease in both sales and units sold in Japan as well as Asia and Oceania, but color printer sales and units sold remained strong mainly for new products exported to Europe and the United States.

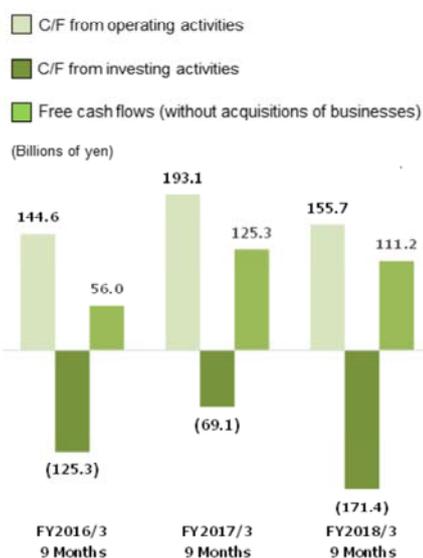
Production services business saw a decrease in units sold for export to Europe and the United States, but sales in China have continued to remain robust.

Strong sales were seen of the *Iridesse Production Press*, which was released in November 2017 and comes equipped with gold, silver and clear toners as well as other features, that cater to requirements for printing catalogs, manuals, promotional materials and various other color printing requirements, were seen.

Our solutions and services business dropped in sales in Asia and Oceania, but there was a strong increase in sales of various solutions designed for specific industries in Japan.

Revenue in the Document Solutions segment declined on a decrease in sales in Oceania and in unit sales due to an upward shift in product mix. Also, segment income fell due to negative foreign-exchange rate effects, the provision for repair services allocated in the first quarter, and the additional provision for doubtful accounts and other accounting treatment as a result of conservative revaluation of accounts receivable at the end of the second quarter. We will continue to strive to expand the solutions and services business as well as rebuild sales in Oceania. Also, we will enhance profitability through additional and accelerated cost reduction and cost improvement measures.

Cash Flows



(Billions of yen)

	FY2016/3 9 Months	FY2017/3 9 Months	FY2018/3 9 Months
Net income	92.5	89.6	133.9
Depreciation & amortization	90.7	89.6	95.3
Change in notes and accounts receivable	26.8	36.4	47.8
Change in inventories	(27.1)	(17.5)	(35.1)
Change in notes and accounts payable-trade	0.7	(9.0)	(30.6)
Others	(39.0)	4.0	(55.6)
C/F from operating activities	144.6	193.1	155.7
Capital expenditure	(46.2)	(55.5)	(48.4)
Purchases of software	(17.7)	(15.4)	(12.4)
Sales and purchases of marketable and investment securities	9.9	27.2	23.1
Acquisitions of businesses	(36.7)	(1.3)	(126.9)
Others	(34.6)	(24.1)	(6.8)
C/F from investing activities	(125.3)	(69.1)	(171.4)
Free cash flows	19.3	124.0	(15.7)
Free cash flows without acquisitions of businesses	56.0	125.3	111.2

Next, with regard to our cash-flow, net cash-flow from operations amounted to 155.7 billion yen due to the decrease of notes and accounts receivable as well as other factors.

Net cash-flow from investments amounted to a negative 171.4 billion yen due to our acquisition of Wako Pure Chemical Industries, Ltd. and other factors.

As a result, free cash flow was a negative 15.7 billion yen.



Earnings for FY2018/3 3Q

**Structural Reform of Fuji Xerox and
Consolidated Financial Forecast**

Structural Reform of Fuji Xerox

■ Aims of Structural Reform:

- Attaining a sturdy footing by improving profitability and productivity through implementation of fundamental structural reform in order to win out through the competition going forward and to realize further business growth.
- Aiming to achieve strong synergy by completing structural reforms of Fuji Xerox Co., Ltd (Fuji Xerox) with a view to business integration with Xerox Corporation.

■ Specific Measures:

- reorganization of the domestic and overseas sales structure
- closures and integrations of manufacturing bases and reorganization of the development structure
- revision of product lineups aimed at improved business profitability
- abolition and integration of head office functions and expansion of shared services
- compression of fixed assets

Cost reductions, including personnel reductions of 10,000 people domestically and overseas are expected to be 50.0 billion yen in the fiscal year ending March 2020.
Establish business base in new growth areas.

	FY2018/3	FY2019/3	FY2020/3	After FY2020/3
Structural reform expenses etc.	¥49.0 billion	¥17.0 billion	¥6.0 billion	-
Effect	-	¥25.0 billion	¥50.0 billion	¥50.0 billion

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The market environment surrounding the Document field has grown increasingly severe. In order to win out through the competition going forward and to realize further business growth, a fundamental structural reform will be implemented to attain a sturdy footing by improving profitability and productivity.

FUJIFILM Holdings aim to achieve strong synergy by completing structural reforms of Fuji Xerox Co., Ltd (Fuji Xerox) with a view to business integration with Xerox Corporation.

The specific measures of the structural reform are reorganization of the domestic and overseas sales structure, closures and integrations of manufacturing bases and reorganization of the development structure, revision of product lineups aimed at improved business profitability, abolition and integration of head office functions and expansion of shared services, and compression of fixed assets.

Cost reductions, including personnel reductions of 10,000 people domestically and overseas are expected to be 50.0 billion yen in the fiscal year ending March 2020. One-time expenses of 72 billion yen are also expected to be incurred over the three years from this fiscal year, such as expenses entailed by the structural reform.

Consolidated Financial Forecast for FY2018/3 (as of Jan. 31, 2018)

	FY2017/3	FY2018/3 (previous forecast)	FY2018/3	Change from previous forecast	Change from previous year
Revenue	2,322.2 100.0%	2,460.0 100.0%	2,460.0 100.0%	0.0 0.0%	137.8 +5.9%
Operating Income	172.3 7.4%	185.0 7.5%	130.0 5.3%	(55.0) -29.7%	-42.3 -24.5%
Income before Income Taxes	194.8 8.4%	200.0 8.1%	200.0 8.1%	0.0 0.0%	5.2 +2.7%
Net Income Attributable to	131.5 5.7%	125.0 5.1%	140.0 5.7%	15.0 12.0%	8.5 +6.5%
Net Income Attributable to FUJIFILM Holdings per Share	¥296.27	¥285.55	¥322.16	¥36.61	¥25.89
ROE	6.5%	6.0% or more	6.7%	-	0.2%
Exchange Rates US\$/¥	¥108	¥110	¥111	¥1	¥3
€/¥	¥119	¥123	¥129	¥6	¥10
Silver Price (/kg)	¥59,000	¥62,000	¥61,000	(¥1,000)	¥2,000

Operating income before deduction of one-time expenses	187.0
1H One-time expenses	8.0
2H One-time expenses including structural reform expenses	49.0
Operating income	130.0

Note: Impact of exchange rates movements on operating income (FY2018/3 full year) US\$/¥: ¥0.8 billion €/¥: ¥0.8 billion
Assumed currency exchange rates (4Q) US\$/¥: ¥110 €/¥: ¥130

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I would like to talk about the consolidated financial forecast for fiscal year ending March 2018.

No change have been made in the revenue of 2,460.0 billion yen, up 5.9% from the same period in the fiscal year.

It is expected to entail one-time expenses, including the expenses for such structural reform in Fuji Xerox, of approximately 49 billion yen in the second half of the fiscal year ending March 2018, and in light of the current performance of the information solutions and document solutions businesses, FUJIFILM Holdings has downwardly revised its forecast for operating income.

In Document Solutions segment, one-time charge, including the provision for repair services and doubtful accounts, of approximately 8.0 billion were recorded in the first half of the fiscal year ending March 2018. On an operating basis, excludes these one-time expenses, it totaled 187.0 billion yen.

FUJIFILM Holdings has also sold a portion of its stockholdings in pursuit of asset efficiency, and expected to result in the recording of a 49 billion gain on sale of investment securities in the second half, we project the income before income taxes to increase 2.7% to 200.0 billion.

As a result of factors such as decrease of the amount to be deducted as profit(loss) attributable to non-controlling interests, we upwardly revised its forecast for net income attributable to FUJIFILM Holdings to 140.0 billion, up 6.5% from the same period in the fiscal year. Net income attributable to FUJIFILM Holdings is forecast to be the highest in the history of the company.

There is no effect on the consolidated financial results for fiscal year ending March 2018 concerning the stock acquisition of Xerox Corporation and business integration of Fuji Xerox and Xerox Corporation as I explained before.

This concludes the discussion of structural reform in Fuji Xerox and revision of our financial forecast.



Earnings for FY2018/3 3Q

Activities for Strengthening Governance

Activities for Strengthening of Governance: Progress

A range of policy measures to strengthen corporate governance are currently being implemented across five corporate governance enhancement projects

The "Improvement Report," a compilation of specific enhancement policy measures, was released in December 2017

The FUJIFILM Holdings Committee for Strengthening Governance will continue to monitor and confirm the implementation status of these policy measures

Our initiatives for strengthening corporate governance continue to implement the policy measures which we reported in our second quarter earnings for the fiscal year ending March 2018. These policy measures are being implemented across five projects for enhancing management of group companies, accounting, auditing, compliance, and IT governance.

In addition, the specific details of these policy measures, progress made in each area and other details were compiled into the "Improvement Report," which was submitted to the Tokyo Stock Exchange on December 11, 2017.

The FUJIFILM holdings Committee for Strengthening Governance will continue to monitor and confirm the implementation status of these measures, and ensure that they are promoted.

Thank you for your attention.



Earnings for FY2018/3 3Q

Appendix

Analysis of Operation Income Change (Against FY2017/3 9Months)



Earnings for FY2018/3 3Q/9 Months

(Billions of yen)

	FY2017/3 3Q	FY2018/3 3Q	Change	FY2017/3 3Q 9 Months	FY2018/3 3Q 9 Months	Change
Revenue	578.7 100.0%	621.8 100.0%	43.1 +7.4%	1,692.3 100.0%	1,809.7 100.0%	117.4 +6.9%
Operation income excluding one-time expenses	50.9 8.8%	57.5 9.2%	6.6 +13.0%	122.4 +7.2%	141.3 7.8%	18.9 15.4%
One-time expenses including structural reform expenses	0.0	4.8	4.8	4.1	12.7	8.6
Operating Income	50.9 8.8%	52.7 8.5%	1.8 +3.4%	118.3 7.0%	128.6 7.1%	10.3 +8.7%
Income before Income Taxes	66.1 11.4%	74.3 12.0%	8.2 +12.4%	130.5 7.7%	174.5 9.6%	44.0 +33.7%
Net Income Attributable to FUJIFILM Holdings	44.3 7.7%	53.6 8.6%	9.3 +20.9%	78.7 4.7%	124.5 6.9%	45.8 +58.1%
Exchange Rates US\$/¥	¥110	¥113	¥3	¥107	¥112	¥5
Exchange Rates €/¥	¥118	¥133	¥15	¥118	¥129	¥11

(Other factors of change (3Q/9 Months YoY))

Operating income --- Raw material prices: -¥ 2.5 billion / - ¥ 5.3 billion

Earnings for FY2018/3 3Q/9 Months

(Billions of yen)

Revenue	3Q			9M		
	FY2017/3	FY2018/3	Change	FY2017/3	FY2018/3	Change
Imaging Solutions	103.2	122.9	19.7 (+19.1%)	257.5	297.7	40.2 (+15.6%)
Healthcare	90.1	108.3	18.2 (+20.4%)	260.6	309.1	48.5 (+18.6%)
Information Solutions	220.4	247.5	27.1 (+12.3%)	642.4	728.3	85.9 (+13.4%)
Document Solutions	255.1	251.4	(3.7) (-1.4%)	792.4	783.7	(8.7) (-1.1%)
Total	578.7	621.8	43.1 (+7.4%)	1,692.3	1,809.7	117.4 (+6.9%)

Note: After elimination of intersegment transaction.

(Billions of yen)

Operating Income [Operating Margin]	3Q			9M		
	FY2017/3	FY2018/3	Change	FY2017/3	FY2018/3	Change
Imaging Solutions	19.2 [18.5%]	26.1 [21.3%]	6.9 (+36.1%)	28.4 [11.1%]	50.0 [16.8%]	21.6 (+76.1%)
Healthcare	1.0 [1.2%]	5.5 [5.1%]	4.5 (5.1 times)	1.4 [0.6%]	7.4 [2.4%]	6.0 (5.0 times)
Information Solutions	23.0 [10.5%]	23.2 [9.4%]	0.2 (+0.8%)	55.7 [8.7%]	61.2 [8.4%]	5.5 (+9.8%)
Document Solutions	16.1 [6.3%]	11.4 [4.5%]	(4.7) (-29.4%)	56.6 [7.1%]	40.5 [5.2%]	(16.1) (-28.5%)
Corporate Expenses & Eliminations	(7.4)	(8.0)	(0.6)	(22.4)	(23.1)	(0.7)
Total	50.9 [8.8%]	52.7 [8.5%]	1.8 (+3.4%)	118.3 [7.0%]	128.6 [7.1%]	10.3 (+8.7%)

FY2018/3 3Q (3 Months) Performance by Operating Segment

■ Imaging Solutions

- In the photo imaging business, sales were strong due to year-end sales, especially in Europe and the United States, for instant photo systems such as the *instax* series and *instax* films.
- In the electronic imaging business, sales have been favorable of the *FUJIFILM GFX 50S*, a medium format mirrorless digital camera equipped with a large sized sensor, which was released in February 2017, and mirrorless digital cameras, including the *FUJIFILM X-E3* which was launched in September 2017, as well as their accompanying interchangeable lenses have been favorable.

■ Information Solutions

- In the healthcare field, Fujifilm's medical systems business enjoyed brisk sales in high-growth areas such as In-vitro Diagnostic (IVD) systems and endoscopes. The Bio-CDMO business division saw favorable orders received for development and manufacture of biopharmaceuticals. In the pharmaceutical business, Fujifilm acquired an equity stake in EdiGene, a drug discovery startup, and signed a joint research agreement to discover gene therapy drugs.
- As for our highly functional materials, sales of new business fields related to organic EL and others were strong. Among our industrial products, *EXCLEAR* sales delivered good results. In the electronic materials business, sales increased of advanced products related to photolithography materials.

■ Document Solutions

- Although revenue decreased due to a decline in Oceania region, sales were positive in China as well as sales for export to Europe and the United States. Strong sales were seen of the *Iridesse Production Press*, which was released in November 2017.
- Operating income decreased on account of a decrease in sales due to a decline in gross profit and other one-time expenses.

Earnings for FY2018/3 3Q/9 Months

■ Imaging Solutions

(Billions of yen)

Revenue	3Q					9M				
	FY2017/3	FY2018/3	Change	Currency-neutral basis		FY2017/3	FY2018/3	Change	Currency-neutral basis	
Photo Imaging	76.2	88.4	12.2 (+16.1%)	7.9 (+10.4%)		182.9	200.8	17.9 (+9.8%)	8.3 (+4.6%)	
Electronic Imaging	17.7	24.6	6.9 (+39.0%)	5.4 (+30.8%)		48.7	68.3	19.6 (+40.3%)	16.0 (+33.0%)	
Optical Devices	9.3	9.9	0.6 (+6.1%)	0.2 (+1.3%)		25.9	28.6	2.7 (+10.7%)	1.5 (+5.9%)	
Optical Device & Electronic Imaging Products	27.0	34.5	7.5 (+27.7%)	5.6 (+20.6%)		74.6	96.9	22.3 (+30.0%)	17.5 (+23.6%)	
Total	103.2	122.9	19.7 (+19.1%)	13.5 (+13.1%)		257.5	297.7	40.2 (+15.6%)	25.8 (+10.0%)	

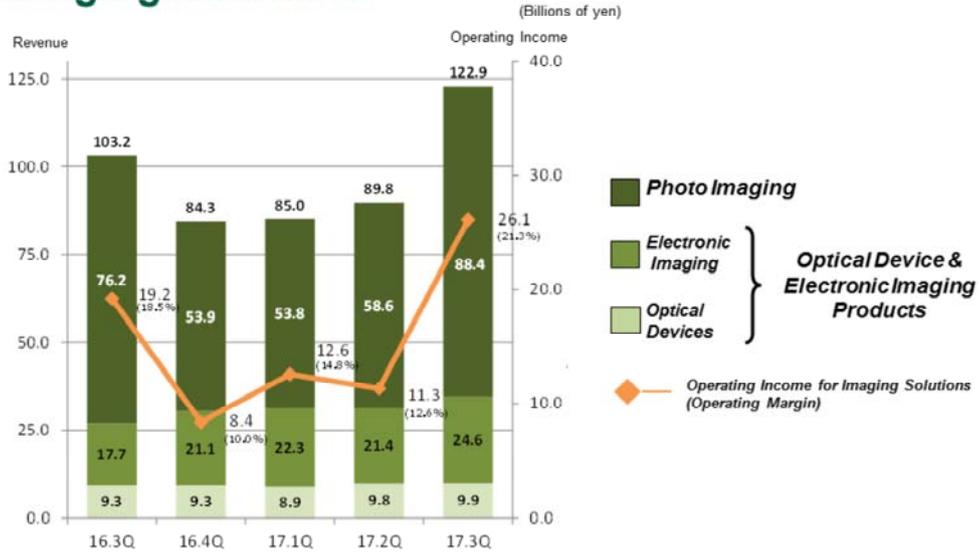
Note: After elimination of intersegment transaction.

(Billions of yen)

Operating Income [Operating Margin]	3Q					9M				
	FY2017/3	FY2018/3	Change	Currency-neutral basis		FY2017/3	FY2018/3	Change	Currency-neutral basis	
Imaging Solutions	19.2 [18.5%]	26.1 [21.3%]	6.9 (+36.1%)	4.3 (+22.4%)		28.4 [11.1%]	50.0 [16.6%]	21.6 (+76.1%)	15.5 (+54.6%)	

Change in Quarterly Earnings by Operating Segment

■ Imaging Solutions



Earnings for FY2018/3 3Q/9 Months

Information Solutions

(Billions of yen)

Revenue	3Q				9M							
	FY2017/3	FY2018/3	Change		FY2017/3	FY2018/3	Change					
				Currency-neutral basis				Currency-neutral basis				
Healthcare	90.1	108.3	18.2	(+20.4%)	14.5	(+16.3%)	260.6	309.1	48.5	(+18.6%)	39.6	(+15.2%)
Display Materials	27.3	26.1	(1.2)	(-4.4%)	(1.2)	(-4.4%)	75.8	73.1	(2.7)	(-3.6%)	(2.7)	(-3.6%)
Industrial Products Electronic Materials Fine Chemical	28.9	43.4	14.5	(+50.3%)	13.2	(+45.9%)	80.7	128.4	47.7	(+59.3%)	43.5	(+54.0%)
Highly Functional Materials	56.2	69.5	13.3	(+23.7%)	12.0	(+21.5%)	156.5	201.5	45.0	(+28.9%)	40.8	(+26.1%)
Recording Media	12.8	8.3	(4.5)	(-35.8%)	(4.8)	(-37.7%)	34.5	30.4	(4.1)	(-12.1%)	(5.5)	(-16.0%)
Graphic Systems/Inkjet	61.0	61.1	0.1	(+0.2%)	(2.3)	(-4.1%)	188.2	186.7	(1.5)	(-0.9%)	(8.5)	(-4.6%)
Others	0.3	0.3	0.0		0.0		2.6	0.6	(2.0)	(-77.0%)	(2.0)	(-77.0%)
Total	220.4	247.5	27.1	(+12.3%)	19.4	(+8.8%)	642.4	728.3	85.9	(+13.4%)	64.4	(+10.0%)

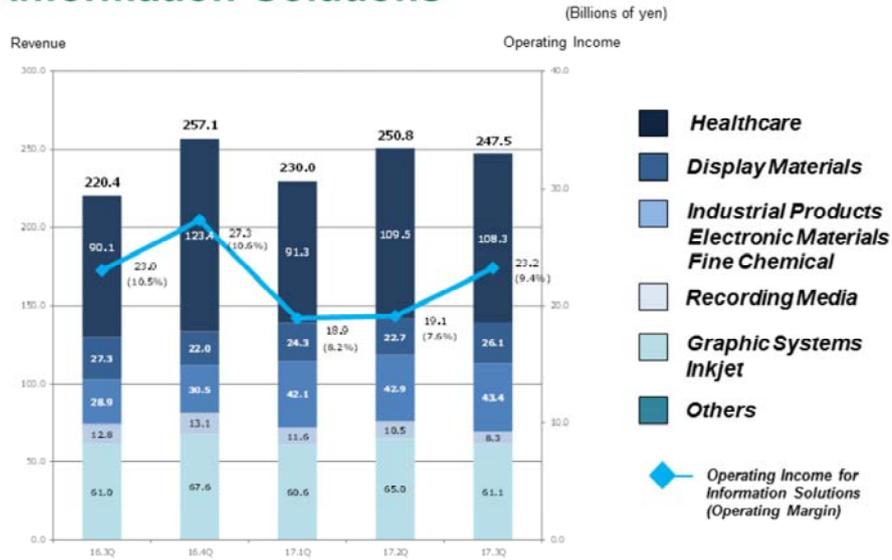
Note: After elimination of intersegment transaction.

(Billions of yen)

Operating Income (Operating Margin)	3Q				9M							
	FY2017/3	FY2018/3	Change		FY2017/3	FY2018/3	Change					
				Currency-neutral basis				Currency-neutral basis				
Healthcare	1.0	5.5	4.5	(5.1 times)	2.7	(3.4 times)	1.4	7.4	6.0	(5.0 times)	3.0	(3.0 times)
	[1.2%]	[5.1%]					[0.6%]	[2.4%]				
Information Solutions	23.0	23.2	0.2	(+0.8%)	(2.0)	(-8.9%)	55.7	61.2	5.5	(+9.8%)	(0.5)	(-1.0%)
	[10.5%]	[9.4%]					[8.7%]	[8.4%]				

Change in Quarterly Earnings by Operating Segment

Information Solutions



Earnings for FY2018/3 3Q/9 Months

Document Solutions

(Billions of yen)

Revenue	3Q						9M					
	FY2017/3	FY2018/3	Change		Currency-neutral basis		FY2017/3	FY2018/3	Change		Currency-neutral basis	
Office Printers	38.5	34.3	(4.2)	(-10.9%)	(5.8)	(-15.2%)	119.6	112.0	(7.6)	(-6.3%)	(11.2)	(-9.3%)
Office Products & Printers	149.3	146.1	(3.2)	(-2.1%)	(7.5)	(-5.0%)	463.2	456.6	(6.6)	(-1.4%)	(16.3)	(-3.5%)
Production Services	32.2	30.9	(1.3)	(-4.0%)	(2.3)	(-7.2%)	99.9	98.1	(1.8)	(-1.8%)	(4.0)	(-4.0%)
Solutions & Services	59.1	62.9	3.8	(+6.4%)	1.0	(+1.6%)	187.6	191.3	3.7	(+2.0%)	(1.2)	(-0.6%)
Others	14.5	11.5	(3.0)	(-20.4%)	(5.0)		41.7	37.7	(4.0)	(-9.4%)	(6.1)	
Total	255.1	251.4	(3.7)	(-1.4%)	(13.8)	(-5.4%)	792.4	783.7	(8.7)	(-1.1%)	(27.6)	(-3.5%)

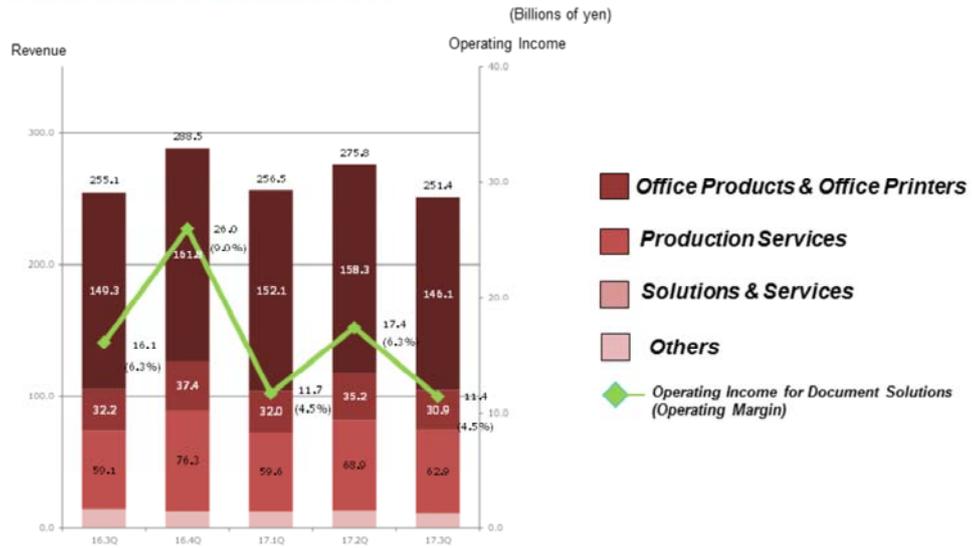
Note: After elimination of intersegment transaction.

(Billions of yen)

Operating Income [Operating Margin]	3Q						9M					
	FY2017/3	FY2018/3	Change		Currency-neutral basis		FY2017/3	FY2018/3	Change		Currency-neutral basis	
Document Solutions	16.1 [6.3%]	11.4 [4.9%]	(4.7)	(-29.4%)	(7.8)	(-48.6%)	56.6 [7.1%]	40.5 [5.2%]	(16.1)	(-28.5%)	(16.8)	(-29.7%)

Change in Quarterly Earnings by Operating Segment

Document Solutions



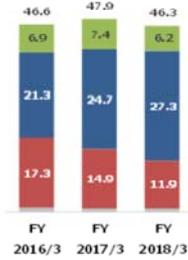
Revenue from Domestic and Overseas

(Billions of yen)

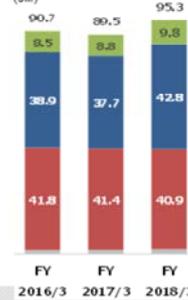
	FY2017/3 9 Months		FY2018/3 9 Months		Change	
	Ratio (%)		Ratio (%)			
Domestic	40.8%	691.2	40.5%	733.5	42.3	(+6.1%)
The Americas	19.8%	335.5	19.6%	354.1	18.6	(+5.6%)
Europe	11.8%	199.9	12.9%	233.1	33.2	(+16.6%)
China	11.9%	200.6	12.4%	224.2	23.6	(+11.7%)
Asia and others	27.5%	465.7	27.0%	489.0	23.3	(+5.0%)
Overseas	59.2%	1,001.1	59.5%	1,076.2	75.1	(+7.5%)
Consolidated total	100.0%	1,692.3	100.0%	1,809.7	117.4	(+6.9%)

Capital Expenditure , Depreciation & Amortization

Capital Expenditure (9M)



Depreciation & Amortization (9M)



(Billions of yen)

	3Q			9 Months			Full year		
	FY 2016/3	FY 2017/3	FY 2018/3	FY 2016/3	FY 2017/3	FY 2018/3	FY 2016/3	FY 2017/3	FY2018/3 (forecast)
Imaging	2.0	2.2	2.4	6.9	7.4	6.2	10.2	10.3	
Information	8.3	7.1	10.2	21.3	24.7	27.3	39.3	40.1	
Document	7.3	4.6	3.7	17.3	14.9	11.9	23.3	20.0	
Corporate	0.5	0.4	0.4	1.1	0.9	0.9	1.3	1.4	
Capex *	18.1	14.3	16.7	46.6	47.9	46.3	74.1	71.8	80.0
Imaging	2.8	3.0	3.3	8.5	8.8	9.8	12.9	11.1	
Information	13.3	13.0	14.6	38.9	37.7	42.8	52.0	49.1	
Document	14.9	13.9	15.3	41.8	41.4	40.9	58.1	55.3	
Corporate	0.5	0.6	0.5	1.5	1.6	1.8	2.0	2.1	
Depreciation & Amortization	31.5	30.5	33.7	90.7	89.5	95.3	125.0	117.6	110.0
Depreciation*	16.6	14.8	16.6	47.3	43.7	49.4	65.8	58.9	

*Note: Figures do not include amounts for rental equipment handled by the Document Solutions segment and others.

■ Corporates ■ Document
■ Information ■ Imaging

R&D Expenses, SG&A Expenses

R&D Expenses (9M)



FY2017/3 FY2018/3

- Imaging
- Information
- Document
- Corporates

(Billions of yen)

	3Q		9 Months		Full year	
	FY2017/3	FY2018/3	FY2017/3	FY2018/3	FY2017/3	FY2018/3 (forecast)
Imaging	1.8	2.3	6.1	6.3	8.2	
Information	16.3	16.7	48.3	51.0	66.2	
Document	14.9	13.3	47.5	41.3	61.5	
Corporate	6.0	6.2	18.1	18.3	24.3	
R&D Expenses	39.0	38.5	120.0	116.9	160.2	166.0
<ratio to revenue>	6.7%	6.2%	7.1%	6.5%	6.9%	6.7%
SG&A Expenses	146.5	164.0	446.5	483.0	598.1	
<ratio to revenue>	25.3%	26.3%	26.4%	26.7%	25.8%	

Exchange rates, Raw Material Prices, and Number of Employees

Exchange Rates

(yen)

	FY2017/3						FY2018/3				
	1Q	2Q	3Q	9 Months	4Q	Full year	1Q	2Q	3Q	9 Months	Full year (breacast)
US\$/¥	108	102	110	107	114	108	111	111	113	112	111
€/¥	122	114	118	118	121	119	122	130	133	129	129

Raw Material Prices (Average)

(¥1,000/kg)

	FY2017/3						FY2018/3				
	1Q	2Q	3Q	9 Months	4Q	Full year	1Q	2Q	3Q	9 Months	Full year (breacast)
Silver	57	63	59	59	63	59	63	60	61	61	61

Number of Employees

	2016.Dec	2017.Mar	2017.Jun	2017.Sep	2017.Dec
Consolidated Total	78,665	78,501	80,672	80,315	80,067

Amendment to FY2017/3 3Q/9 Months Financial Results

(Billions of yen)

	Original FY2017/3 3Q	Amended FY2017/3 3Q	Change	Original FY2017/3 9M	Amended FY2017/3 9M	Change
Revenue	582.0 100.0%	578.7 100.0%	(3.3)	1,702.9 100.0%	1,692.3 100.0%	(10.6)
Operating Income	50.6 8.7%	50.9 8.8%	0.3	114.1 6.7%	118.3 7.0%	4.2
Income before Income Taxes	65.6 11.3%	66.1 11.4%	0.5	126.2 7.4%	130.5 7.7%	4.3
Net Income Attributable to FUJIFILM Holdings	43.4 7.5%	44.3 7.7%	0.9	76.9 4.5%	78.7 4.7%	1.8
Exchange Rates	US\$/ ¥110	¥110		¥107	¥107	
	€/	¥118		¥118	¥118	

**Consolidated Financial Forecast for FY2018/3 by Segments
(as of Jan. 31, 2018)**

(Billions of yen)

Revenue	FY2017/3	FY2018/3 (Previous forecast)	FY2018/3 (Latest revised forecast)	Change from previous forecast	Change from previous year
Imaging Solutions	341.8	370.0	380.0	10.0	38.2 (+11.2%)
Healthcare	384.0	445.0	445.0	0.0	61.0 (+15.9%)
Information Solutions	899.5	1,010.0	1,010.0	0.0	110.5 (+12.3%)
Document Solutions	1,080.9	1,080.0	1,070.0	(10.0)	(10.9) (-1.0%)
Total	2,322.2	2,460.0	2,460.0	0.0	137.8 (+5.9%)

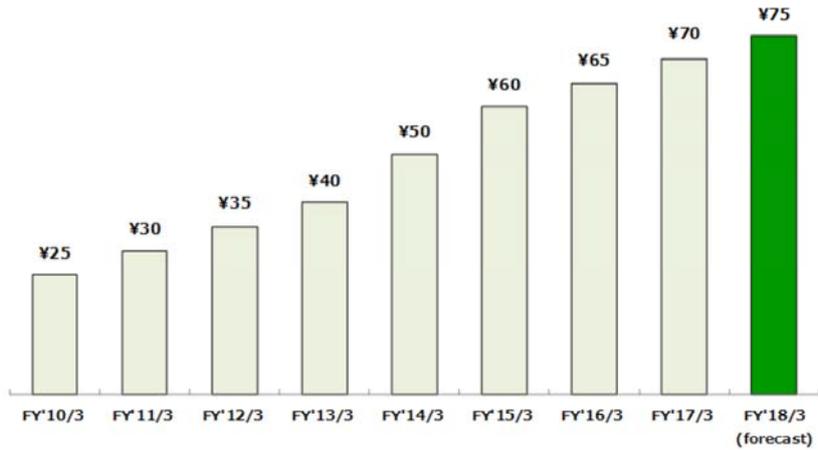
Note: After elimination of intersegment transaction.

Operating Income	FY2017/3	FY2018/3 (Previous forecast)	FY2018/3 (Latest revised forecast)	Change from previous forecast	Change from previous year
Imaging Solutions	36.8	49.0	54.0	5.0	17.2 (+46.6%)
Healthcare	12.4	20.0	19.0	-1.0	6.6 (+53.2%)
Information Solutions	83.0	93.0	88.0	-5.0	5.0 (+6.1%)
Document Solutions	82.7	74.0	19.0	(55.0)	(63.7) (-77.0%)
Corporate Expenses & Eliminations	(30.2)	(31.0)	(31.0)	0.0	(0.8)
Total	172.3	185.0	130.0	(55.0)	(42.3) (-24.5%)

Shareholder Returns

■ Dividend

Dividend for FY2018/3 is planned ¥75 per share, increased ¥5 from previous fiscal year. The dividend increase will be the 8 consecutive years.



Pipeline (as of Jan. 31, 2018)

Development code	Therapeutic category	Formulation	Region	Development stage
T-705	Anti-influenza drug	Oral	Japan	Approved
			U.S.A.	pIII
T-3811	Quinolone synthetic antibacterial drug	Oral	China	Submitted an application for permission
T-2307	Antifungal drug	Injection	U.S.A.	P I completed
T-817MA	Alzheimer's disease drug	Oral	U.S.A.	P II completed
			Japan	P II completed
T-4288	New fluoroketolide antibacterial drug	Oral	Japan	pIII
ITK-1	Castration-resistant prostate cancer drug	Injection	Japan	pIII
FF-10501	Relapsed or Refractory myelodysplastic syndrome drug	Oral	Japan	P I completed
			U.S.A.	pIII
FF-10502	Advanced/recurrent pancreatic/ovarian cancer drug	Injection	U.S.A.	P I
			Europe /Japan	Preparing for P I
FF-21101	Bio Advanced/recurrent solid cancer drug (armed antibody)	Injection	U.S.A.	P I
			Japan	Preparing for P I
F-1311	Diagnostic drug for prostate cancer (Radiopharmaceuticals)	Injection	Japan	P II completed
FF-10101	Acute Myeloid Leukemia (AML) drug	Oral	U.S.A.	P I
F-1515	neuroendocrine carcinoma drug (Radiopharmaceuticals)	injection	Japan	P I
FF-10102	Autoimmune disease drug	Oral	U.S.A. Europe /Japan	Non clinical trial
FF-10832	Advanced solid cancer drug (Gemcitabine liposome)	Injection	U.S.A.	Non clinical trial

Note: FKB327 (a biosimilar of adalimumab) of FUJIFILM KYOWA KRIN Biologics (FKB), an equity method affiliated company, is filed in EU.

FKB238 (a biosimilar of bevacizumab) of JV between FKB and AstraZeneca is under phase III clinical trial in U.S.A., Europe, and others.

Appendix

FUJIFILM Holdings – Investor Relations

<http://www.fujifilmholdings.com/en/investors/index.html>

FUJIFILM Holdings Integrated Report 2017

http://www.fujifilmholdings.com/en/investors/ir_library/integrated_reports/index.html

IR Events Materials

http://www.fujifilmholdings.com/en/investors/ir_events/business_presentations/index.html

- Business presentation materials
- May. 2016 Presentation of Document Solutions
- Dec. 2016 Business Presentation for Pharmaceuticals/Regenerative Medicine Business
- Mar. 2017 Business Presentation for Electronic Materials Business

What Kind of Company is Fujifilm?

<http://www.fujifilmholdings.com/en/investors/guidance/index.html>

FUJIFILM

Value from Innovation

At Fujifilm, we are continuously innovating — creating new technologies, products and services that inspire and excite people everywhere.

Our goal is to empower the potential and expand the horizons of tomorrow's businesses and lifestyles.

FUJIFILM Holdings Corporation

Corporate Communication Office, Corporate Planning Div.

<http://www.fujifilmholdings.com/en/index.html>